



# ACTIVITY REPORT 2018



Investment Manager.  
Positive Change.

# BIOGRAPHY

## HISTORY

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 workers and social cooperatives in the EU as a fully owned subsidiary of Soficatra. Since 2006, Inpulse has enlarged its expertise and proficiency in the microfinance sector by supporting the CoopEst Fund, which invests in Central and Eastern Europe. In 2013, the CoopEst eligibility area was enlarged to include the Caucasus countries. In 2015, Inpulse extended its area of operations by supporting the newly created CoopMed Fund, which invests in the MENA region. In 2018, Inpulse established the Helenos Fund addressing the entire EU and accession countries. These development efforts were backed by the 2013 equity participation of the French Credit Coopératif group, which strengthened the capital base of Inpulse. In November 2016, Inpulse was able to register with the Belgian AIFM regulator as a small sized AIF Manager. With a team based in two countries (Belgium and Poland), Inpulse currently advises a total aggregate microfinance investment capacity of EUR 65M including Soficatra.

## ABSTRACT

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 supporting alternative investment funds that provide long-term financing to socially driven financial intermediaries. The primary goal of all our investments is to empower excluded low-income beneficiaries and to promote positive changes in their lives. The UN SDGs provide the main framework to develop our mission. By tracking specific social indicators we are able to show how we contribute to the SDGs and to monitor the evolution of our impact targets. Inpulse maintains as well strong connections with leading microfinance and social economy networks, and multiple partnerships to ensure a sound understanding of the market in which we operate.

## AMBITION & MISSION

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;
- support investment vehicles sharing the same ambition;
- leverage resources addressed to responsible economic initiatives; and,
- operate as an impact-driven organization tracking the social impact of every investment,
- complement public and private investors to generate better outreach at microlevel.

