

THE FOUNDATION

GRAMEEN CRÉDIT AGRICOLE



INTEGRATED ANNUAL REPORT **2016**

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Working towards an inclusive finance

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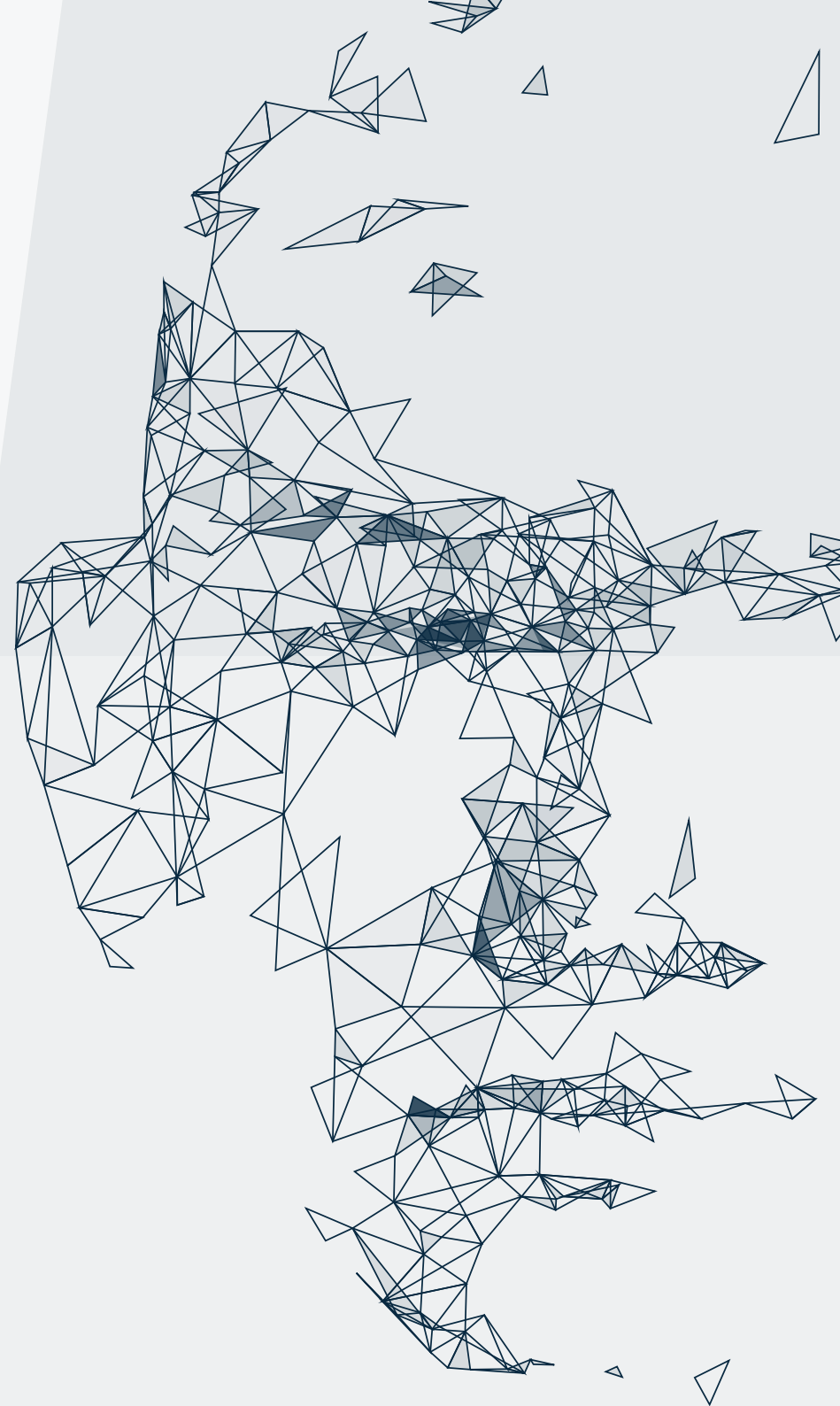
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FOREWORD



Jean-Marie
SANDER

Chairman

Éric
CAMPOS

Managing Director

Promoting inclusive finance

Finance is inclusive when working for everyone's welfare by promoting the development of territories, social integration, sustainable development, the protection of client's interests, economic development which will generate employment and value, as well as innovation and entrepreneurship. It is also a finance that accounts, with transparency and loyalty, on the use, context and impact. It generates its own virtuous circle of usefulness.

The **Grameen Crédit Agricole Foundation** is flourishing. From the microfinance laboratory it was when it was founded, it is now an operator of excellence for responsible investments in inclusive finance. Internationally recognised for the quality of its commitments, it pursues its objective of exploring new ways to actively participate in the metamorphosis of the economy through financial inclusion.

This year was characterised by the continuation of the Foundation's strategic plan and the renewal of its General Management. Always faithful to its mission and values, the Foundation now opens up to new perspectives. The main one is to establish new high-potential partnerships with Crédit Agricole Group subsidiaries and affiliates.

On the microfinance field, its portfolio of funded institutions is growing, by investing in new countries and strengthening its partnerships. As regards Social Business, the Foundation has refocused its operations. **Acting for female entrepreneurs**

and in favour of the development of rural areas remain our priorities. As such, we took a minority stake in a new social company, the fifteenth of our portfolio: Vert Limited, a Kenyan company specialising in vegetable and fruit farming.

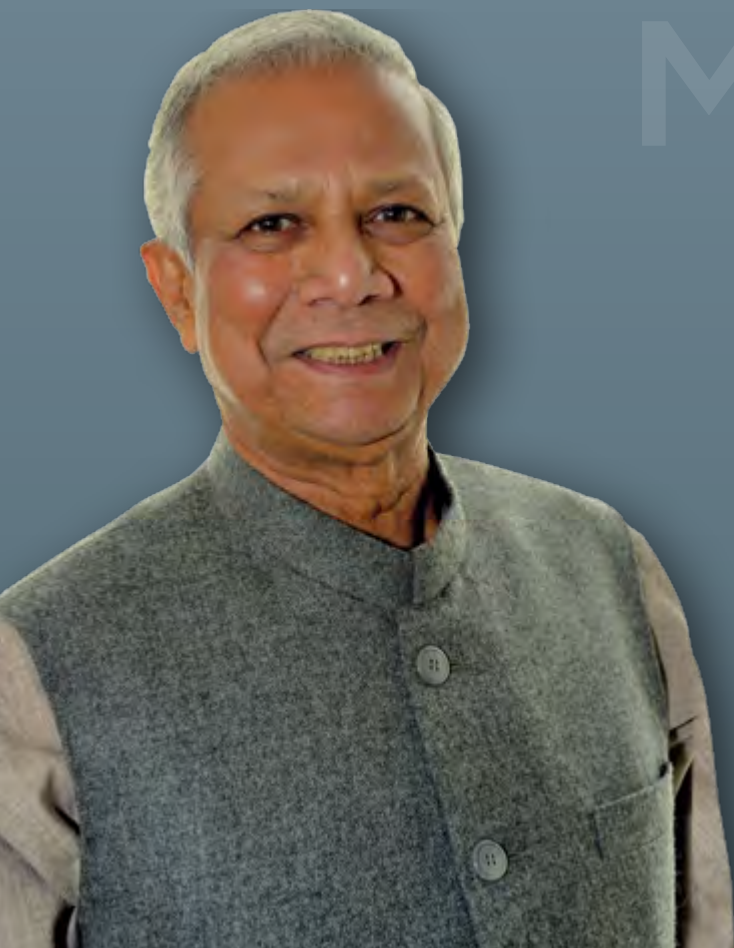
Our intervention policy in favour of microfinance institutions also marks a turning point as it now incorporates social rating criteria to the thresholds of eligibility of these institutions. This greatly accelerates our ability to streamline the benefit of the responsible side of our commitments. As a precursor, the Foundation has decided to carry out the first comparative study on the social performance of its portfolio. The results of this study make us proud.

You will discover the results of the study throughout the pages of this report whose format evolves: this year we publish the first integrated annual report of the Foundation. It is now more synthetic and integrates the convergence between information on activity and social performance results.

PERSPECTIVES



For a selflessness generation



Microfinance is part of a much broader field, that of social companies, which we also call Social Businesses. These are companies designed to solve a societal problem. It is their *raison d'être*: they provide a solution for the benefit of humanity and society. This sets them apart from traditional businesses whose purpose is to make money for themselves.

