

# **CORDAID INVESTMENT MANAGEMENT BV ANNUAL REPORT 2015**

# CONTENTS

<b>MESSAGE FROM MANAGEMENT</b>	<b>3</b>
Impact	3
Looking forward	3
<b>FOOTPRINT 2015</b>	<b>4</b>
<b>OUR PROFILE</b>	<b>5</b>
Mission CIMBV	5
History	5
Organization	5
<b>HISTORICAL ACHIEVEMENTS</b>	<b>6</b>
Assets under management	6
Social impact	6
Best practices	6
<b>OUR FUNDS UNDER MANAGEMENT</b>	<b>7</b>
<b>THE RURAL AND AGRICULTURE FUND (RURAF)</b>	<b>8</b>
Portfolio outlook	8
Risk metric	9
Social impact	9
<b>THE STABILITY IMPACT FUND (SIF)</b>	<b>11</b>
Portfolio outlook	11
Risk metric	12
Social impact	12
Microentrepreneurs	12
Ebola outbreak	12
SMEs	13
<b>THE HEALTH INVESTMENT FUND (HIF)</b>	<b>14</b>
<b>CIMBV AND CORDAID FOUNDATION:</b>	<b>15</b>
Cordaid Foundation	15
Cordaid Investment Management BV: complementarity but independence	15
<b>FINANCIAL INFORMATION</b>	<b>16</b>
Information on income and expenses	16

# MESSAGE FROM MANAGEMENT

**With great pride I can inform you that Cordaid Investment Management BV (CIMBV) was officially incorporated at 10 July 2015. CIMBV is a 100% subsidiary of Cordaid Foundation. With a team of 18 specialists we are managing the Rural and Agricultural Fund (RURAF), Stability Impact Fund (SIF) and Health Investment Fund (HIF). With total assets managed by CIMBV of 58,8 M EUR at 31 December 2015 we were able to support 40 MFIs, 8 MFI Funds, 7 SME funds, 8 SMEs and one Fund for producer organization in Africa, Latin America and Asia.**

## Impact

Our investments in 2015 had a direct impact on the lives of more than 150.000 microentrepreneurs in mostly rural and fragile communities. In the future we will further build on this great performance and on our expertise to reduce the vulnerability of people living in developing and fragile countries. We will keep our promise to enhance human dignity by providing access to inclusive finance. This year we expanded our presence to Myanmar, where we made our first investment. 4.500 rice farmers will benefit from this investment.

Fortunately, the World Health Organization declared Sierra Leone, Guinea and Liberia Ebola-free in November 2015. The MFIs we support in Sierra Leone can resume working as usual and their clients can pick up their daily life again. In Sierra Leone we hired an Investment Manager who assesses and monitors our investments in small (XS) and Small and Medium Enterprises (SMEs) in Sierra Leone. Next year we plan to have our first direct investments in XS and SMEs in Sierra Leone. The Health Investment Fund pursued its pilot phase of making loan investments in entities related to the health sectors in Burundi and Rwanda.

In 2015 Cordaid was among the world's first social investors to use the social performance assessment tool that was developed to assess the social performance management practices of Microfinance Institutions against the Universal Standards of Social Performance.

## Looking forward:

We continue to make investments in difficult countries to deliver on our goals, in cooperation with our partners and in close harmony with the Cordaid Foundation:

### ■ Transition from Dependent to Flourishing

We see it as our responsibility to contribute to economic stability and flourishing communities. We catalyze grant-based development activities with our investments in the field of agriculture, entrepreneurship and health.

### ■ Deliver continued high social impact

Delivering profound social impact is ingrained in our mission. We commit capital to those opportunities that offer high social impact to stimulate the creation of jobs, to empower women, to catalyze rural businesses and to offer access to healthcare services.

### ■ Offer reasonable return to investors

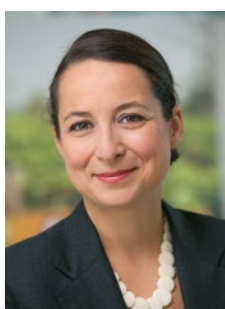
We have a duty towards our investors to guarantee a financial return and open markets in which investors would not otherwise be able to invest in.

### ■ Demonstration and catalyst effect

We strive to commit to those businesses that can serve as an example for their local communities in running a business responsibly. We strongly believe that by selectively empowering the right investees a catalyst for local progress can be set in motion.