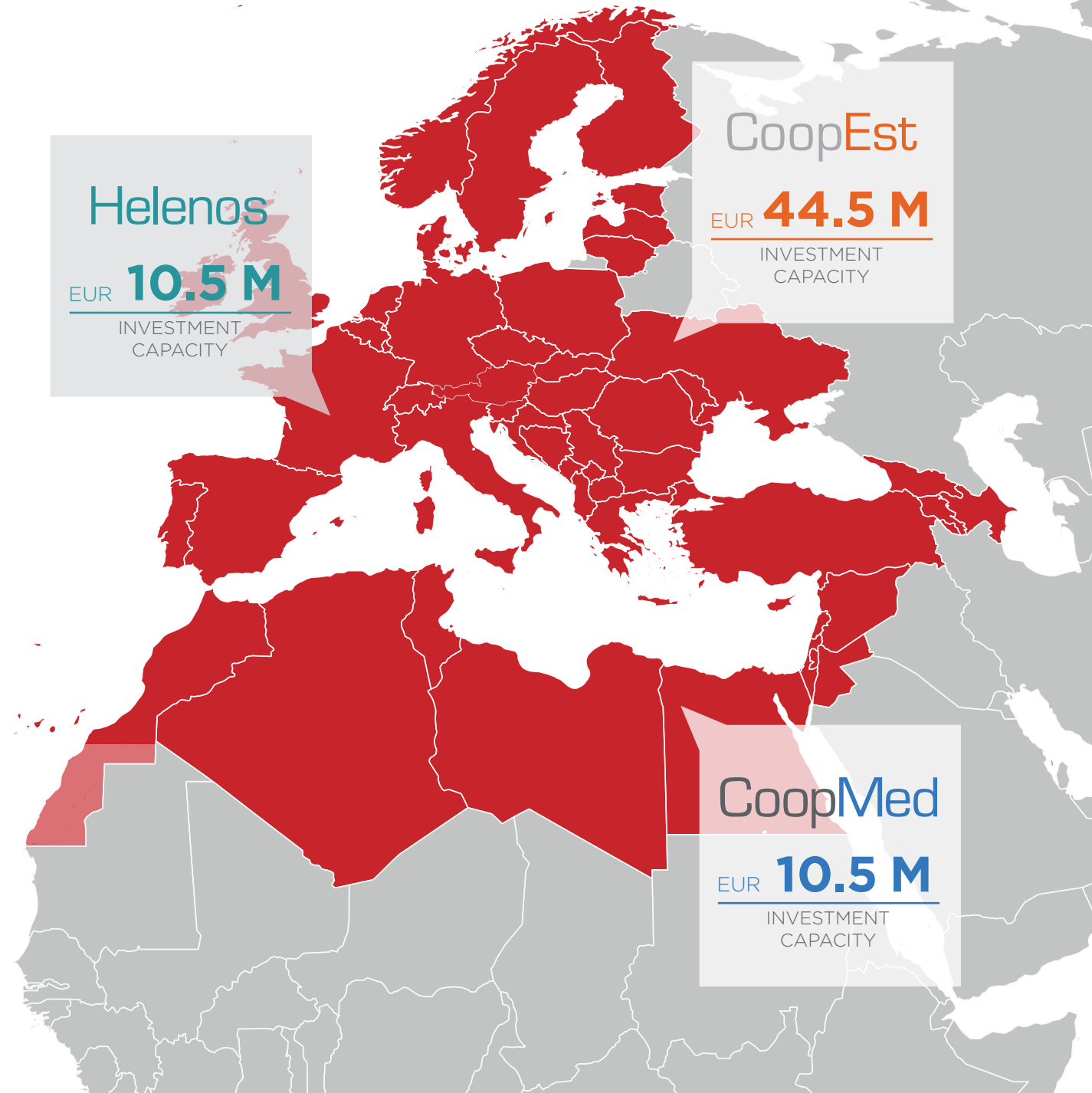


# OPERATIONS

## MESSAGE FROM MANAGEMENT

The year 2018 was very intensive for Inpulse. Our operations covered 15 countries and numbered 40 clients. CoopEst disbursed/extended more than EUR 27.8M to 15 MFI clients, 14 cooperative banks and 2 credit unions. CoopMed reached a total commitment of EUR 9.2 with 9 MFI clients. In terms of end-clients outreach, our funds indirectly supported 269.346 final beneficiaries. We closed the Helenos Fund in November and started operations immediately. By end of the year, already 4 investment decisions were taken. Realizations will come in 2019. Our global portfolio activities showcase Inpulse's dedication to inclusive finance and our capacity to tailor investments that benefit Tier 3 and Tier 2 clients with limited access to funding. We developed the Technical Assistance offer for the CoopMed clients and improved continuously our social performance tools and outcomes in line with key SDGs.

## IMPACT FOOTPRINT



# INVESTMENTS & PORTFOLIO

As of the end of 2018, Inpulse takes care of 40 partner institutions in 15 countries for a total outstanding amount of EUR 37 M. The majority of the portfolio - around 72% - supports small and medium-sized MFIs that are strongly involved in local development of disadvantaged areas. The average loan size to final beneficiaries is 1,613 EUR. CoopEst exposure to cooperative banks in Poland represents nearly 30% of the CoopEst portfolio. Located in semi-urban and rural areas, Polish cooperative banks are often the only financial institutions providing access to credit in these remote areas.