Today's economy is profit-oriented, and this leads to growing inequalities. To overcome this situation we have created, we must redefine ourselves, stop being robots in a system and become human beings in tune with their environment. **I believe in youth: young people do not need we settle their problems for them. They have the power to do it by themselves. They can choose altruism.**

Professor
Muhammad
YUNUS

*2016 Nobel Peace Prize
Director of the Grameen Crédit
Agricole Foundation*

GRAMEEN TRUST KEY FIGURES

TOTAL AMOUNT OF INVESTMENTS

€323 million

NUMBER OF PARTNERS

152

COUNTRIES*

41

BORROWERS**

11 million

*Countries in which the partners of Grameen Trust are located.
**Cumulative total of borrowers with Grameen Trust partners.



A shared, loyal and sustainable finance

Responsible finance includes, in addition to financial returns, the value of a societal benefit, what we call a positive impact. That is what will make the difference tomorrow.



By becoming a universal bank many years ago, Crédit Agricole committed itself to facilitate access to the banking system to the greatest number of people. Finance is responsible when it works for the collective interest and promotes the sustainable development of territories, the economic attractiveness that creates jobs and entrepreneurship. It is also inclusive when it is involved in social integration, protects clients and opens up access to the most essential services for the most vulnerable people.

Its effects benefit all parties. That is its *raison d'être*: responsible finance includes, in addition to financial returns, the value of a societal benefit, what we call a positive impact. That is what will make the difference tomorrow.

Tested at the **Grameen Crédit Agricole Foundation**, financial inclusion is a promising project, reasoned, profitable and positive. We have been following this path since 2008 alongside Professor Yunus, with the constant support of Crédit Agricole. The Foundation has been able to develop this approach, to support it through its global network of partners and to share it with all of us today.

**Philippe
BRASSAC**

*Crédit Agricole S.A.
CEO*

**Raphaël
APPERT**

*FNCA Senior Vice-Chairperson
and Director of the Grameen Crédit
Agricole Foundation*

CREDIT AGRICOLE GROUP KEY FIGURES

NET BANKING INCOME

€30,4 billion

EQUITY

€98,6 billion

GEOGRAPHICAL PRESENCE

50 countries

CUSTOMERS

52 million



An active contribution to development

Recent crises have had the advantage of showing how the fate of the world economy is closely linked to that of finance, for better or worse. Finance can clearly make an active contribution to development, but on the condition that this sector reinforces its requirements on the nature of the activities funded and improves the balance between risk and return by including a third factor: the societal impact.

Equitable development and client protection are central to the **Grameen Crédit Agricole Foundation's** action to fight poverty. In the Private

**Paul
DE LEUSSE**

*Chief Executive Officer of CA Indosuez Wealth Management
Director of the Grameen Crédit Agricole Foundation*

Banking sector, we too have chosen to be extremely vigilant regarding the quality of the advice given to customers and on the attention paid to the products on offer. It is clearly a choice that puts us under an obligation.

Acting in the field of responsible finance is no longer just about restricting our actions to meet ethical criteria - which is clearly our choice within the Group - but becomes a positive and voluntary approach that guides funding decisions. It is a fundamental development of the role of a bank.



Microfinance, a tool suited to agricultural activities

Microfinance is a powerful engine for local development with a very strong demand for microcredit products. Today, in Senegal alone, the need goes beyond €500 million, in particular in the agricultural sector. It is therefore important to guide and support young people in the field of agribusiness as this is a growth sector for Africa. There is need to ensure food provision for populations rather than importing what is consumed.

In order to meet the growing demand, microfinance institutions are increasingly appealing to private investors, but also to institutional investors, in particular companies wishing to commit themselves to a financing and support responsible approach. It is therefore an opportunity for social investors, for companies seeking social responsibility for their investments.

**Soukeyna
NDIAYE BÂ**

*Founder of Femme Développement
Entreprise en Afrique
Director of the Grameen Crédit
Agricole Foundation*





Microfinance helps women get back on their feet



Microfinance has always been at the heart of my priorities and will remain so. It is a powerful and effective tool to support women and enable them to exist by themselves, recover their self-confidence and make their way out of poverty.

It helps them break the cycle of poverty and restore their dignity, because they do not only get a loan but also support from the institution that grants the funding. They thus become self-sufficient in societies where their rights are fragile.

Since 1997, I am committed to microfinance in my capacity as UNESCO Goodwill Ambassador, along with Professor Yunus. My determination and commitment is stronger than ever, because after all these years I have seen how microfinance is helping women to get back on their feet and how it is a formidable instrument for peace.

Her Royal Highness **GRAND DUCHESS OF LUXEMBOURG**

*UNESCO Goodwill Ambassador
Director of the Grameen Crédit Agricole Foundation*



Towards a persistent and resilient entrepreneurship

Microfinance is a first lever to help entrepreneurial initiatives to structure themselves thanks to its ability to intervene where banks cannot go. It is a socially committed investment, which by supporting emerging projects, often small and informal, is able to accompany them in a more formal approach, to prepare them – and, I would say, to «manufacture» them – so they can, in time, gain access to the banking system and to more conventional funding.

That is the experience from African countries. Driven by their growth and the liberalisation of their economic policies, they experience an incredible wave of energy, which creates a completely new industrial fabric. As they are faced with the worst difficulties on a daily basis, project bearers succeed thanks to their flexibility, resilience and perseverance. This is the best evidence of an entrepreneurial revolution and a good example on which to build.

Jean-Michel **SEVERINO**

*Managing Director
of Investisseurs et Partenaires
Conseil
Director of the Grameen Crédit
Agricole Foundation*

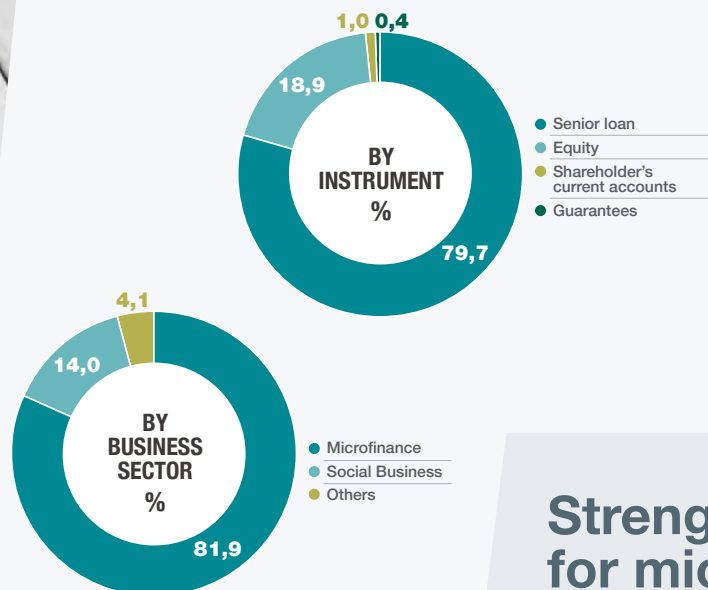


Breakdown of 2016 commitments



The **Grameen Crédit Agricole Foundation** plays essentially a role of funder for financial institutions working for economic inclusion in emerging countries. These institutions redistribute the funds loaned in the form of microcredits that generate positive effects for the customers who benefit from them.

The Foundation, who is a pioneer laboratory of an economically and socially responsible and effective finance, is developing a research on innovative models. It pursues its voluntary investor approach in the field of Social Business or agricultural microinsurance.



Investments approved in 2016

- Number of investments approved by the project Committee **43**
- Total amount of the funding proposals approved **€41,8 million**

The Project Committee, which consists of three Directors of the Foundation and the Managing Director, met eight times in 2016 and reviewed a total of 45 funding or equity proposals.

THE FOUNDATION'S ACTIONS

Strengthening of the partnership for microfinance in Africa

In 2016, the Foundation pursued its work to further support rural microfinance institutions in sub-Saharan Africa through its «African Facility» programme co-financed with the **French Development Agency (AFD)**. This programme has three components: the co-financing of technical assistance missions to improve the management of selected MFIs, a line of funding and a partial guarantee given by AFD to the Foundation. A total of 16 institutions have been supported through this scheme, **benefiting 300.358 active borrowers, 71% of them women and 80% of them living in rural areas, for an average loan of €234**. Moreover, 46 technical assistance missions were carried out throughout the year. Building on this success, the Foundation and AFD will sign a new agreement in early 2017 to consolidate and broaden the Foundation's operating capacities in the field with its partners.