### ■ Open up market in fragile communities.

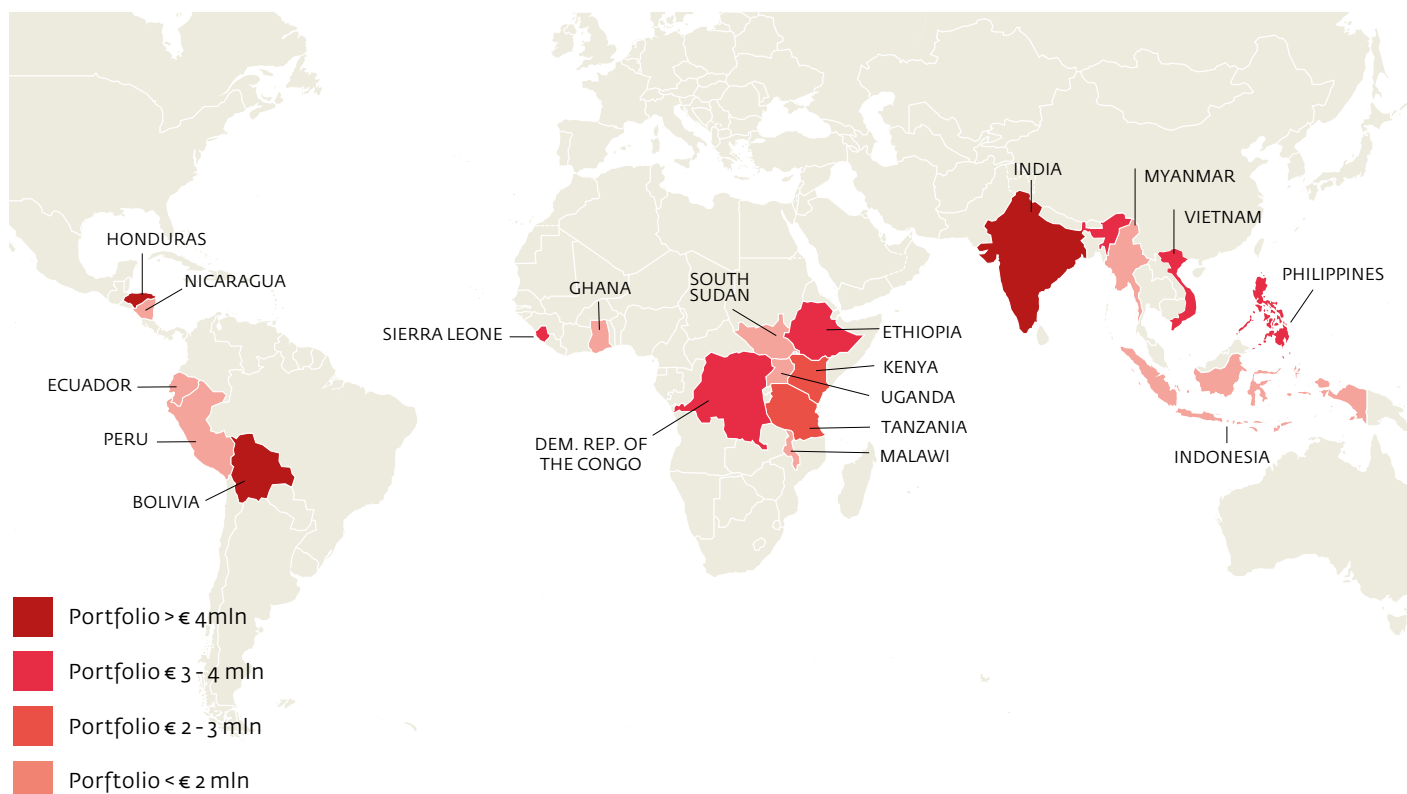
We strive to invest in markets in fragile communities while maintaining an integrated ESG approach.



**Laure Wessemsius- Chibrac**

# FOOTPRINT 2015

## CORDAID INVESTMENTS FOOTPRINT 2015



### We manage:

- € 58,8 million committed investments
- 63 portfolio companies
- 3 Impact Investment Funds

### Our social achievements:

- > 900.000 beneficiaries reached directly since 2010
- In 2015 supported MFIs reached 8,9 M beneficiaries
- In 2015 Cordaid Investments reached directly 155.000 additional beneficiaries.

# OUR PROFILE

## Mission CIMBV

Cordaid Investment Management B.V. (CIMBV), the asset management branch of Cordaid Foundation, believes that impact investing is the next stage in development aid. Cordaid Investments demonstrates on a daily basis that it is possible to create scalable and sustainable social impact in fragile contexts in developing countries. We invest in microfinance institutions and funds that offer inclusive finance to micro entrepreneurs, very small companies and Small and Medium Enterprises (SMEs) that have limited or no alternatives. CIMBV uses a mix of instruments: patient capital (equity and subordinated debt) and senior debt including loans with longer maturities. We harness social returns throughout our investment processes and we pride ourselves of being forward thinking when it comes to measuring social impact and designing social performance indicators and assessment tools.

## History

Cordaid Investments is a 100% subsidiary of Cordaid Foundation; one of the largest development organizations in the Netherlands with a network of 634 partner organizations in more than 30 countries in Africa, Asia, the Middle-East and Latin America. As part of the wider Cordaid Foundation, and investing on behalf of the Cordaid Foundation, we have been active as a distinct business unit focusing on making patient-capital investments since 1997. Being part of the Cordaid network has enabled the investment team to become one of the industries' first to use the powerful blend of grant financing and risk bearing capital and the usage of both sources to achieve social impact.

Cordaid Investments has developed itself as a professional investment organization with an accompanied growth in assets under management. Since inception, Cordaid Investments has made more than 430 investments with over 230 partners.