EUR **65 M**

ASSET UNDER MANAGEMENT



EUR **40 M**

OUTSTANDING PORTFOLIO



**14**

TARGET COUNTRIES



**3**

FRAGILE STATES



**64**

LOANS OUTSTANDING



EUR **950 K**

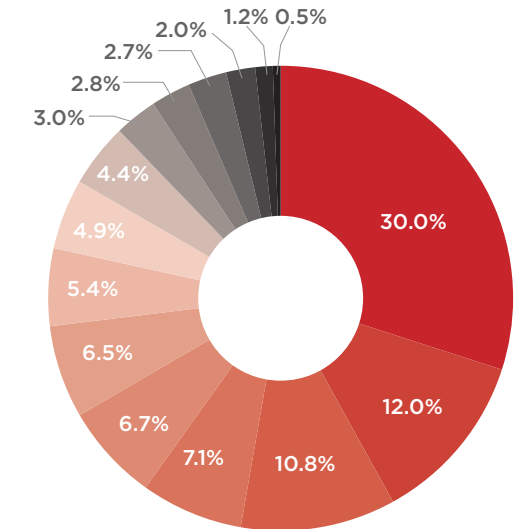
AVERAGE LOAN PER INVESTEE



**269,650**

ACTIVE LOANS TO FINAL BENEFICIARIES

## PORTFOLIO BY COUNTRY



Poland EUR 11,111,909	Liban EUR 2,395,251	Bulgaria EUR 1,025,000
Romania EUR 4,450,000	Serbia EUR 2,000,000	Albania EUR 1,000,000
Kosovo EUR 4,000,000	Maroc EUR 1,816,667	Tunisie EUR 750,000
Palestinian Territories EUR 2,637,140	Jordanie EUR 1,644,466	Moldova EUR 450,000
Bosnia & H EUR 2,500,000	Macedonia EUR 1,100,000	Montenegro EUR 200,000

## PORTFOLIO BY TYPE OF INTERMEDIARY

**MFIs** - EUR 26,627,611

**COOPERATIVE BANK** - EUR 8,227,823

**MICROFINANCE BANK** - EUR 2,000,000

**CREDIT UNION** - EUR 225,000

# SOCIAL & IMPACT

## THE SOCIAL SCORECARD

In 2017, Inpulse developed a unique Social Scorecard to help our decision-makers taking investment decisions aligned with the social mission of each fund. Inspired from the SPI4, the main purpose of the Social Scorecard is to provide an immediate overview of client's social performances 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

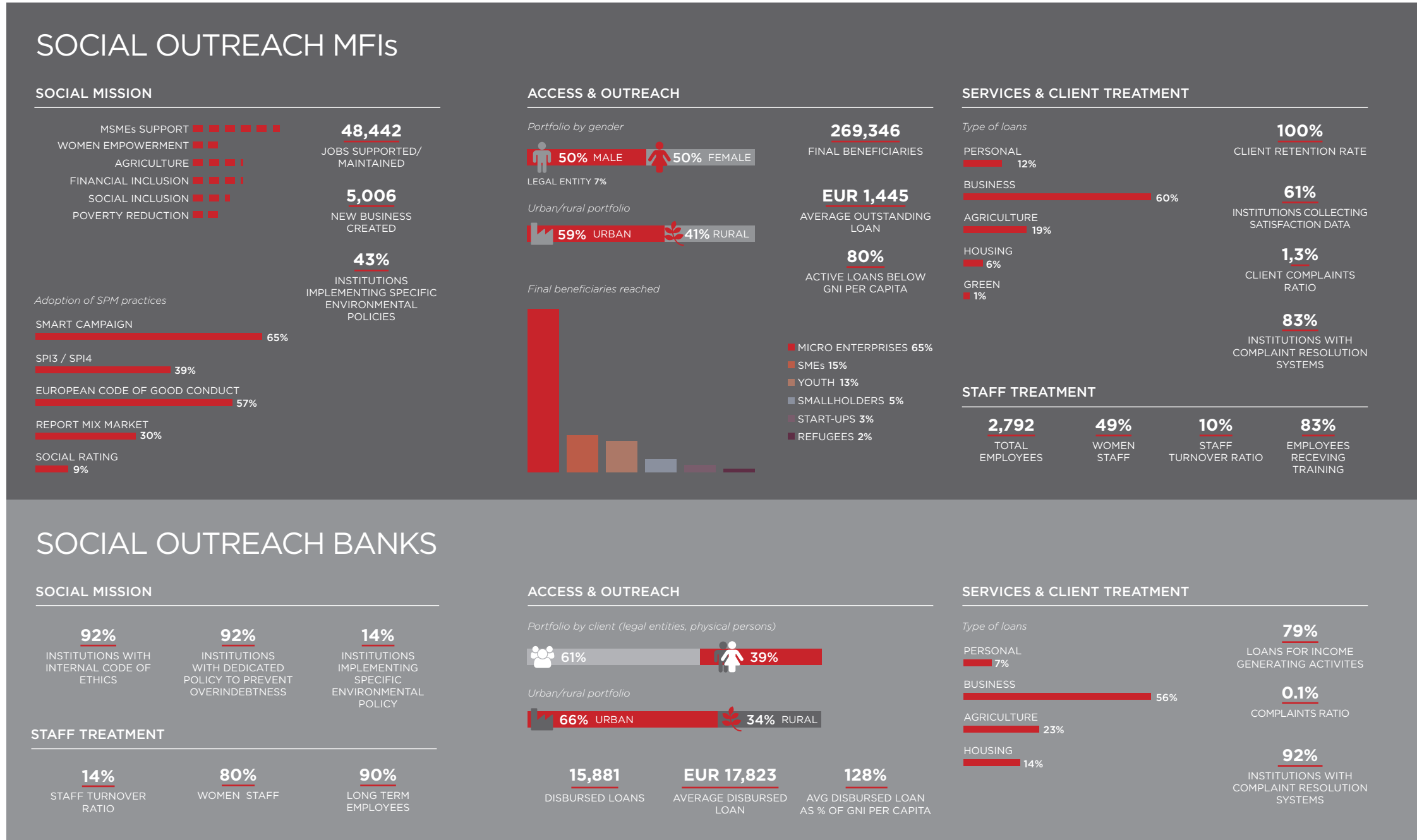
Each new investment gets a social score between 0 and 100 based on a weighted Social Scorecard. The scoring system is designed to test the consistency of a client's operations with their stated social.

