



# ANNUAL REPORT 2016

**Inpulse brings positive changes in the life of final beneficiaries while ensuring financial and social returns for its clients and investors.**

**This is Inpulse.**



# PROFILE

## 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 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.

## AMBITION & MISSION

Inpulse aims to be a leader in long-term responsible finance that empowers vulnerable groups. Inpulse strives to foster cooperative values, boost local economies and encourage social inclusion through entrepreneurship. To achieve these goals, 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;
- operate as an impact driven organization joining professional investors and ultimate beneficiaries.

## HISTORY

For more than 20 years, Inpulse has been involved in the development and financing of the social economy sector in Europe. Initially focused on workers and social cooperatives in the EU, Inpulse has enlarged its expertise and proficiency in the microfinance sector by advising the CoopEst Fund (for Central and Eastern Europe) since 2006. In 2015, Inpulse extended its area of operations by advising the CoopMed Fund active in the MENA region. Through a team based in three countries (Belgium, Poland and France), Inpulse currently advises a total aggregate investment capacity of EUR 58M. The nil default rate of the funds under management demonstrates the success of the Inpulse methodology to identify, assess and monitor social investments.

# OPERATIONS & FINANCIAL PERFORMANCE

## MESSAGE FROM MANAGEMENT

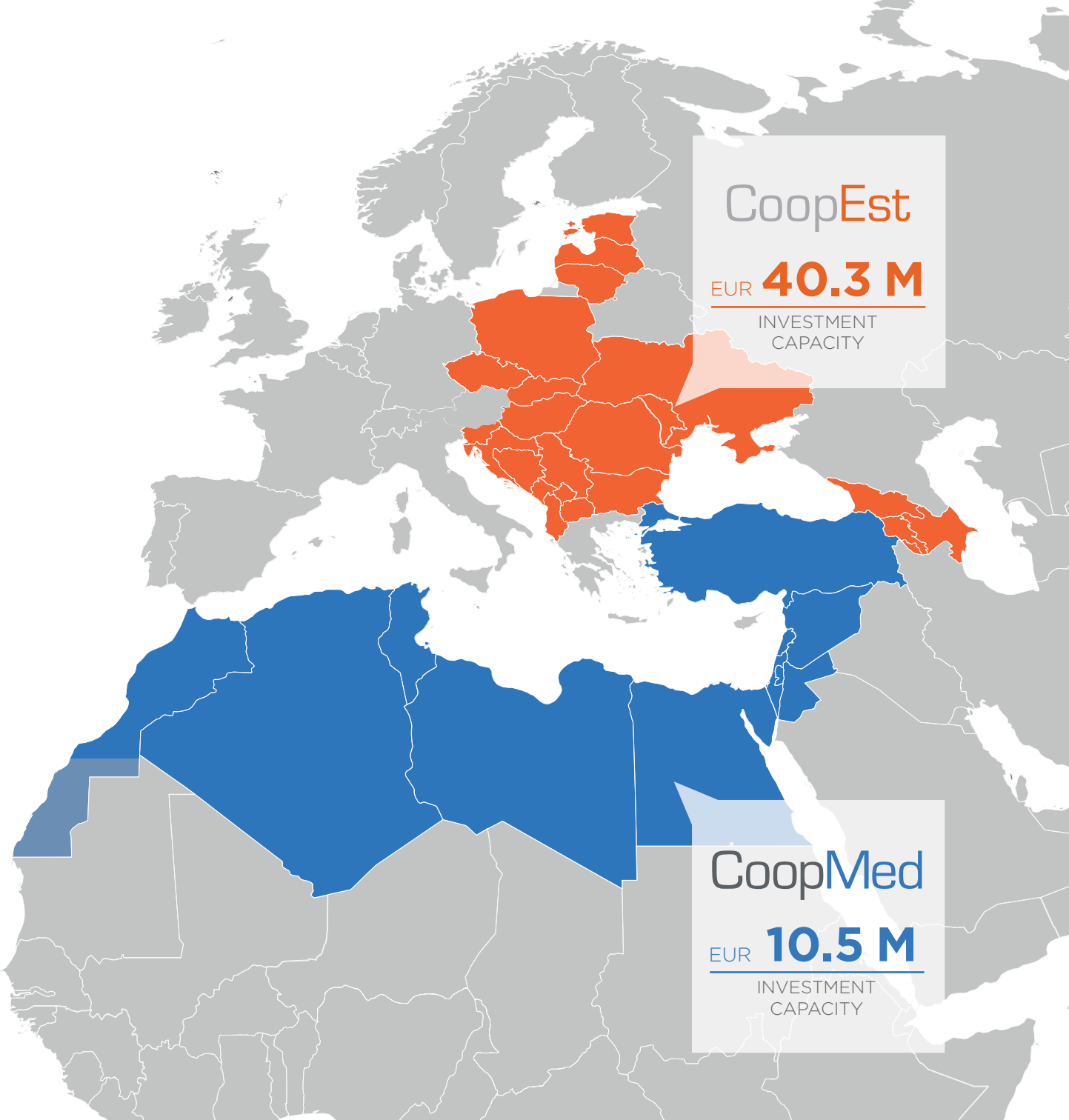
2016 was a very intensive year for Inpulse in advising the CoopEst and CoopMed investments. With CoopEst, we disbursed or extended more than EUR 6M to nine MFI clients and two cooperative banks; the Fund will be nearly totally invested in 2017. By the end of 2016, the CoopMed portfolio reached a total commitment of EUR 3.6M with five MFI clients. This portfolio showcases CoopMed's dedication to social investment in MENA and will support a fundraising effort in 2017 to bring the fund to a total size of EUR 20M. Although microfinance is not necessarily similar across the MENA and CEE regions, we note a large offer of liquidity in both markets. While other Funds tend to target bigger MFIs and larger average loan sizes, Inpulse relies on its flexibility to tailor investments to each individual case and serve clients with limited or difficult access to adapted funding.