In July 2015, Cordaid Investments became a fully independent entity within the Cordaid organization. Cordaid Investment Management B.V. is an Alternative Investment Fund Manager (AIFM) falling under the Alternative Investment Fund Management Directive (AIFMD) 'light' regime.

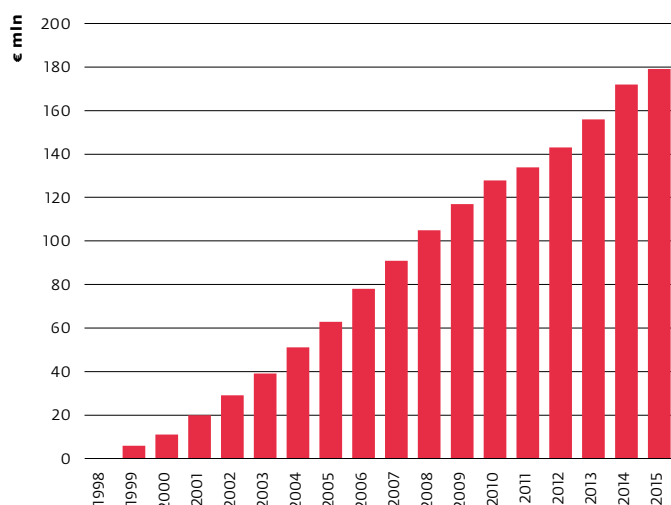
## Organization

CIMBV works with a team of investment professionals with ample field experience and in-depth financial knowledge. The team currently consists of 18 professionals of which 16 are based in our head office in The Hague. Cordaid Investments manages investees in more than 20 developing countries in Africa, Asia and Latin America. Our global footprint is diversified and we can rely on our long history of making impact investments to enter untapped markets.

# HISTORICAL ACHIEVEMENTS

## Assets under management

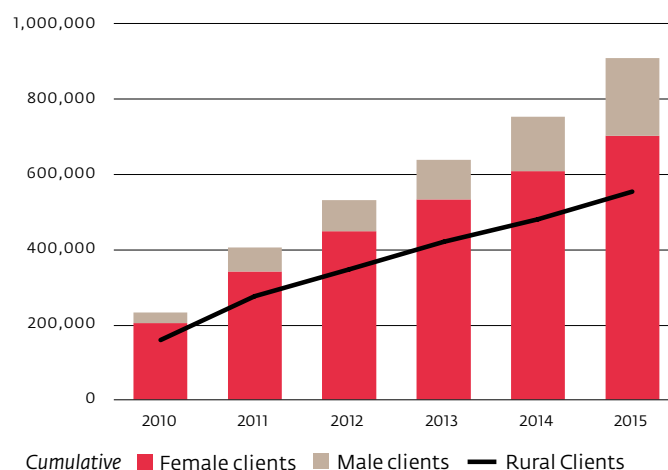
Since 1997 Cordaid Investments makes investments for impact in developing and fragile contexts. Since inception, Cordaid Investments financed over 230 partners in over 40 countries and made 430 investments with a mix of equity and debt instruments. Cordaid's cumulated commitments amount to over € 178 million as of December 2015.



Cordaid Investments has a leading position when it comes to generating financial returns for social impact. As a signatory of the United Nation's PRI, PIIF, CPP and member of SPTF, GIIN, NpM and e-MFP<sup>1</sup> Cordaid Investments raises its voice on all issues related to impact investing, social impact measurement, blended financial and social commitment. Cordaid Investments firmly believes that its mission cannot be accomplished without working together, sharing experiences and investing in global friendships with impact-investors.

## Social impact

Since 2010 CIMBV has been able to reach more than 900,000 clients of whom 75% females and 60% residing in rural areas.



## Best practices

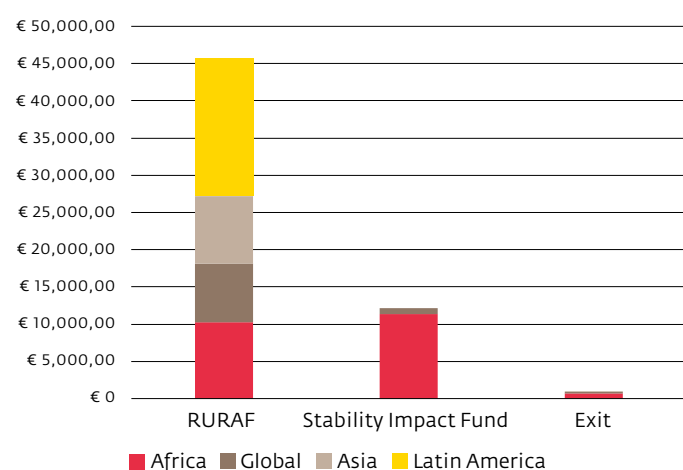
Cordaid Investments applies environment, social and governance criteria across its entire investment process, from the initial investment sourcing to the final divestiture. We support those entrepreneurs that form a force for good with respect to their environmental treatment, social impact or governance integrity and when needed strengthen their capacity on ESG.