### MONITORING AND REPORTING

Monitoring and reporting: based on our Social Smart Sheet, a matrix of 30 quantitative and qualitative indicators, we ensure that each investment adheres to the objectives of our investors and clients.

### 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.



# PEOPLE

Inpulse has a dedicated team of multilingual and multi-skilled professionals committed to bring positive changes in the life of financially excluded people. We are based in two countries (Belgium and Poland) with 12 staff in Brussels and 4 staff members in Warsaw. The management and the investment team have extensive experience in due diligence, risk management and portfolio monitoring of the social economy, microfinance and the informal sectors. The geographical scope of our staff experience covers the entirety of the European Union, neighboring countries, Africa and Latin America.

**BRUNO DUNKEL**  
Manager

**LAURENCE MAY**  
Risk and Compliance Manager

**NICOLAS BLONDEAU**  
Manager

**JOANNA WARDZINSKA**  
Investment Manager

**MICHAL RADZIWIŁŁ**  
Manager

**IZABELA NOREK**  
Investment Manager

**ISABELLE SCHILTZ**  
Project Officer

**PRISCILLA CARPENTER**  
Manager

**KARINA NAVARRO**  
Project Officer

**JUSTINE PALERMO**  
Investment Officer

**FRANCESCO GRIECO**  
SPM & Communication Officer

**IMAD HAIDAR**  
Investment Officer

**MONIKA CZERWINSKA**  
Investment Officer

**ZHARA KIMDJEE**  
Investment Manager

**ANA PRADO**  
Internal Control & Compliance

**VALÉRIE VALENTE**  
Administration and Support

**CLEMENT ANDRÉ**  
Project Officer

**16**  
STAFF MEMBERS

**59%**  
WOMEN STAFF

**10**  
NATIONALITIES

**10**  
SPOKEN LANGUAGES

**271**  
YEARS OF EXPERIENCE

**2**  
OFFICE LOCATIONS

# INVESTORS

Inpulse investors are international development financial institutions, institutional and private investors pioneering for positive change and deep social impact. All of our funding partners share the same ambitions of boosting local economies and social inclusion by fostering entrepreneurship. CoopEst pools European social economy investors and ethical banks with DFIs. The IFC (World Bank Group) subscriptions allowed CoopEst to launch its operations in 2006 and was followed by EIF (EIB Group), which is today the second largest shareholder. IFC was fully repaid in Dec 2018. CoopMed, created by and for the actors of the social economy in the Mediterranean area, benefits from the expertise of its investors who are strongly committed to its objectives. The shareholders, who are also engaged in supporting clients through financial engineering and capacity building needs, also approve all CoopMed investments. Helenos, our latest initiative, is co-funded by the European Union under the Programme for Employment and Social Innovation (EaSI), through the European Investment Fund.