€1,3 million
Allocated to technical assistance missions

Our expertise

OFFER

structured financing

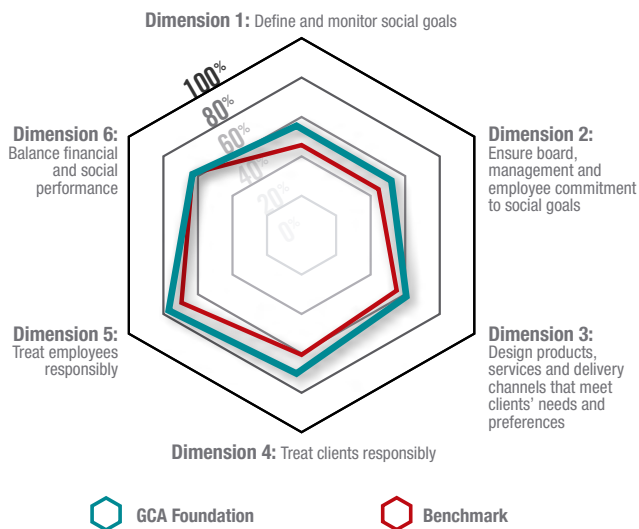
INVEST

in equity or quasi-equity

PROVIDE

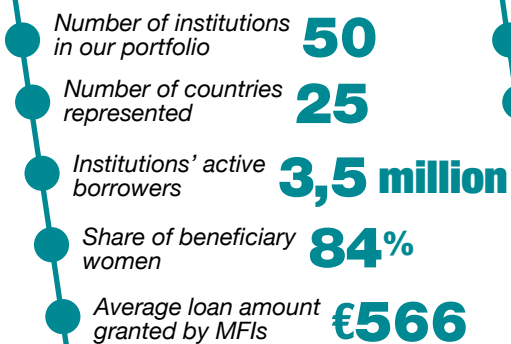
technical assistance

Social performance of our portfolio

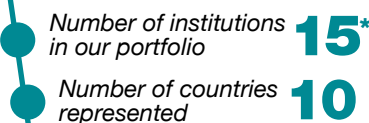


Our impact in 2016

MICROFINANCE PARTNERS

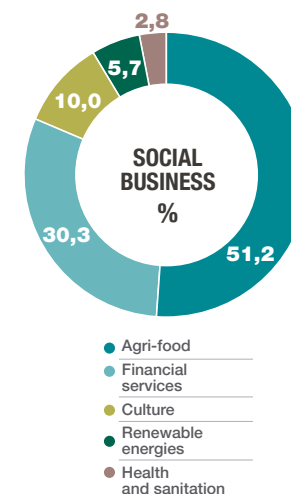


SOCIAL BUSINESS PARTNERS



*Including Chamroeun and ACAD Finance which are MFIs, also recorded as such

PROFILE



An audit tool to measure the level of social performance in relation to the Universal Standards

Developed by the French NGO CERISE in cooperation with all market players - in particular microfinance institutions and networks, investors and development banks - **the SPI4 tool makes it possible to evaluate and measure the social performance of an institution or an investment portfolio compared to the Universal Standards launched in 2012** by the Social Performance Task Force (SPTF). Composed of six dimensions, these standards cover the full scope of liability aspects - including client protection based on the SMART Campaign Client Protection Principles. The result, which is a sort of «social accounting», constitutes the basis of a process of analysis and improvement to optimise the social impact of the products and services offered.

The Foundation invests in new countries

In 2016, the Foundation pursued its development work on new territories with the prospection in new countries, particularly in Central Asia where the Foundation already had six microfinance partners in four countries. It has invested in Kyrgyzstan with two new partners: **OXUS Kyrgyzstan and FMCC**. In this country, microfinance plays an important role in the financial system and is particularly important for people that are in the below average income category.

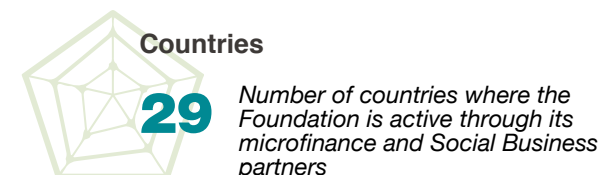
After an important prospecting work, the Foundation was also strongly focused on the implementation of the first due diligence missions in Myanmar, a country that opened up to foreign investments in 2011 and where a microfinance law was adopted in November 2011. At the end of the year, the project committee was presented with three investment proposals: **Vision Fund Myanmar, Proximity Finance and BRAC Myanmar**. All of them were approved.



2016 achievements

In 2016, the Foundation resumed the development of its microfinance loan portfolio, ending the year with a 30% increase in outstanding loans compared to 2015. This growth, mainly achieved during the second half of the year, provides the basis for consolidating its business model and achieving operational balance.

Thanks to the additional resources it mobilises, beyond its initial endowment, the Foundation has the means to continue its growth in the field of inclusive finance.

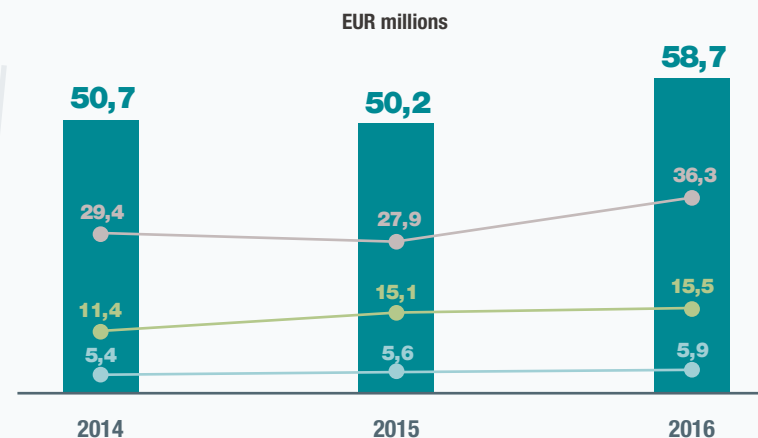


Total balance sheet

Loans to microfinance institutions
(net loans exposure)

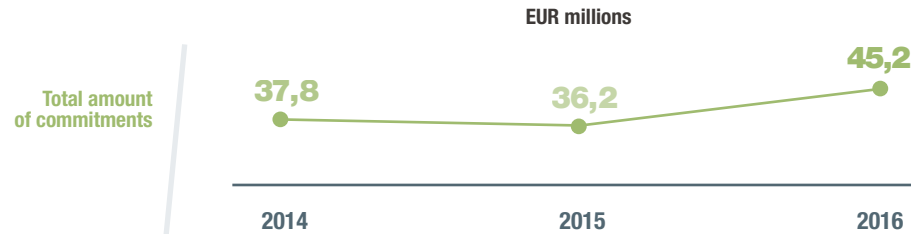
Cash investments

Other investments



INDICATORS

TREND IN COMMITMENTS



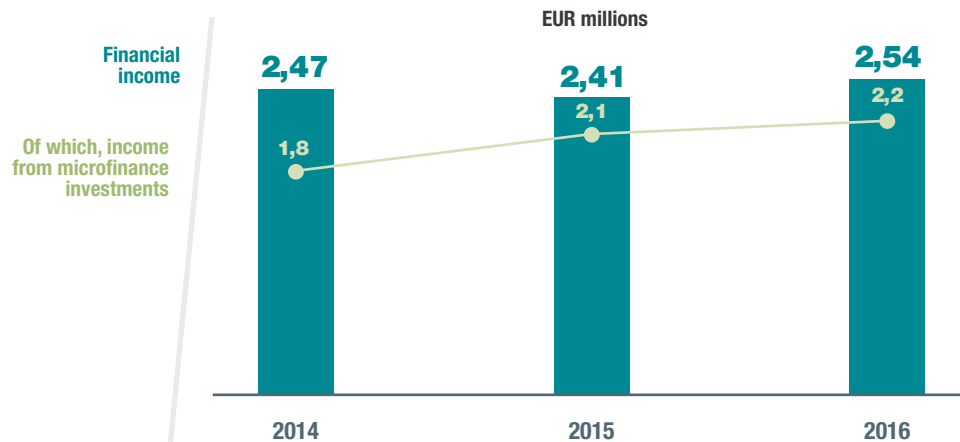
Activity

The 2016 activity is marked by the growth of funding granted to microfinance institutions. Between 2015 and 2016, the number of investment proposals submitted to the project committee increased by 137%. This growth did not translate into a proportional increase of outstanding loans, due to a significant depreciation of the portfolio, but shows the Foundation's strong mobilisation capacity.