<sup>1</sup> United Nation's PRI = UN-supported Principles for Responsible Investment  
 PIIF = Principles for Investors in Inclusive Finance  
 CPP = Client Protection Principles  
 SPTF = Social Performance Task Force  
 GIIN = the Global Impact Investing Network  
 NpM = Platform for Inclusive Finance in the Netherlands  
 e-MFP = European Microfinance Platform

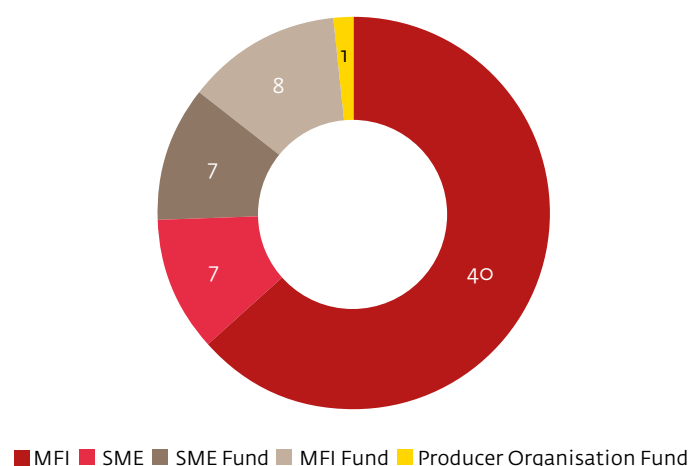
# OUR FUNDS UNDER MANAGEMENT

To contribute to economic stability and flourishing communities, Cordaid Investments manages thematic investment funds that foster Cordaid's multidisciplinary approach to development and that catalyze grant-based activities in the field of agriculture (RURAF) and entrepreneurship (SIF). All of these funds are designed to achieve maximum social impact and a sustainable financial return. The terms and conditions of the investments are aligned with local market conditions to prevent market distortions. Cordaid Investments is exploring the opportunity to make investments in health facilities that Foundation Cordaid cooperates with. This Health Investment Fund is in its pilot phase. In the Exit Fund are investments that do not fit our strategic country or social criteria anymore. Investments in this fund are being phased out although most of them are still performing well.

## PORTFOLIO IN EUR PER REGION



## NUMBER OF INVESTEEES IN THE PORTFOLIO

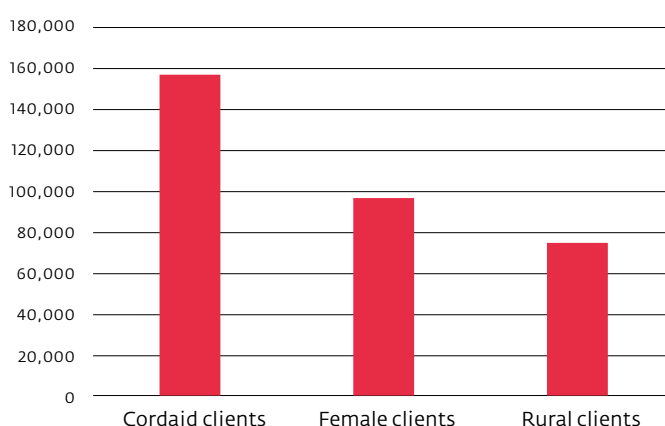


<b>Total Portfolio 31 Dec. 2015</b>	58,8 M EUR
<b>Undisbursed Capital at 31 Dec 2015</b>	5,4 M EUR
<b>Write offs in 2015</b>	0,7 M EUR

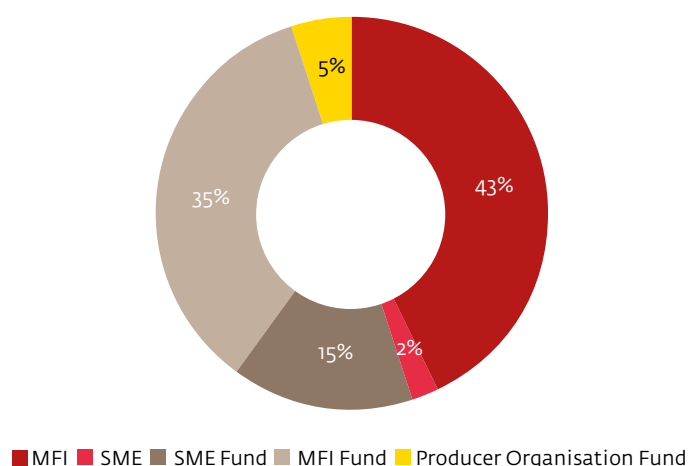
The PAR-level across our funds declined from 13% in 2010 to nearly 3% at the end of 2015. We are glad that this reduction of PAR has been accomplished while keeping an unrelenting focus on delivering social impact, providing the evidence that competitive financial returns and a neatly designed risk framework can go hand-in-hand with sustainable social impact.

In 2015 CIMBV generated the following social impact: In 2015 the MFIs that we supported reach a total amount of 8,9 Million clients. Our investments made loans to an additional 155.000 clients. 60% of these clients are women.

