Investment Manager.
Positive Change.
For more than 20 years, Inpulse has been engaged in the development and financing of the social economy sector in Europe. Inpulse was initially focused on the development of workers and social cooperatives in the EU as a fully owned subsidiary of Soficatra. Since 2006, Inpulse has enlarged its expertise and proficiency to the microfinance sector by advising the CoopEst fund, which invests in Central and Eastern Europe. In 2013, the CoopEst eligibility area was enlarged to the Caucasus countries. In 2015, Inpulse extended its area of operations by advising the newly created CoopMed Fund for the MENA region. In 2017, Inpulse dedicated significant time and effort to promote the Helenos Fund, which will cover the entire EU and accession countries. In 2013 Inpulse global capacity was strengthened by the equity subscription of the French Credit Coopératif group. As a result, in November 2016, Inpulse registered with the Belgian AIFM regulator as a small sized AIF Manager. Inpulse currently advises a total aggregate microfinance investment capacity of EUR 55M and serves as investment adviser for Soficatra.

Inpulse aims to be a leader in long-term inclusive finance that empowers vulnerable groups. Inpulse strives to foster cooperative values, boost local economies and encourage social inclusion through entrepreneurship. To achieve these goals, the Inpulse team commits to:

▪ tailor and engineer fair financial and non-financial services to serve inclusive financial institutions;
▪ manage and advise investment vehicles sharing the same ambition;
▪ leverage resources addressed to responsible economic initiatives; and,
▪ operate as an impact driven organization joining professional investors and ultimate beneficiaries.

Inpulse is a Brussels-based investment manager with distinctive know-how in social investments and microfinance. From a core expertise in cooperative equity financing, we developed strong skills in managing alternative investment funds that provide responsible, long-term financing to socially-driven financial intermediaries. Inpulse maintains strong connections with leading microfinance and social economy networks and multiple partnerships with successful stakeholders to ensure a sound understanding of the market in which we operate.
The year 2017 was very intensive for Inpulse with operations covering 14 countries and 42 clients. In particular CoopEst disbursed or extended more than EUR 12.5M to 18 MFI clients, 8 cooperative banks and 1 credit union, CoopMed reached a total commitment of EUR 7.5M with 8 MFIs. In terms of outreach, our managed funds indirectly supported 294,216 final beneficiaries. Our global portfolio activities showcase Inpulse dedication to inclusive finance and our capacity to tailor investments that benefit Tier 3 and Tier 2 MFIs with limited access to funding. Inpulse also contributed to the fundraising of all of its funds, and in particular the soon to be launched Helenos equity fund dedicated to microfinance and social entrepreneurship in the EU. We also put in place a Technical Assistance offer for the CoopMed investees. In 2017, particular effort was dedicated to improving social performance management with the implementation of a new Social Scorecard to support investment decisions in the advised funds.
As of the end of 2017, Inpulse manages loans to 42 partner institutions in 14 countries for a total outstanding amount of EUR 41.96 M. The majority of the portfolio supports small and medium-size MFI s that are strongly involved in the local development of disadvantaged areas. Our MFI partners serve vulnerable groups excluded from financial services: the average loan size to final beneficiaries is 1,452 EUR. CoopEst exposure to cooperative banks in Poland represents nearly 20% of the CoopEst portfolio. Located in semi-urban and rural areas, Polish cooperatives are often the only financial institutions providing access to credit in these remote areas.
In 2017, Inpulse developed a unique Social Scorecard to help our decision-makers take investment decisions aligned with the social mission of each fund. Taking inspiration from the SPI4, the main purpose of the Social Scorecard is to provide an immediate overview of investee’s social performance by visually highlighting their strengths and weaknesses. Our 3-steps methodology is aligned with the worldwide best practices: the Universal Standards of the Social Performance Task Force, the Global Investing Network guidelines and the SMART Client Protection Principles. Particular attention is dedicated to show achievement of UN Sustainable Development Goals.

**SELECTION AND DECISION**
Each new investment gets a social score between 0 and 100 based on a weighted Social Scorecard. The scoring system is designed to test the alignment of one investee’s operations with their stated social mission.

**MONITORING AND REPORTING**
Based on our Social Smart Sheet ("Triple S"), a matrix of 30 quantitative and qualitative indicators, we ensure that each investment adheres to the objectives of our investors and investees.

**DETECTING SOCIAL CHANGES**
Thanks to Technical Assistance funding, we are able to conduct punctual impact studies that track social changes in the life of final beneficiaries. Our ultimate objective is to help our investees improve their products and services while improving their overall level of social performance.