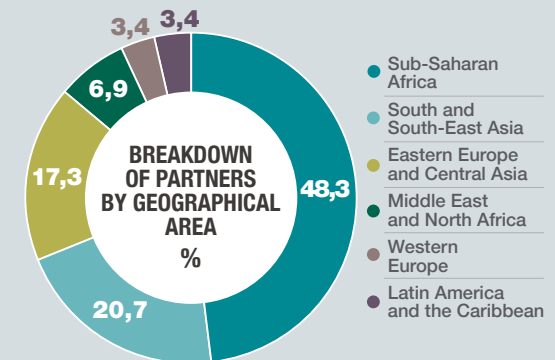
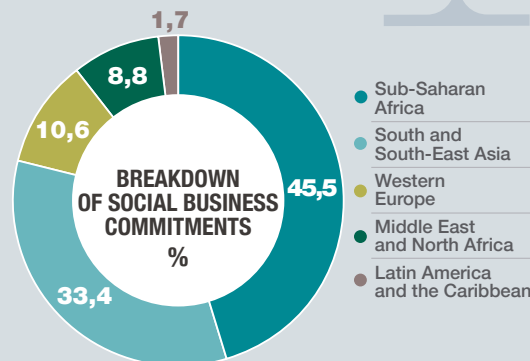
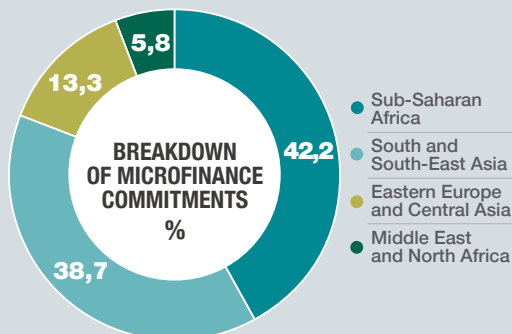
As regards the financing of solidarity-based companies, also called Social Businesses, the Foundation develops its principles of engagement and is now directing its equity investments towards financial institutions on the one hand, and companies affiliated to agricultural finance on the other hand. These two investment sectors are regarded, by the Board of Directors, as being at the heart of the Foundation's activity.

For additional information: www.gca-foundation.org

EVOLUTION OF INCOME

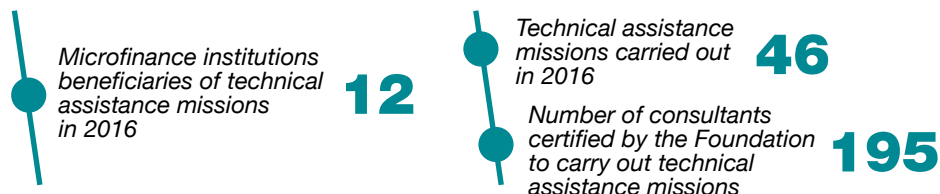


International action

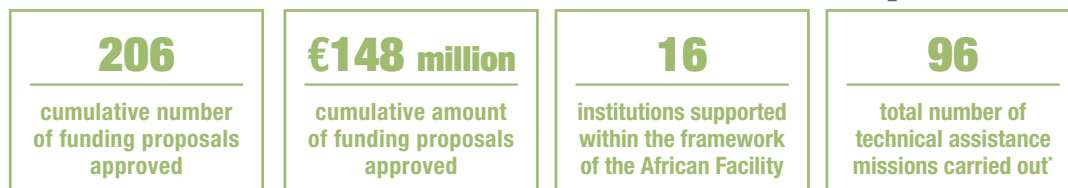


OPERATIONS

Microfinance funding, equity investments in Social Businesses and technical assistance.



Key Figures of the Foundation since inception



*Within the framework of the African Facility

THEY JOINED US

BURKINA FASO

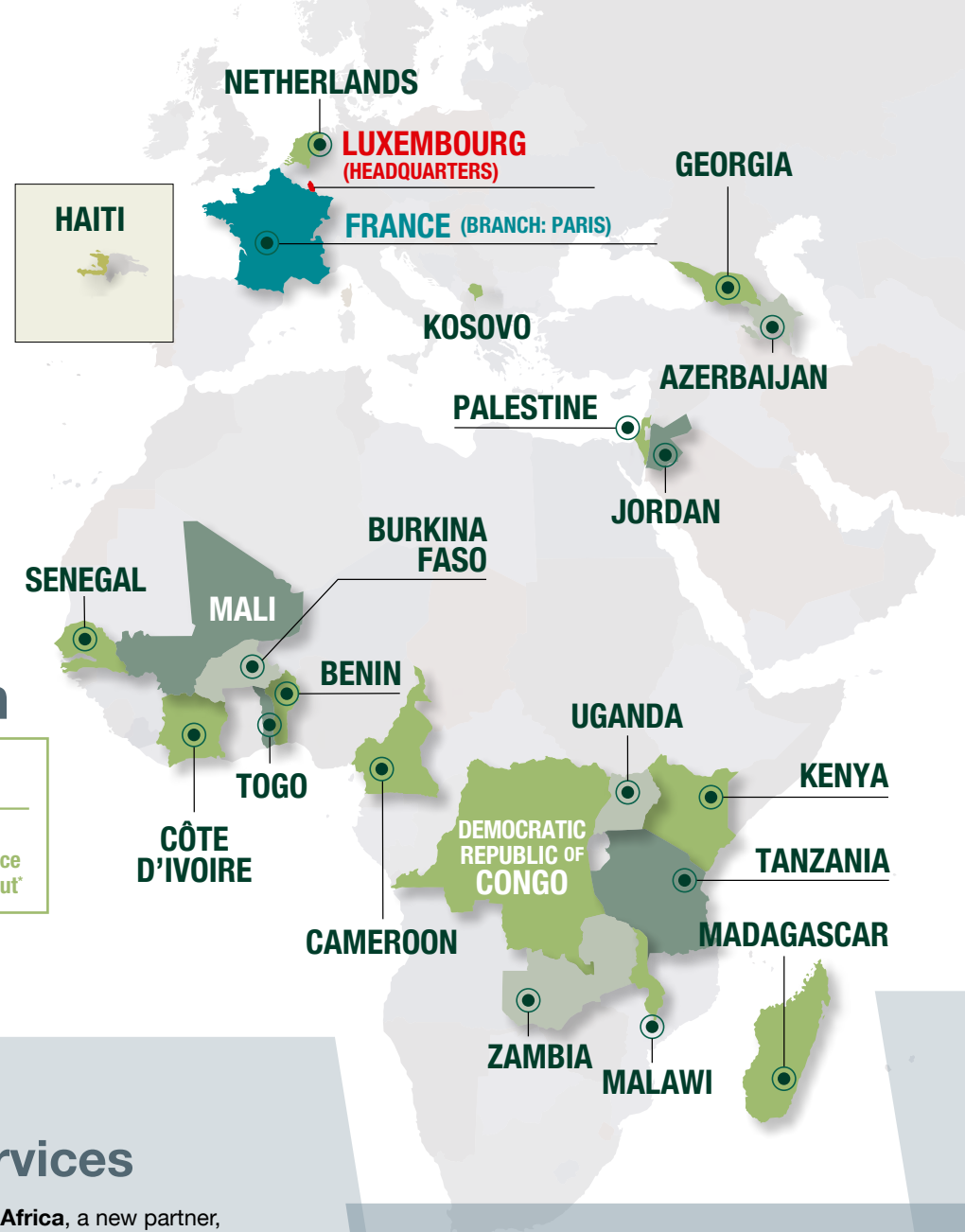
Microentrepreneurs

The microfinance institution **Acep Burkina S.A.** finances very small businesses in urban, peri-urban and rural areas, in particular to meet their cash flow needs: **5.900 active borrowers, 65% of them located in peripheral areas.** This is the Foundation's fifth partner in the country. **Loan: €915.000.**

UGANDA

Financial services

Strømme Foundation East Africa, a new partner, received a **€1 million loan from the Foundation.** Located in Uganda, Tanzania and Kenya, the institution offers financial services to 25 local microfinance institutions serving 2 million people, **66% of them women.**





KYRGYZSTAN

Finance farming

The Foundation is launching new partnerships in this new country: it granted a €500.000 loan to **Oxus Kirghizistan**, a microfinance institution that is part of the Oxus network and works with over 5.400 clients, with a network of eight branches in the country. Over 51% of Oxus's clients work in the agricultural and livestock sectors.

DEMOCRATIC REPUBLIC OF CONGO

Trade and livestock

In the DRC, the Foundation signed a new **€500.000 loan** to the institution **Paidek** that operates in the microfinance field in the Kivu region, in the north east of the country. It finances small commercial or livestock activities for **15.000 active borrowers**.

INDONESIA

Small farms

The project committee granted a €567.000 loan to the Indonesian institution **Vasham** that, thanks to its social enterprise model, supports the development of small farms and assists them in enhancing and securing their management.

MYANMAR

New country

The project committee of the Foundation granted funding to three new microfinance partners within the framework of the **TCX-Lift Facility**. It granted a €1,5 million loan to **Brac Myanmar**, which has 40.600 active borrowers, exclusively women. It also granted a €1,3 million loan to **Vision Fund Myanmar** which has 114.000 active borrowers, 87% of them women, and a €2,6 million loan to **Proximity**, whose microfinance programme has over 35.000 clients, 35% of them women.