## 2015 MFI END CLIENTS - CORDAID



## PORTFOLIO OUTSTANDING BY TYPE OF INVESTEEES



# THE RURAL AND AGRICULTURE FUND (RURAF)

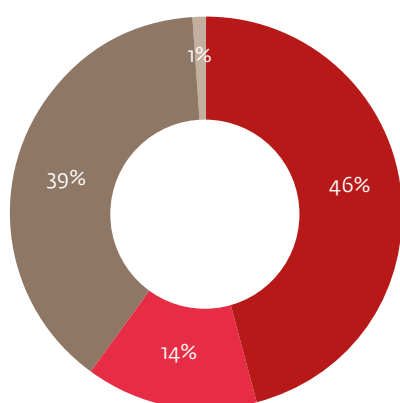
The RURAF fund has been established to provide agricultural subsectors with access to finance to boost local rural economies. With more than 70% of the population in rural areas being small agricultural producers, supporting local farmers with local business support and advice as well as innovative financing structures using grants in combination with equity, debt or guarantees, production capacity, local infrastructures and living conditions can be significantly improved. The RURAF fund seeks to add value to Cordaid Foundation's Food Security grant activities by transferring expertise and local market knowledge. Currently RURAF has a portfolio of EUR 45,7 million.

## RURAF PORTFOLIO IN 2015

Total Portfolio as of 31 Dec 2015	EUR 45,7 M
New Commitments in 2015	EUR 3,0 M
Undisbursed portfolio	EUR 3,0 M
Write offs in 2015	EUR 0,7 M
Number of portfolio companies	46 investees

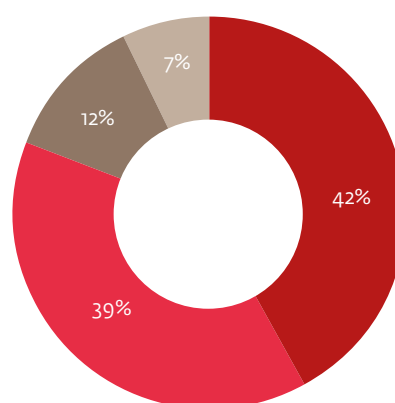
## PORTFOLIO OUTLOOK

### PORTFOLIO OUTSTANDING BY INSTRUMENT



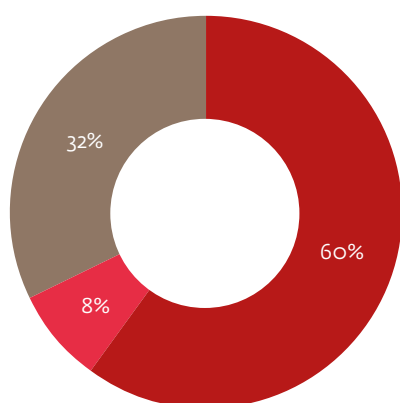
■ Senior Debt ■ Subordinated Debt ■ Equity ■ Guarantees

### PORTFOLIO OUTSTANDING BY TYPE



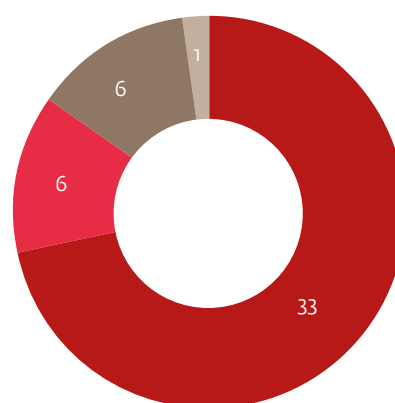
■ MFI direct ■ MFI Fund ■ SME Fund ■ Producer Organizations Fund

### DISTRIBUTION BY CURRENCY



■ USD ■ EUR ■ LCY

### NUMBER OF INVESTEEES IN RURAF



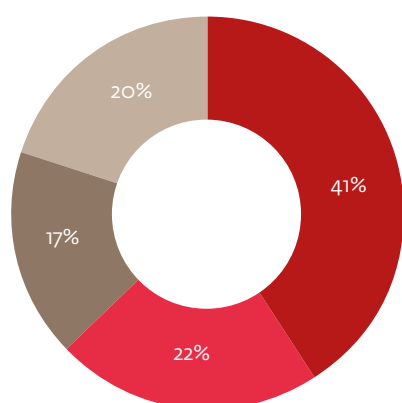
■ MFI direct ■ MFI Fund ■ SME Fund ■ Producer Organizations Fund