EUR **50.8 M**  
INVESTMENT  
CAPACITY

**11**  
STAFF

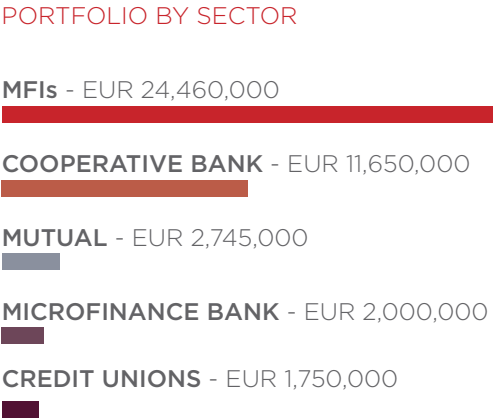
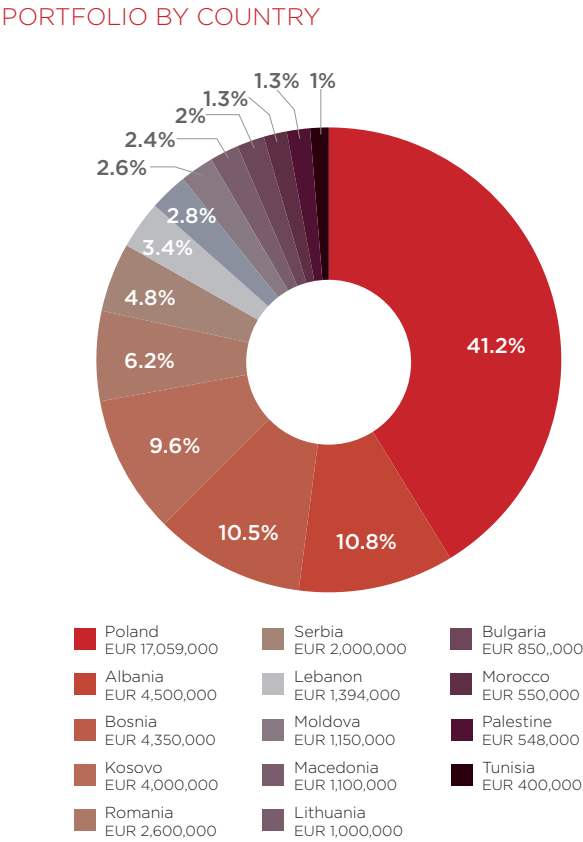
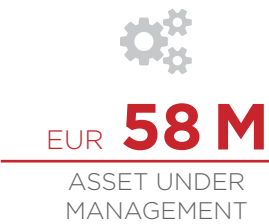
**39**  
INVESTEES

**0%**  
DEFAULT  
RATE



# INVESTMENTS & PORTFOLIO

As of the end of 2016, Inpulse manages loans to 39 partner institutions in 14 countries for a total outstanding amount of EUR 41,6 M. More than the half of the portfolio is dedicated to support small and medium-size MFIs 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 clients is 1,415 EUR. Of particular note is the CoopEst exposure to cooperative banks in Poland, which represent 30% of the CoopEst portfolio. Located in semi-urban and rural areas, Polish cooperatives often are the only financial institutions providing access to credit in these remote areas.