SOCIAL PERFORMANCE

Our investment policy relies on international social performance standards

The **Grameen Crédit Agricole Foundation** is an operator that has engaged in a financial inclusion process. Its ambition is to provide access to essential banking services for those who need them. Its two main key instruments for action are microfinance funding and support for social business companies.

A PIONEERING MODEL

The Foundation works as a lender, an active shareholder or as a technical expert. When it carries out its investments, it takes into account the three dimensions of inclusive finance:

- Profitability
- Risk
- Impact

The Foundation has decided to base its investment policy not only on financial criteria but also on social performance criteria. This rational approach draws on specific, standardised tools and comparative analyses. This is a very important step forward in terms of monitoring of responsible investment.

How can social performance be measured?

Socially responsible investors have agreed on a set of 68 indicators, based on the Universal Standards developed by the Social Performance Task Force (SPTF): a tool called SPI4 / ALINUS.



The foundation: a «best in class» operator

CERISE SPI4
ALINUS

The Foundation is **one of the first** microfinance investors to carry out the standardised assessment of its portfolio social performance. The audit was carried out on the basis of the latest universal industry standards. The comparative test is made possible thanks to the data shared by the market players in the SPI4 Alinus reference tool. Managed by the

Cerise organisation, this global base has not been in place for an extended period of time. It allows the analysis of investments according to a panel of indicators.

As a result, the Foundation ranks among the best, with some of the highest performances in its sector.

COLLABORATIONS

With the Credit Agricole Group,
partnerships are being set up



WORLD CONGRESS OF CICA (CONFÉDÉRATION INTERNATIONALE DU CRÉDIT AGRICOLE)

With the milk sector in Senegal

CICA held its World Congress on Agricultural and Rural Finance on November in Dakar, Senegal. This was an opportunity for the Foundation to organise a field visit with some of its Social Business partners: Laiterie du Berger and Sénégalaise des Filières Alimentaires (SFA).

Following these visits, the Caisse Régionale of Crédit Agricole Franche Comté and the In Vivo Group decided to support Laiterie du Berger by means of an equity participation in the capital, which will enable cooperation to improve the upstream of the milk sector and diversify its development.

CRÉDIT AGRICOLE ÉGYPTE

Give to the most precarious people access to the banking sector

In 2016, the Foundation travelled to Egypt to meet with Crédit Agricole Egypt officials and to consider a partnership to support the fight against financial exclusion in one of the largest countries in Africa. This partnership project is appreciated by the Egyptian regulator, who considers it as an inclusive development tool for the benefit of a segment of the population that is now excluded from the traditional banking system. The first investment proposals will be submitted in 2017.

CRÉDIT AGRICOLE CIB

Loan agreement

In February, the Foundation signed an agreement with CA-CIB for a €10 million loan over a seven-year period, with a guarantee from Crédit Agricole SA. These additional resources add to the €50 million endowment and make it possible to finance the increase of the Foundation's activities, in accordance with its 2014-2018 development plan.

Highlights

2016

MARCH

The Foundation's **Board of Directors** meets in Paris, in the presence of Professor Yunus

MAY

Prospecting new territories: **several prospection and due diligence missions** are carried out in **Myanmar**

JUNE

The Second Meeting of the **African Facility** partners is held in Kigali (Rwanda) to assess the progress made by the scheme

JUNE

The Foundation signs a **new ARIZ portfolio guarantee agreement** with the French Development Agency (AFD)

NOVEMBER

The **Foundation's Board of Directors** is held in **Dakar**, alongside the CICA's World Congress

DECEMBER

Presentation of the Foundation's partners **social performance assessment results**, with the support of CERISE



Financing small income-generating activities

Access to adequate funding is one of the keys to social inclusion

As a responsible investment operator, the **Grameen Crédit Agricole Foundation** pursues its mission that aims to provide access to essential services and goods to as many people as possible. Its main activity is the lending to microfinance institutions which themselves distribute microcredits to the populations to finance income-generating activities. The Foundation also participates in the capital of Social Business companies and offers technical assistance.

Thanks to this, it provides support to its partners towards objectives of social inclusion and responsibility in a more and more sustainable economic approach.

SOCIAL PROFILE

Social Performance as a strategic focus

The overall score of Vision Fund Lanka is good as **social performance is the central axis of its strategy**. The main social objectives defined are regularly evaluated. All the staff is committed and assessed on the basis of social and financial performance. Regular training is given in order to improve the skills and ensure a good relationship with clients whose needs are also assessed. This institution is pursuing its efforts in this area by seeking to diversify its range of products, particularly for the most vulnerable customers.

Vision Fund Lanka according to the Universal Standards:

Define and monitor social goals	100%
Commitment to social goals	82%
Design of products / client needs	59%
Treat clients responsibly	75%
Treat employees responsibly	81%
Balance financial and social performance	85%



Define and monitor
social goals in
Sub-Saharan Africa



Balance financial and social
performance in the Middle East
and North Africa region



Being profitable
without having
a long-term impact



The Keys to Social Performance

Above all, a medium-sized portfolio of partners: the Foundation has chosen to work primarily with institutions that have limited access to external funding, providing a real value added for the partnership. Microfinance institutions, whose portfolio size ranges from \$10 to \$100 million, represent 44% of the Foundation's financial commitments whereas microfinance institutions whose portfolio is below \$10 million account for 26% and those with a portfolio above \$100 million account for 30%.



Over 80% of our funding is granted in local currency, even in the most exotic currencies. Doing this avoids that the foreign exchange is carried out by the end-customer and enables to protect his/her activity.

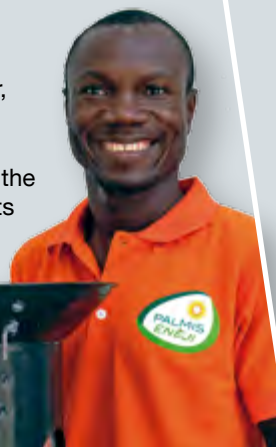
*David Camara and Kathrin Gerner,
Investment Managers at the Grameen
Crédit Agricole Foundation*

Close to the territories

Microfinance is helping to open up the territories by targeting customers far away from active centers. This is the case of **Encot Opportunity Unlimited** in Uganda, which serves 7.900 borrowers in the Masindi district, particularly rural and landlocked.

Carbon credit

Palmis Enèji, a Haitian social business company of which the Foundation is a 15% shareholder, obtains the Gold Standard certification for its low-CO₂ emission cooktops. This allows the company to resell carbon credits in order to balance its books.



Drinking water

Drinking healthy water reduces diseases. In the villages of Cambodia, the Social Business company **1001 Fontaines/Teuk Saat** trains and franchises microentrepreneurs that operate autonomous water depollution stations. The water, once clean, is then sold less than 1 cent per liter.



A photograph of two women sitting at a desk with a computer. The woman on the left is wearing a floral patterned top and an orange lanyard. The woman on the right is wearing a patterned top and a colorful headwrap. They are both looking at a document on the desk.

Promoting loyalty at the heart of the customer relationship

Loyalty, fairness and transparency are the seeds of responsible strategies

All the partners to whom the Foundation grants loans place the respectful treatment of customers at the heart of their business strategy. Beyond offering them microcredit products, partners have to fulfil a social objective.

For example, the Foundation can help implement internal client management programmes, from sales to litigation. We also promote responsible pricing and full transparency on product terms and conditions.

TREND



The Smart Campaign certification

The Smart Campaign is a global effort. It was formed to bring people together across microfinance to implement a common code of conduct that governs how clients should be treated and to help implement client protection safeguards within the industry's operations.

Protecting clients is acting intelligently and responsibly. When microfinance institutions implement the Campaign's Client Protection Principles into their operations, they build strong, lasting relationships with clients, increase client retention, and reduce financial risk.



GCA Foundation partner's portfolio: **60%**
 Benchmark: **49%**



GCA Foundation partner's portfolio: **74%**
 Benchmark: **62%**



78% of the institutions funded by the Foundation apply a margin below 30%

The Keys to Social Performance

Our portfolio scores well in the dimensions related to end customers: relevance of financial services delivered, treatment of consumers, etc.

It is exemplary: the institutions that we are funding perform better than the benchmark regarding protection of customer data (+15 points) as well as dispute resolution processes (+13 points)

What the standards say: «Understand customer needs to develop products that are of benefit to them»; «Ensure that the benefits to the customer have no adverse effects»



To succeed, it is essential that microfinance institutions establish responsible internal policies. Our standards and indicators value these dimensions through a rigorous assessment.

Violette Cubier and Jeanne de Guillebon,
 Investment Managers at the Grameen Crédit Agricole Foundation

Client protection

At present, eight institutions funded by the **Grameen Crédit Agricole Foundation** have achieved **Smart Campaign certification**, in recognition of the quality of the services provided to their clients:



clients: **AMK, HKL and LOLC Cambodia (formerly TPC)** in Cambodia; **Komida and MBK Ventura** in Indonesia; **LOMC** in Sri Lanka; **Viator** in Azerbaijan and **Arvand** in Tajikistan.