Photo Christof Krackhardt

## GEOGRAPHIC DISTRIBUTION



■ Latin America ■ Africa ■ Asia ■ Global

## RISK METRIC

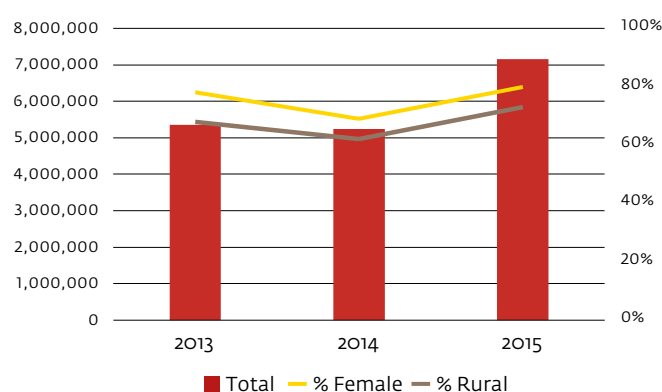
(* All % of total fund's assets under management)	2014	2015
PAR	0.7%	2.6%
Write-offs	0.8%	1.7%

\* PAR increased from 0.7% to 2.6% mainly caused by the default of COMIXMUL

## SOCIAL IMPACT

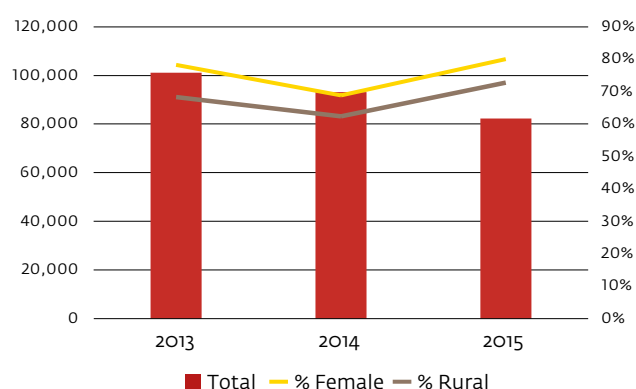
Reaching microentrepreneurs in rural areas and given them the capital to transform and upgrade their business is at the core of the RURAF mission. In 2015 the MFIs we supported reached 7,2 million clients of which 5,2 million are living in rural areas.

## TOTAL RURAF MFI CLIENTS



Thanks to the contribution of our RURAF funding to these MFIs, around 83,000 end clients of the MFIs were able to receive a loan. 80% of these clients are women and 73% of the clients live in rural areas.

## RURAF - END MFI CLIENTS - CORDAID



## Tanzania: EFTA

*"I can say with confidence that without Cordaid's loan EFTA would not be where it is today".*

**Michiel Timmerman**, EFTA co-founder and Chairman.

Cordaid partner EFTA, a Tanzanian leasing finance company that targets small and medium enterprises in Tanzania, is doing what banks are reluctant to do: bridging the finance gap for small and medium-sized enterprises in developing countries. EFTA offers small businesses hire-purchase schemes for equipment. The business can use the equipment while paying off the loan, but EFTA owns it until the three-year lease period is over. This arrangement sidesteps the need for collateral: EFTA can just take back the machinery if the borrower doesn't pay (it installs devices in tractors that can disable them remotely). Only 5-6% of its loans by value end up in repossession. EFTA finances equipment such as tractors, brickmaking machines and equipment for health clinics, bakeries and carpentries. Cordaid was anchor investor and has financed EFTA since 2006. By the end of December 2015 our outstanding balance was EUR 665,000.



## THE STABILITY IMPACT FUND (SIF)

The Stability Impact Fund aims to stimulate entrepreneurship and create jobs in fragile contexts as a means to achieve economic development and stability. Since its inception in 2014, SIF has been an impact fund serving all segments of micro, small and medium-sized enterprises (MSMEs). Particular focus is placed on small companies at the lower end of the segment; the unserved 'missing middle' that has the potential of becoming a powerful contributor to economic growth. SIF provides its investees with access to loans and patient capital. It is directly linked to Cordaid's grant-funded Business Development Services (BDS) to make the MSMEs investment ready and better equipped to achieve their social and business goals. In 2015 Mrs. Lorisa Canillas joined our team. She started in August as our investment manager in Sierra Leone. She will build our portfolio with

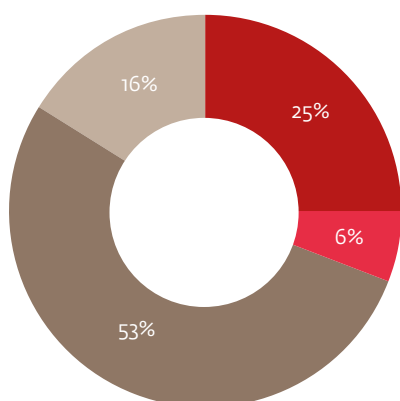
investments in small companies XS in Sierra Leone. Total funds committed to SIF stood at the end of 2015 at EUR 12.1 M (after revaluation), whereby EUR 10,4 M was outstanding and EUR 2,4 M the balance undisbursed. Currently SIF has a portfolio of EUR 12,1 million.