## SOCIAL ECONOMY INVESTORS & BANKS



## DEVELOPMENT FINANCE INSTITUTIONS (DFIs)



## IMPACT & RESPONSIBLE INVESTORS



## MUTUAL INSURANCE COMPANIES





# OUR FUNDS

During 2018, in parallel of the two funds supported by Inpulse (CoopEst and CoopMed), we were heavily involved in the investment activities of Helenos, our new fund for capital strengthening for MFIs and social enterprises in Europe.

All our funds show strong performance in micro and SME finance and generate competitive financial returns. They also contributed in social development in emerging markets by supporting entrepreneurship and social inclusion. We ensure compliance with international business standards and generate 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.

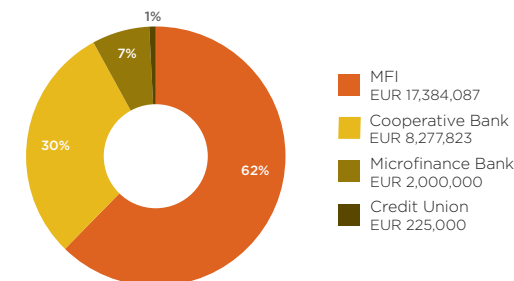
## CoopEst

The mission of CoopEst 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.

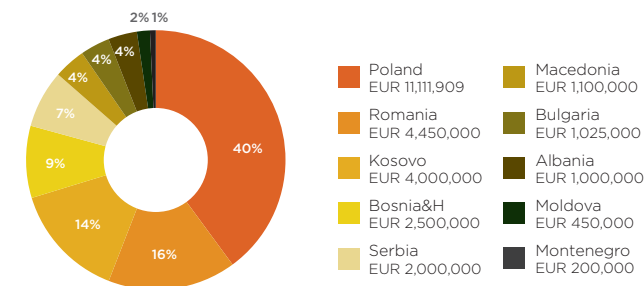


\*Referred to MFIs, Microfinance Banks and Credit Unions

### PORTFOLIO BY SECTOR



### PORTFOLIO BY COUNTRY

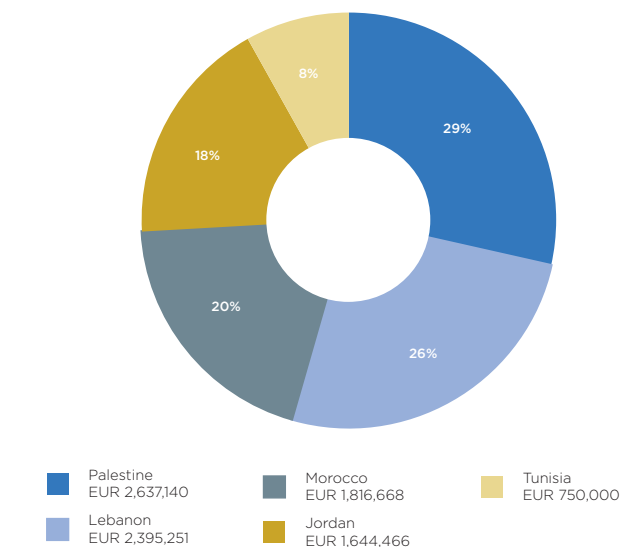


## CoopMed

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



### PORTFOLIO BY COUNTRY



# NEW FUND

## HELENOS

Based on the success of CoopEst, and the strong demand for capital strengthening products across the financial inclusive sector in Europe, Inpulse launched in 2018 a new initiative: Helenos. The first closing occurred in November 2018 at 10,5M EUR. A launching ceremony was celebrated in October with the presence of the Vice-President of the European Commission, Mr. Katainen.

In 2018, 2 Investment Committees, 2 Boards of Directors and 1 Advisory Committee have been held. Beside the general set-up of the fund, 2 investments have been approved, 6 files have received the eligibility and 1 file has been refused.