Eligibility criteria

By complementing the financial criteria for the selection of our partners with social criteria that deal with customer protection issues (prevention of over-indebtedness, respectful treatment, confidentiality of data, transparency and implementation of complaint mechanisms), the Foundation plays a leading role in the integration of a responsible investment policy.



After the harvest



In Burkina Faso, the institution **PAMF-BF** refinanced itself with the Foundation for a total amount of **€762.000**. The institution, which maintains close contact with farmers, allows the payment of instalments after the harvest or after the sale, as the case may be.



Cooperating with responsible organisations

*The Foundation selects
and supports partners
according to their social and
financial dimensions*

When a company transforms itself with the help of its results according to the **Universal Standards** and seeks to adopt a more social model, it needs to rethink its internal management and human resources policies. The positive effects are quickly felt. From the board of directors and the staff to the senior management, the organisation becomes more efficient.

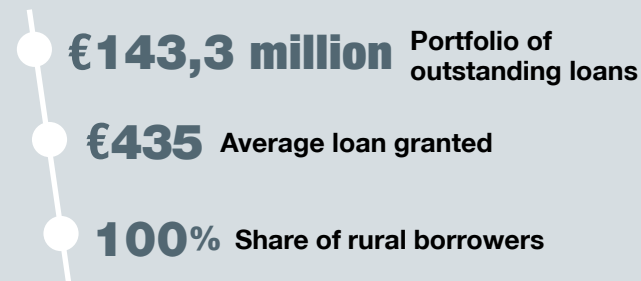
In addition to a renewed corporate culture, there is a structural reinforcement of the financial sustainability of the company. Thus, the Foundation helps its partners become stronger.

HUMAN RESOURCES



Satisfied staff

In Cambodia, our microfinance partner **AMK** has 330.000 active borrowers with a maximum presence in rural areas. Rapidly growing over the past five years, the institution ensures responsible management of its human resources policy, which enables it to understand and retain its employees. As a result, AMK obtained a score of 80.5 / 100 during its 2016 internal satisfaction survey.





Prevention of foreign exchange risk

● **72%** of our commitments are in local currency to help avoid devaluation and protect our partners against the risk of losses



Employee involvement in social objectives

● GCA Foundation partner's portfolio: **69%**
● Benchmark: **62%**



Job satisfaction

● GCA Foundation partner's portfolio: **52%**
● Benchmark: **42%**

The Keys to Social Performance

In the area of labour law and treatment for staff, all our partners agree to comply with national laws and rigorously respect international standards on child labour.

It is exemplary: 97% of the institutions we are funding provide written contracts, stating wages, working conditions and benefits to their employees, which is not always the case in these countries.

What the standards say: «Ensure board, management and employee commitment to social goals»; «Treat employees responsibly»



The collaboration developed with the Grameen Crédit Agricole Foundation has allowed us to review all our procedures and improve the existing loan products. We were able to buy a powerful management software and develop new products, adapted to meet the needs of our clients.

Samella Tine,
Director, MEC FADEC NJAMBUR, Senegal

Retain talent

Social performance standards lead to the setting up of fairer wages and better support for staff. In Uganda, the employee turnover of our partner **Ugafode** has been halved over the past five years.



Health insurance

Asiena which is an institution with a social mission, is one of our microfinance partners in Burkina Faso. As half of its staff did not have health insurance, **the institution created its own health insurance programme.**



Social protection

The Cambodian Social Enterprise **PPSE** helps circus art students to join the labour market. It pays salaries and provides them with an accident insurance. A total of 211 people (employees and families) benefit from these advantages offered to the 47 employed artists.





Committing to become a player and promoter of the rural sector

*The economy of rural areas
is one of the challenges
of sustainable development*

Driven by sustained and even urgent demand, agriculture and agribusiness are growing in many countries. The **Grameen Crédit Agricole Foundation** that works in rural areas since its creation has supported these changes. With its partners, it works at all levels, from the small village producer to the organisation of supply chains.

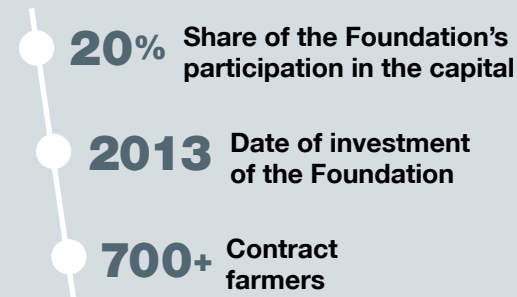
The challenge is both economic, social and environmental. In the agricultural sector, microfinance and social business are both tools contributing to structure value chains in a sustainable, profitable and inclusive way.

SECTORS

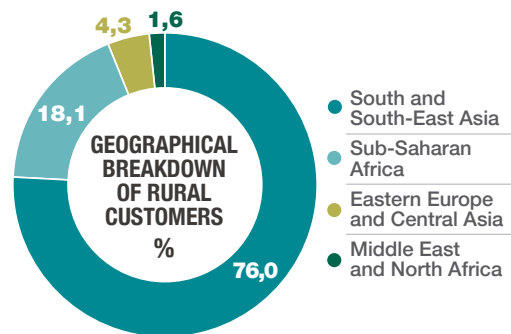


The white gold of rice fields

Senegal is progressing in its ambition to become self-sufficient and to enhance its local production to stop imports. Alongside the Belgian Durabilis, the Foundation is committed to **Sénégalaise des Filières Alimentaires (SFA)**, an innovative and inclusive player that secures small Senegalese rice producers. And although its distribution system still needs to be improved, its social model already promotes crop yield increase and a significant growth of farmer's revenue.



80% share of rural clients
among customers of the microfinance institutions funded by the Foundation



6 Social Business companies, partners of the Foundation
work in the agri-food and agricultural sectors

The Foundation pursues its action in the field of agricultural microinsurance

The Foundation is a member of a research initiative on index-based insurance, in partnership with Pacifica, Crédit Agricole's non-life insurance subsidiary, Louis Bachelier Institute, Airbus and the Universities of Paris-Dauphine and Nanterre. Within the framework of this partnership, the Foundation benefits from the presence of a researcher on index-based insurance public-private partnerships.

It is exemplary: the Foundation is a shareholder of **ACRE (Agriculture and Climate Risk Enterprise Ltd)**, which allows it to be an actor in the field of agricultural microinsurance. The goal is to provide small farmers with protection against natural hazards faced by farms by means of insurance solutions. By protecting small farmers against the risk of crop and work tools loss, ACRE contributes to achieving greater food security in Africa.

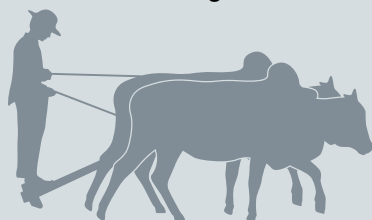


When we invest in an industrial workshop to manufacture our dairy products, we promote a profound societal change: the sedentary lifestyle of farmers, their children's schooling, their access to water and energy.

Bagoré Bathily,
Managing Director Laiterie du Berger, Senegal

Agricultural assets

Champion ranked among the «best companies for the world», our Kenyan partner **Juhudi Kilimo** offers to its **32.500 farmers a different model: the loans granted directly fund their agricultural products purchases** (equipment, livestock, etc...) in relation to expected returns in terms of revenues.



Production reorganised

Remarkable in terms of resilience, **Vert Limited** in Kenya has successfully transformed into a responsible actor specialising in vegetables. It achieved this by managing the organisation of 17 producer cooperatives and through marketing and export. **Since 2016, the Foundation holds 16,1% of its capital.**



Pilot farm

Driven by its Social Business spirit and with the support of the Foundation, **Laiterie du Berger** continues to develop its projects. **In 2016, it started a pilot farm to seek how to improve milk yield in the Sub-Saharan region.**



Promoting female entrepreneurship

Increase the place of women in the economy is an ambition at the service of a universal value

In the world, gender inequalities are significant. Women have less access to income sources and conventional financial channels. Yet, they are a formidable source of growth. By financing their activities, microcredit promotes their autonomy in economies therefore more equitable.

Supporting female entrepreneurship is a fundamental commitment for the Foundation. From very small activities to larger projects, it is an openness towards the future.