### SIF PORTFOLIO IN 2015

Total Portfolio as of 31 Dec 2015	EUR 12,1 M
New Commitments in 2015	EUR 3,0 M
Undisbursed portfolio	EUR 2,4 M
Write offs in 2015	EUR 0 M
Number of portfolio companies	8 investees

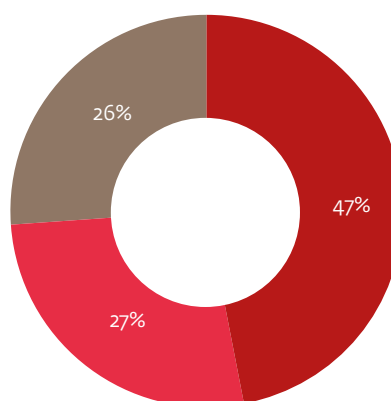
## PORTFOLIO OUTLOOK

### PORTFOLIO OUTSTANDING BY INSTRUMENT



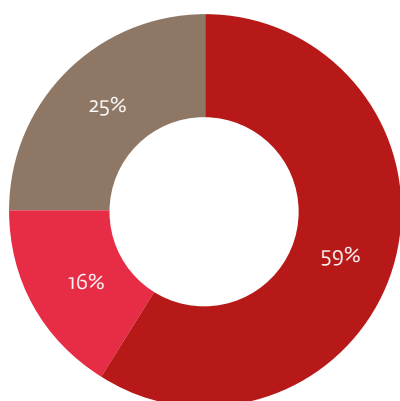
■ Senior Debt ■ Subordinated Debt ■ Equity ■ Guarantees

### PORTFOLIO OUTSTANDING BY TYPE



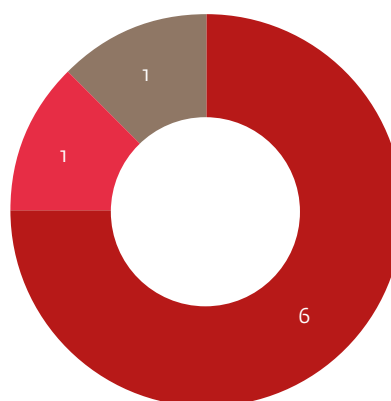
■ MFI direct ■ MFI Fund ■ SME Fund

### DISTRIBUTION BY CURRENCY



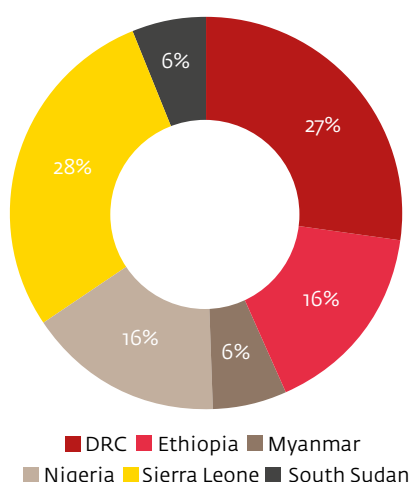
■ USD ■ EUR ■ LCY

### NUMBER OF INVESTEEES IN SIF

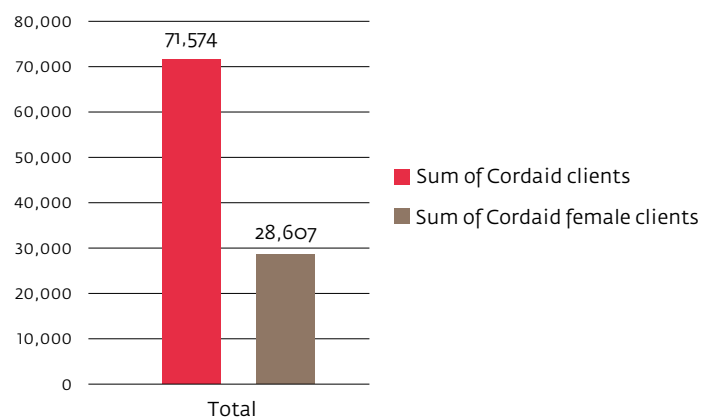


■ MFI direct ■ MFI Fund ■ SME Fund

## COUNTRY DISTRIBUTION



Thanks to the SIF funding to these MFIs, around 70,000 end clients of the MFIs were able to receive a loan. 40% of these clients are women. This low percentage is caused by one MFI in Ethiopia whose clients entail for only 45% of women and a sizeable MFI in Myanmar of which only 35% of the farmer clients are registered as female. Most loans are given to married couples, and although both sign the loan agreement, the loan in the MFIs information system is registered as male.



## RISK METRIC

(* All % of total fund's assets under management)	2014	2015
PAR	0%	0%
Provisions/Outstanding	0,0	0,0
Write-offs		0,0

\* Given the relative nascent stage of the fund no PAR/write-offs have been recorded

### Ebola outbreak

The MFI in Sierra Leone, Salone Microfinance Trust (SMT), was severely affected by the Ebola outbreak. All their branches were located in Ebola affected areas. Due to travel restrictions, loan officers were not allowed to visit their clients, while clients struggled to earn an income. Even if the clients could repay, they were not allowed to attend the group meetings to repay their loans. As a result, PAR>30 peaked to 24% in November 2014. Given the lack of income for SMT, the decision was taken by CIMBV to temporarily waive their interest payments. Fortunately, at the beginning of 2015 the situation improved and SMT was able to start disbursing loans again and clients were able to make repayments. As a result PAR>30 dropped to 5,7% in December 2015.