Helenos benefits of the European Union EaSI Support, through the European Investment Fund.



SOCIAL  
ENTREPRENEURSHIP

CAPITAL  
STRENGTHENING

DEEP SOCIAL  
IMPACT



# TECHNICAL ASSISTANCE

Thanks to the financial support of the European Investment Bank/Government of Luxemburg, CoopMed TA Facility has been providing TA services to its clients since June 2017.

Starting from the information collected by the front office we identify primary needs and build the technical proposals together with our investees. Afterwards we look for suitable and referenced advisors, we contract them directly, and monitor the execution of activities until the end in order to keep high standard of quality.

Technical assistance for 2018 has been focused on four main areas of intervention: 1) diversification of product range; 2) risk management; 3) social performance and impact measurement; 4) business and strategic planning. Two CoopMed clients in Morocco and one in Lebanon have been enrolled for the technical assistance advisory services. For illustration, CoopMed TA is finalizing an impact study with a Lebanese MFI to capture patterns of social change on the living conditions of 120 Syrian refugees (final clients of our investee) over 12 months (see box on the right).

Based on the initial success and high request of TA, during 2018 CoopMed has received new funding from the Agence Francaise de Développement (AFD) to increase the financial resources for assisting all its clients. One client operating in the Palestinian Territories has already benefited of a CoopMed TA to formulate its strategic planning for the next 3 years.

## MICROCREDIT TO SYRIAN REFUGEES: AN IMPACT STUDY IN LEBANON

In cooperation with Al Majmoua, CoopMed client in Lebanon, an impact study was promoted to assess the socio-economic outcomes of microcredits provided to Syrian refugees.

### MAIN FINDINGS

- Despite their fragile status the credit doesn't seem to harm refugees who prove to be able to manage formal credit;
- Refugees livelihood conditions improved, in particular in terms of debt reduction, rent and bills repayment, food and house satisfaction, access to health services;
- Refugees economic conditions improved with an increase in the net family monthly income, a reduction of indebtedness at the household level and the ability to save in cash;
- 96% of refugees clients feel better after the use of the credit.



## DISCLAIMER

---

Inpulse has made every effort to ensure the accuracy of the information contained in this annual report and on Inpulse website referred to herein. However, Inpulse does not guarantee the appropriateness, completeness, accuracy or usefulness of this information to the reader. The content of this information is also subject to change without prior notice. This annual report may contain forward-looking statements about Inpulse strategies, beliefs and performance that are not historical facts. They are based on current expectations, estimates, and forecasts about Inpulse operations and reflect the beliefs and assumptions made by the management. Inpulse, therefore, wishes to caution readers not to place undue reliance on the forward-looking statements for any kind of decisions. Furthermore, Inpulse undertakes no obligation to update any forward-looking statements as a result of new information, future events or other developments. Neither Inpulse nor any of its shareholders, directors, officers or advisors makes any representation or warranty or gives any undertaking of any kind, express or

implied, or, to the extent permitted by applicable law, assumes any liability of any kind whatsoever, as to the information contained in, or otherwise in relation to, this document. Furthermore, please be aware that the contents or URLs that are referred to in the annual report may be changed, suspended or removed without prior notice. Regardless of the reason, Inpulse assumes no responsibility, whatsoever, for any damage resulting from the downloading of the data. The copyright to this annual report is held by Inpulse. Unauthorized reproduction or conversion is strictly prohibited. Inpulse assumes no responsibility whatsoever for information, services or other content provided on other websites that have been linked without express permission of Inpulse by a link, banner or other means from Inpulse website. The information contained in this annual report and on the Inpulse's website has not been created to solicit investors to buy or sell shares nor bonds. Any investment decision and responsibility for investments rests solely with the user of this annual report and /or the website content.



Av. Jules César 2 box 7  
1150 Brussels - Belgium  
T +32 2 770 15 62

[www.inpulse.coop](http://www.inpulse.coop)

Registered with the Central Registry  
of Legal Entities und n° 0427.888.279

Investment Manager.  
Positive Change.