TEXTBOOK
CASE



State of growth

The **Coopérative d'épargne et de crédit-Soutien aux initiatives de femmes pour l'autopromotion (Coopec-Sifa)** we finance in Togo has managed to double the number of its clients in less than four years: **today, it serves over 33.000 active borrowers...**or rather female active borrowers as 77% of its clients are female. The institution, which is strongly represented in Togolese rural areas, has been able to cope with its growth by placing social value at the heart of the business plan. It has benefited from several technical assistance missions conducted by the Foundation within the framework of the African Facility. Today, the institution has a 100% repayment rate.

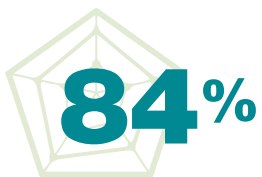
77% Proportion of women among clients

€457.000

Total amount of loans granted by the Grameen Crédit Agricole Foundation

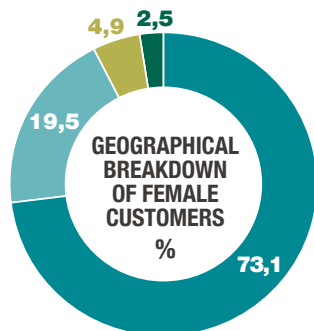
€3 million

Outstanding Portfolio

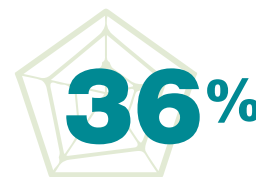


84%

Proportion of women supported by partner MFIs



- South and South-East Asia
- Sub-Saharan Africa
- Middle East and North Africa
- Eastern Europe and Central Asia



36%

of partner MFIs funded by the Foundation serve almost exclusively women

The keys of our commitment

Women are the first ones concerned by informal sector activities. They are a major driver of the sharing of the growth in emerging economies. Empowering them through entrepreneurship is a driving force to enable families to overcome poverty.

It is exemplary: the **Grameen Crédit Agricole Foundation** is positioned in Africa and the Middle East on the issue of women but it also operates in Asia, in particular with a strong presences in Cambodia, Sri Lanka and Indonesia.



By creating Vert Limited, we have developed a social business approach that has allowed us, among other things, to identify profitable sources of economic activity that achieve an additional social impact for small producers we work with but also for the community as a whole, while ensuring gender equality.

Jane Wanjiru Ndegwa,
Founder and Managing Director of Vert Limited, Kenya

Female spirit

Female entrepreneurs change the world. Individual or group activities, small or medium-sized enterprises, trade, crafts, agriculture, etc... Their role is significant in all sectors. Many of the institutions funded by the Foundation work exclusively or almost exclusively with women to support their income-generating activities through microcredit.

Comuba operates in the south of Benin in female village communities with 99.3% of female clients. In Indonesia, the savings and credit cooperative **Komida**, which works exclusively with women, **supports their emancipation through work.** In **Jordan**, market leader **Microfund for Women (MFW)** develops women entrepreneurship with nearly 130.000 female borrowers that is 96% of the total number of its active borrowers.



Kean Ya received a third loan amounting to 800.000 Cambodian riels (€175) to develop both her grocery and her small restaurant opened with the financial support of our social business partner Chamroeun.

OUR ORGANISATION

Our governance

The Grameen Crédit Agricole Foundation is an independent organisation, incorporated under Luxembourg law, which received, from its inception, an endowment of €50 million from Crédit Agricole S.A.

Its founders are **Crédit Agricole S.A.** and **Grameen Trust**. Over the past nine years, it has been working to promote financial inclusion and access to essential services throughout the world.

In 2016, its Board of Directors met three times in March, July and November. In particular, it appointed its new Managing Director and noted the departure of Pierre Deheunynck who retired from his position as Director.

CHAIRMAN



Jean-Marie Sander
Crédit Agricole Group

DIRECTORS FROM CRÉDIT AGRICOLE GROUP



Christian Talgorn



Raphaël Appert



Paul de Leusse



Bernard Lepot

DIRECTORS FROM GRAMEEN TRUST



Pr Muhammad Yunus



Pr Huzzatul I. Latifee



Muhammad Shahjahan

QUALIFIED PERSONALITIES ACTING AS DIRECTORS



Her Royal Highness Grand Duchess of Luxembourg



Soukeyna Ndiaye Bâ



Beatriz Armendariz



Jean-Michel Severino

Project committee

In 2016, the committee **met eight times and approved 43 investment proposals for a total amount of €41,8 million.**

Throughout 2016, Raphaël Appert chaired the committee that includes three other members: Bernard Lepot and professor Latifee, both Directors, and Eric Campos, Managing Director. The role of the project committee is to make decisions on the financing proposals submitted by the Investment Managers after their approval by the internal committee of the Foundation.

Ethics, compliance and audit committee

The **committee met in March 2016** and took due note of the internal control and compliance report of the previous year. It was composed of Christian Talgorn, Chairman, Pierre Deheunynck and Professor Latifee.

The committee seeks to ensure that the Foundation's ethical charter is respected, recommends positions of principle and ensures the accuracy of the accounts and the conformity of the operations.

Our integrated thinking

1

PRE-QUALIFICATION

Applicant institutions or companies present their application. Eligibility criteria cover financial and social aspects as well as the governance. The context of the country is also taken into account.



2

DUE DILIGENCE

Applications are analysed during a full preliminary audit. Experts are sent to conduct a mission and analyse in greater detail all the aspects, including human aspects.



3

SOCIAL PERFORMANCE

A "responsible" profile of the applicant is developed thanks to the SPI4 Alinus tool indicators.





Éric Campos
Managing Director



Philippe Guichandut
Inclusive Finance
Development Unit



Pascal Webanck
Administration
and Finance Unit



Jürgen Hammer
Risk and Social
Performance Unit

A specialised inclusive finance team

20

Staff

10

Investment Managers
three of them located in Africa

1

PhD Student
working on economic
models of agricultural
insurance

4

Middle-office
officers

2

Risk and
Social Performance
Managers

3

General
Secretariat Staff

4

FINANCING AND ACCOMPANYING

Upon decision of the project committee, the Foundation provides funding and possibly technical assistance.



5

MONITORING AND IMPROVEMENT

Financial analysis are incorporated into the social performance indicators. If needed, the management of funded partners is strengthened thanks to technical assistance missions.



Lobbying

The **Grameen Crédit Agricole Foundation** is an active member of the institutions committed to financial inclusion:



Throughout 2016, the Foundation played a key role for disseminating the Standards of the SPTF chaired by Jürgen Hammer who is also Head of the Risk and Social Performance Unit of the Foundation.

**10
YEARS**



**FONDATION GRAMEEN
CRÉDIT AGRICOLE**



Microfinance & Social Business

In 2018, the **Grameen Crédit Agricole Foundation** will celebrate ten years of existence and commitment to financial inclusion.

FINANCIAL STATEMENTS

CACEIS Bank Luxembourg is the custodian bank in charge of the back office and accounting of the Foundation and the GCA Fund.

The full 2016 Financial Statements of the **Grameen Crédit Agricole Foundation** are available for download on our website or on request from our Communication Officer.

BALANCE

ASSETS	2016	2015
FIXED ASSETS	€48.128.757	€42.539.112
FINANCIAL ASSETS		
Loans	€36.298.828	€27.912.635
Deposits	€5.909.800	€8.889.215
Equities	€5.875.096	€5.569.618
Debts receivable	€45.033	€167.644
CURRENT ASSETS	€10.514.737	€7.594.209
DEBTORS		
Other debtors	€368.516	€583.541
becoming due in one year or less	€368.516	€583.541
CASH AT BANK AND IN HAND	€10.146.221	€7.010.668
PREPAID EXPENSES	€26.838	€17.574
TOTAL ASSETS	€58.670.332	€50.150.895

LIABILITIES	2016	2015
GRANTS AND RESULT	€47.898.941	€48.670.941
INITIAL GRANTS	€50.001.000	€50.001.000
PROFIT/(LOSS) CARRIED FORWARD	€(1.330.059)	€(641.354)
LOSS FOR THE FINANCIAL YEAR	€(772.000)	€(688.705)
CREDITORS	€10.646.554	€1.281.266
TAX AND SOCIAL SECURITY DEBTS		
Social security and other social agencies	€40.079	€62.134
Accrued charges payable for holiday pay	€82.424	€50.079
Other accrued charges payable	€189.041	€191.795
AMOUNT OWED TO CREDIT INSTITUTIONS BECOMING DUE AND PAYABLE AFTER MORE THAN ONE YEAR	€10.000.000	€450.000
OTHER CREDITORS	€335.010	€527.258
DEFERRED INCOME	€124.837	€198.688
TOTAL LIABILITIES	€58.670.332	€50.150.895

PROFIT AND LOSS ACCOUNT

INCOME	2016	2015
INCOME FROM FINANCIAL ASSETS	€2.378.569	€2.193.933
OTHER FINANCIAL INCOME	€903.872	€961.946
REVERSAL OF VALUE ADJUSTMENTS ON FINANCIAL ASSETS	€1.556.654	€21.774
REALISED GAIN IN RESPECT OF FINANCIAL ASSETS	-	€237
EXTRAORDINARY INCOME	€389.110	€42.442
NET INCOME (LOSSES)	(€772.000)	(€688.705)

CHARGES	2016	2015
STAFF COSTS	€1.098.136	€1.064.483
VALUE ADJUSTMENTS	€959.999	€764.018
Value adjustments on financial assets	€881.104	€606.542
Value adjustments on current assets	€78.895	€157.476
OTHER EXTERNAL CHARGES	€1.996.677	€1.916.147
FINANCIAL CHARGES	€349.677	€42.554
Foreign currency exchange losses	€291.436	€20.166
Other interest and financial charges	€58.241	€22.388
REALISED LOSSES	€1.594.674	€0
EXTRAORDINARY CHARGES	€1.042	€121.835

INVESTMENTS

The Foundation's investments

Details on our investments are included on the **2016 Financial Statements of the Grameen Crédit Agricole Foundation**, available for download on our website or on request from our Communication Officer.