**SOCIAL OUTREACH BANKS**

**ACCESS & OUTREACH**
Portfolio by client (legal entities, physical persons)

- **URBAN**: 45%
- **RURAL**: 55%

- **Final beneficiaries reached**: 133%

**SERVICES & CLIENT TREATMENT**
Type of loans

- **PERSONAL**: 12%
- **BUSINESS**: 37%
- **AGRICULTURE**: 33%
- **HOUSING**: 15%
- **GREEN**: 15%

- **Institutions with complaint resolution systems**: 100%

- **Employees receiving training**: 85%
- **Turnover ratio**: 13%
- **Total employees**: 3099
- **Women staff**: 50%

**SOCIAL OUTREACH MFIs**

**ACCESS & OUTREACH**
Portfolio by gender

- **MALE**: 44%
- **FEMALE**: 56%

- **Final beneficiaries**: 284,782

**SERVICES & CLIENT TREATMENT**
Type of loans

- **PERSONAL**: 14%
- **BUSINESS**: 62%
- **AGRICULTURE**: 67%

- **Institutions collecting satisfaction data**: 1%
- **Client complaints ratio**: 85%

- **Institutions with complaint resolution systems**: 85%

**STAFF TREATMENT**

- **Employees**: 3099
- **Women staff**: 50%
- **Total employees**: 3099
- **Turnover ratio**: 13%
- **Employees receiving training**: 85%

**SOCIAL MISSION**

**MONITORING & REPORTING**

- **Final beneficiaries reached**: 133%
- **Average disbursement loan size as % of GNI per capita**: 46%

**FINANCIAL INCLUSION**

- **Smallholders**: 90%
- **Social mission**: 90%
- **Access & outreach services & client treatment**: 90%

**DETECTING SOCIAL CHANGES**

- **Selection and decision**: 90%
- **Monitoring and reporting**: 90%
- **Detecting social changes**: 20%

**STAFF TREATMENT**

- **Staff turnover ratio**: 16%
- **Women staff**: 82%
- **Long-term employees**: 95%
Inpulse has a dedicated team of multilingual and multi-skilled professionals committed to bringing positive changes in the life of financially excluded people through adequate support. We are based in three countries (Belgium, Poland et France) with nine staff in Brussels, four staff members in Warsaw and one in Paris. The managers and investment team have extensive experience in due diligence, risk management and portfolio monitoring of investees in the social economy, microfinance and the informal sectors. The geographical scope of our staff experience covers the entire European Union, neighbouring countries, Africa and Latin America.
INVESTORS

Our fund’s investors are international development financial institutions, social and ethical banks, mutual insurance companies and responsible investment companies. All our funding partners share the same ambition of boosting local economies and social inclusion by fostering entrepreneurship. Impulse pools European social economy investors and ethical banks with DFIs. The IFC (World Bank Group) subscription allowed CoopEst to launch its operations in 2006 and was followed by EIF (EIB Group), which is today the second largest shareholder. CoopMed, created by and for the actors of the social economy in the Mediterranean area, benefits from EIB contribution. For both funds the shareholders, who are also engaged in supporting clients through financial engineering and capacity building needs, also approve all investments.
MANAGED FUNDS

CoopEst mission is to foster the development of a socially-rooted financial sector in Central and Eastern Europe and the Caucasus (CEEC). To support financial inclusion and the development of income generating activities, CoopEst provides subordinated and senior debt to eligible financial intermediaries, enabling them to leverage further funding and to expand their outreach.

Launched in 2015, CoopMed supports the creation of employment and economic activities promoted by the local civil society. In the MENA region CoopMed promotes innovative social entrepreneurship initiatives. The fund offers subordinated and senior loans to MFIs and local banks. CoopMed applies a strong social performance policy with the support of a dedicated technical assistance facility.

All funds under management show strong performance in micro and SME finance and generate competitive financial returns. They also have effective social impact in emerging markets by supporting entrepreneurship and social inclusion. Impulse compliance with international business standards generating high quality financial information. Our company core principles focus on integrity, transparency and professionalism. This is the basis of long-standing relationships with all our stakeholders.
Building on the CoopEst experience, Inpulse received the mission to structure a new fund dedicated to support, on a wider European scale, the capital strengthening of small microfinance institutions and financial intermediaries targeting social enterprises. Helenos will be the first private equity fund in the inclusive finance sector across Europe. Through reinforcing the capital base of such financial intermediaries, Helenos intends to:

▪ promote social inclusion;
▪ fight unemployment;
▪ strengthen microcredit’s structuring role in the economy;
▪ boost the entrepreneurial sector at the base of the pyramid;
▪ develop the social entrepreneurship ecosystem.

This initiative will benefit of the European Union EaSI support, through the European Investment Fund.
Thanks to the financial support of the European Investment Bank/Government of Luxemburg, a CoopMed TA Facility is now active and has been providing TA services to its investees since June 2017. We identify primary gaps or needs, prepare the necessary documents to find a suitable advisor, and implement and monitor the execution of activities. Our TA mainly focuses on five areas of intervention:

- diversification of product range;
- risk management;
- social performance and impact measurement;
- strategy and good governance;
- information technology.

By the end of 2017, two CoopMed clients in Morocco and one in Lebanon are enrolled for the technical assistance services. Currently, CoopMed TA is conducting an impact study with a Lebanese MFI to understand the outcomes of microcredit provision on the living conditions of 150 Syrian refugees (final clients of our investee) over 12 months. Our ambition is to capture trends and patterns of social change in the living conditions of final beneficiaries. In addition, such impact studies will help to improve the adequacy of financial products while boosting the overall level of social performance.
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