# SOCIAL & IMPACT

## IMPULSE SPM SYSTEM

Impulse has created a social performance monitoring tool that identifies and monitors key social performance indicators as outlined in the Universal Standards of Social Performance and the Global Impact Investing Network (GIIN) guidelines. The SPA (Social Performance Assessment) matrix is divided into 4 categories: social mission, products and services, outreach and access, and staff treatment. Together, these metrics cover the full spectrum of social performance, from analysis of the institution’s declared objectives to the efficiency of its systems. Based on this tool, Impulse is able to select, assess and monitor investments in line with managed Funds’ missions.

## HIGHLIGHTS

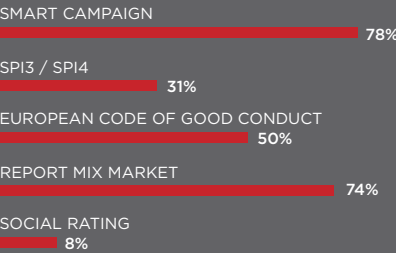
70% of the MFIs in our portfolio declare that “microenterprises support” represents the main (social) mission of their institutions together with financial inclusion. 71% of portfolio institutions include social targets in their business plan, and in 59% of the cases the Board of Directors uses social data to provide strategic direction. 91% of our client MFIs have an Internal Code of Ethics. Cooperative Banks and Credit Unions are also strongly committed to local development (economic and social) through the support of SMEs (77%) and microenterprises (56%). In line with local banking regulations and consumer laws, banks are also compliant with national standards for customer protection purposes: 100% of portfolio banks comply with protection of personal data and privacy policies.

## SOCIAL OUTREACH MFIs

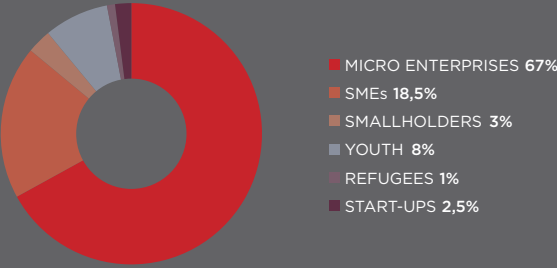
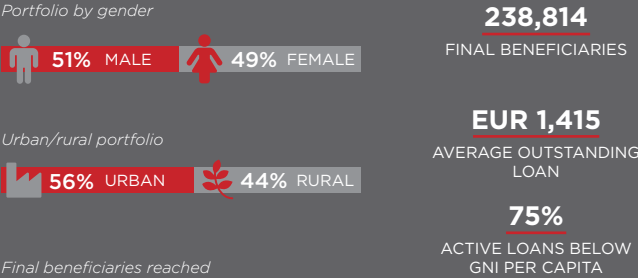
### SOCIAL MISSION