LOANS

Name of the MFI	Currency	Country	Grant date	Amount granted in currency	Amount granted (€)
SUB-SAHARAN AFRICA					
RENACA Benin	XOF	Benin	29/07/2013	320.000.000	487.837
	XOF		15/09/2016	320.000.000	487.837
Alidé	XOF	Benin	02/04/2015	525.000.000	800.357
Comuba	XOF	Benin	15/04/2015	200.000.000	304.898
Juhudi Kilimo Company Ltd	KES	Kenya	10/05/2016	135.000.000	1.675.366
Bimas	KES	Kenya	28/10/2014	58.000.000	520.715
Kenya Women Finance Trust	KES	Kenya	06/12/2010	216.303.700	2.000.000
Musoni	KES	Kenya	12/05/2016	58.000.000	516.014
Kenya ECLOF	KES	Kenya	20/05/2016	55.000.000	488.057
RMCR	XOF	Mali	11/06/2014	300.000.000	457.347
	XOF		06/06/2016	209.000.000	318.618
Coopec Sifa	XOF	Togo	12/05/2015	100.000.000	152.449
	XOF		06/06/2016	100.000.000	152.449
	XOF		06/06/2016	200.000.000	304.898
Asiena	XOF	Burkina Faso	11/10/2013	150.000.000	228.674
	XOF		02/03/2016	250.000.000	381.123
ACFIME	XOF	Burkina Faso	24/10/2014	130.000.000	198.184
PAMF Burkina Faso	XOF	Burkina Faso	26/03/2014	500.000.000	762.245
	XOF		04/05/2015	400.000.000	609.796
	XOF		10/10/2016	500.000.000	762.245
ACEP Burkina SA	XOF	Burkina Faso	11/07/2016	600.000.000	914.694
Graine	XOF	Burkina Faso	29/01/2015	250.000.000	381.122
	XOF		29/01/2015	327.978.500	500.000
Uganda ECLOF	UGX	Uganda	21/05/2014	850.000.000	245.469
Uganda Micro Crédit Foundation	UGX	Uganda	17/10/2014	1.000.000.000	300.000
	UGX		05/08/2016	1.900.000.000	499.987
UGAFODE	UGX	Uganda	09/12/2015	3.500.000.000	914.339
STROMME	EUR	Uganda	09/12/2015	1.000.000	1.000.000
ENCOT	UGX	Uganda	07/10/2014	880.000.000	257.362
	UGX		26/09/2016	1.800.000.000	472.272
OXUS RDC	USD	DRC	29/09/2014	800.000	630.418
	USD		15/07/2015	800.000	716.846
Paidek	USD	DRC	08/01/2014	300.000	221.951
IMF Hekima	USD	DRC	30/10/2014	340.000	271.435
PAMF Côte d'Ivoire	XOF	Côte d'Ivoire	04/06/2015	500.000.000	762.245
	XOF		08/12/2016	250.000.000	381.123
CAURIE Microfinance	XOF	Senegal	08/12/2014	500.000.000	762.245
	XOF		01/12/2016	800.000.000	1.219.592
MEC FADEC NJAMBUR	XOF	Senegal	10/11/2015	200.000.000	304.898
Finca Malawi Ltd.	MWK	Malawi	26/05/2014	480.000.000	882.037
AMNV	EUR	Zambia	21/04/2016	300.000	300.000

Name of the MFI	Currency	Country	Grant date	Amount granted in currency	Amount granted (€)
SOUTH AND SOUTH-EAST ASIA					
Hattha Kaksekar Ltd	KHR	Cambodia	08/10/2014	7.900.000.000	1.518.026
LOLC Cambodia (ex-Thaneakea Phum Cambodia)	THB	Cambodia	05/02/2014	70.000.000	1.585.109
	THB		16/06/2015	60.000.000	1.584.158
	THB		23/05/2016	80.000.000	2.019.065
AMK Ltd	KHR	Cambodia	24/03/2014	8.000.000.000	1.427.679
	THB		12/04/2016	39.000.000	991.894
	USD		25/03/2016	1.080.000	948.200
Chamroeun Microfinance Ltd	KHR	Cambodia	05/03/2013	2.500.000.000	470.812
	KHR		24/07/2014	2.750.000.000	507.157
	KHR		12/02/2015	2.750.000.000	598.569
	KHR		17/02/2016	2.150.000.000	488.261
KIF (ex-Tuba Rai Metin)	USD	Timor-Leste	26/05/2014	400.000	298.730
Koperasi Mitra Dhu'Afa	IDR	Indonesia	06/06/2014	6.000.000.000	369.695
	IDR		17/09/2015	24.000.000.000	1.599.922
	IDR		29/03/2016	7.500.000.000	497.895
Mitra Bisnis Keluarga	IDR	Indonesia	16/05/2014	33.000.000.000	2.043.809
Bina Artha Ventura	IDR	Indonesia	03/01/2014	10.000.000.000	633.029
LOLC Microcredit	EUR	Sri Lanka	02/05/2012	2.000.000	2.000.000
	EUR		03/01/2014	1.300.000	1.300.000
	EUR		11/07/2016	3.000.000	3.000.000
Vision Fund Lanka	LKR	Sri Lanka	29/09/2014	195.000.000	1.251.164
JLL Agro Micro	LKR	Sri Lanka	10/06/2015	65.000.000	445.106
Berendina Micro Investments Company	LKR	Sri Lanka	12/02/2015	240.000.000	1.522.532
EASTERN EUROPE AND CENTRAL ASIA					
Kreditimi Rural i Kosoves LLC	EUR	Kosovo	08/04/2013	1.000.000	1.000.000
	EUR		29/02/2016	2.000.000	2.000.000
JSC MFO Crystal	EUR	Georgia	05/11/2014	1.500.000	1.500.000
Finance for Development (FINDEV)	AZN	Azerbaijan	28/08/2015	472.200	400.000
Viator Mikrokredit Azerbaijan LLC	AZN	Azerbaijan	03/05/2013	800.000	772.876
	AZN		11/06/2014	750.000	702.247
Arvand LLC	TJS	Tajikistan	23/01/2014	7.000.000	1.040.134
LLC MLO Humo & Partner	TJS	Tajikistan	18/11/2013	6.000.000	911.231
	USD		19/02/2015	950.000	849.732
FMCC	KGS	Kyrgyzstan	26/04/2016	38.000.000	506.522
	KGS		14/09/2016	40.000.000	534.261
OXUS Kirghizstan	KGS	Kyrgyzstan	06/07/2016	38.000.000	499.405
MENA REGION					
FATEN Palestine for Credit & Development	USD	Palestine	26/06/2014	1.000.000	739.098
	USD		13/07/2016	2.000.000	1.765.225
Micro Fund for Women Ltd	JOD	Jordan	16/10/2014	1.415.146	1.650.000
TIAVO	MGA	Madagascar	18/09/2012	1.600.000.000	509.596

EQUITY INVESTMENTS

Name of the institution	Country	Business sector	Amount invested (€)	Shareholding
Babyloan	France	Financial services	243.915	4,22%
TCX	Netherlands	Financial services	1.869.751	n/a
Biotropical	Cameroon	Agri-food	93.741	15,41%
Palmis Eneji	Haiti	Renewable energies	45.495	15,31%
FADEV	France	Financial services	10.000	11,76%
Vert Limited	Kenya	Agri-food	365.486	16,11%
Grameen CA Fund	Luxembourg	Portfolio of direct equity participations	4.087.155	100%

finance
INNOVATIONS
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microassurance
social
performance
social human
business
community
garanties
values
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loans
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women



Microfinance & Social Business

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