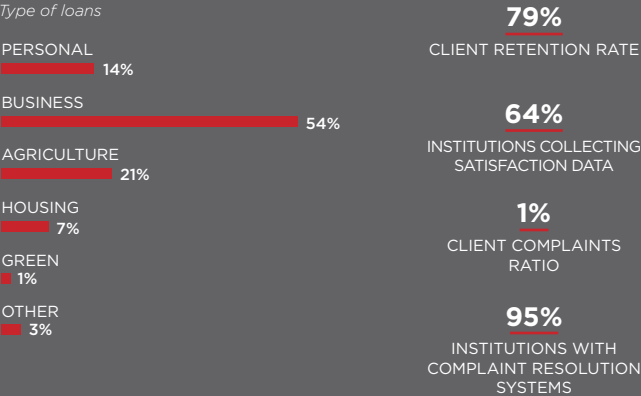
Adoption of SPM practices



### ACCESS & OUTREACH



### SERVICES & CLIENT TREATMENT



### STAFF TREATMENT



## SOCIAL OUTREACH BANKS

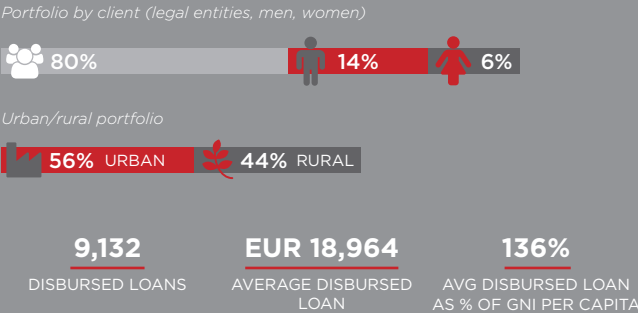
### SOCIAL MISSION



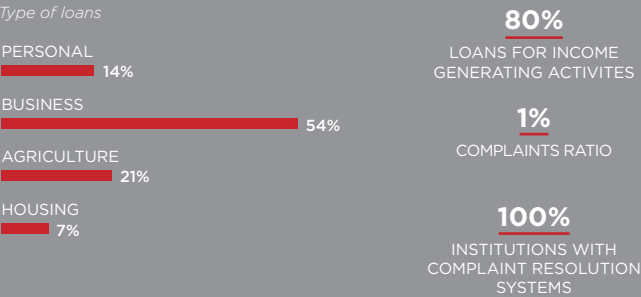
### STAFF TREATMENT



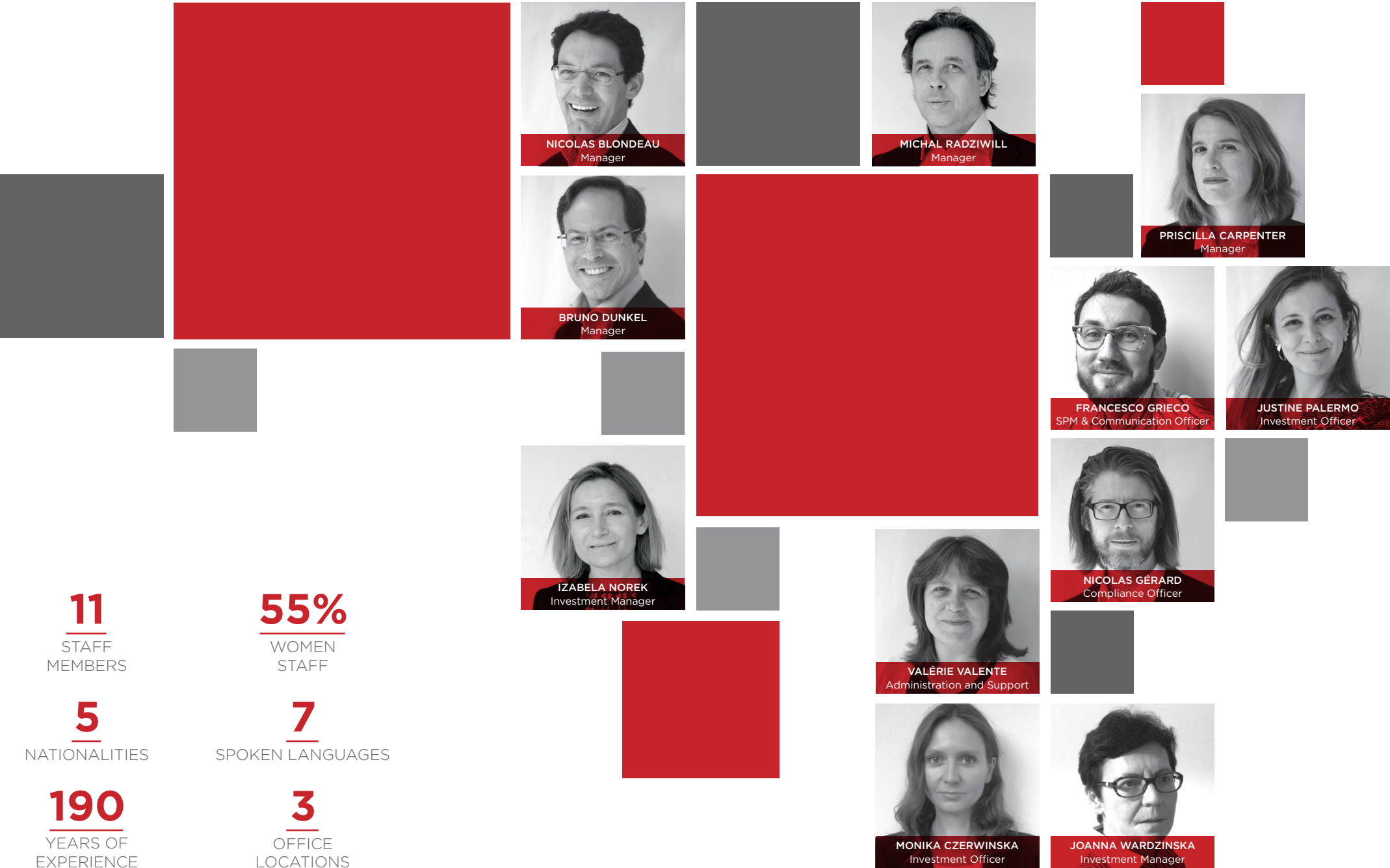
### ACCESS & OUTREACH



### SERVICES & CLIENT TREATMENT



# PEOPLE



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 six staff in Brussels, four staff members in Warsaw and one in Paris. The team 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 entirety of the European Union, neighboring countries, Africa and Latin America.

# INVESTORS

Inpulse investors are international development financial institutions, social and ethical banks, mutual insurance companies and responsible investment companies. All of our funding partners share the same ambitions of boosting local economies and social inclusion through the fostering of entrepreneurship. CoopEst pools together European social economy investors and ethical banks with DFIs. 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. 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, also approve all CoopMed investments.

## SOCIAL ECONOMY INVESTORS & ETHICAL BANKS



## DEVELOPMENT FINANCE INSTITUTIONS (DFIs)



## IMPACT & RESPONSIBLE INVESTORS



## MUTUAL INSURANCE COMPANIES

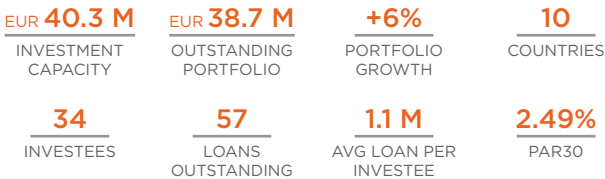


# MANAGED FUNDS

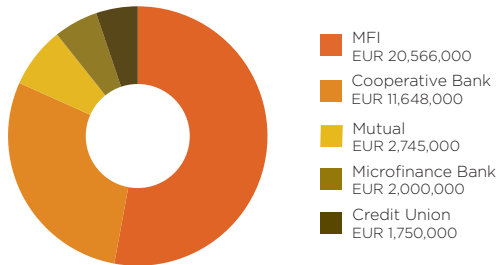
During 2016, in parallel of the two funds advised by Inpulse (CoopEst and CoopMed), we were heavily involved in the development of a new equity microfinance fund for Europe (Helenos) to be set up in 2017. All funds under management show strong performance in micro and SME finance and generate competitive financial returns. They also have effective social impact in emerging markets by supporting entrepreneurship and social inclusion. We ensure compliance with international business standards for our Funds, generating high quality financial information. Our company's core principles focus on integrity, transparency and professionalism. This is the basis of long-standing relationships with all our stakeholders.

## CoopEst

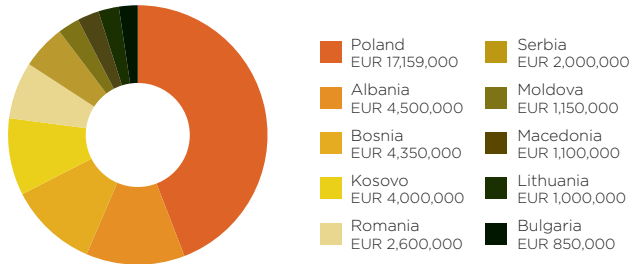
The mission of CoopEst is to foster the development of a socially-rooted financial sector in Central and Eastern Europe and the Caucasus (CEEC). To support financial inclusion and the development of income generating activities, CoopEst provides subordinated and senior debt to eligible financial intermediaries,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



PORTFOLIO BY SECTOR

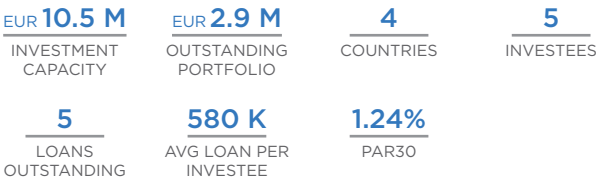


PORTFOLIO BY COUNTRY

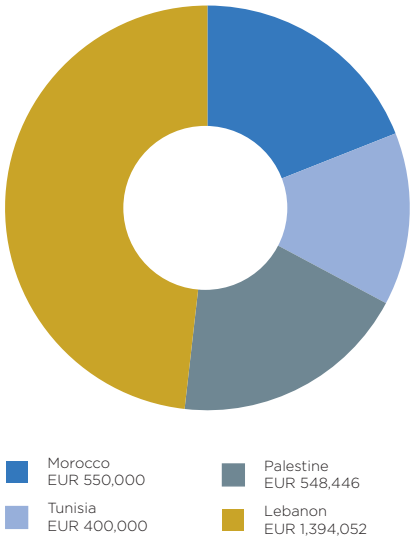


## CoopMed

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



## DISCLAIMER

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Positive Change.



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