Cordaid Foundation conducted a study to assess how the microfinance providers in Sierra Leone and their clients fared under the Ebola crisis. The report concludes that providing loans to micro entrepreneurs is a vital tool for restoring local economies affected by disaster and conflict, and that the risks are manageable.

The Ebola crisis clearly had a sharp negative impact on the businesses of a large number of microfinance clients. Even for these relatively resilient clients covered by the research, the significantly negative effects resulted in delayed loan repayments and lower household expenditures, particularly in food consumption.

Despite the negative impact of the Ebola crisis on businesses, clients managed to survive the crisis period by demonstrating a remarkable display of risk management strategies (switch of business, engaging in additional livelihood activities, selling assets) and entrepreneurship. This confirms why micro entrepreneurs deserve to be supported through various financial instruments, including loans, coaching and business development services during and after crisis periods. (The full report can be downloaded at: <https://www.cordaid.org/en/publications/enabling-small-entrepreneurs-recover-ebola/>)

## SOCIAL IMPACT

### Microentrepreneurs

Reaching microentrepreneurs in fragile and conflict affected areas and giving them the capital to become more resilient and invest in their small businesses is at the core of the SIF mission. In 2015 the MFIs we supported reached around 240,000 micro-entrepreneurs of which almost 100,000 clients are women.

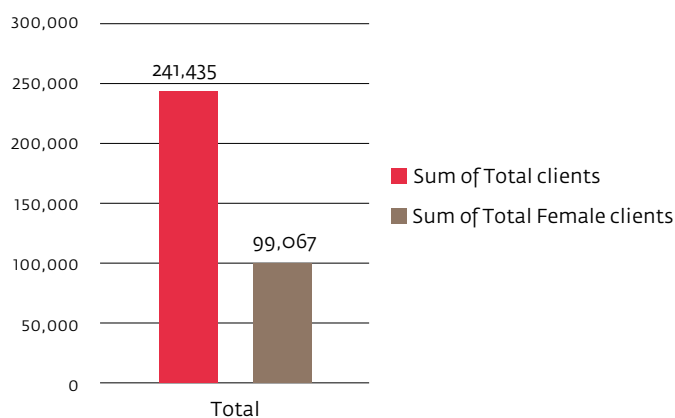






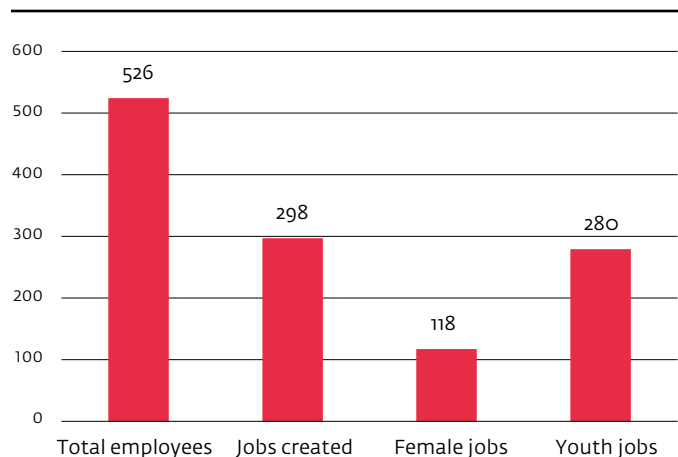
Photo Michael Stulman, Catholic Relief Services

Motorcycle taxi driver in Freetown promoting Ebola awareness.

## SMEs

SIF invested in one SME fund that invests in SMEs in Sierra Leone and Liberia: The West African Venture Fund (WAVF), the USD 13.6 mln private equity fund co-created by the International Finance Corporation and funded with USD 4.6 million from SIF. At the end of 2015 WAVF had invested in 25 SMEs of which 8 were run or owned by women. At these SMEs 576 people are employed. The investments in these SMEs supported the creation of 298 jobs.

## JOBS AT SMEs



## THE HEALTH INVESTMENT FUND (HIF)



Photo Wilco van Dijen

The Health Investment Fund is an initiative led by Cordaid. It builds on Cordaid's long historic experience gained in strengthening health systems, in particular Performance Based Finance (PBF). The Health Investment Fund invests in and supports health centers and district hospitals in Sub-Saharan Africa that have the potential to grow sustainably. Health centers and district hospitals are an important but underserved segment of the health system. They are typically not-for-profit centers that serve large populations of rural poor people and depend on ad-hoc funding to improve the quality of health care services. These health centers and district hospitals often have little access to financial institutions.

The Health Investment Fund focuses on this niche for an important reason. Health centers provide basic health care to people with little access to health care in rural areas. Through investments made by the Health Investment Fund, health centers improve their performance, creating additional income via the PBF system and serve more people with quality services. Health centers currently lack the ability to access finance to make investments necessary to provide better services.

The Health Investment Fund will just do that. HIF aims to raise EUR 15mln in funding to invest in health centers, coupled with EUR 1.5mln technical assistance.

In 2015 HIF pursued its pilot phase of making loan investments in entities related to the health sectors in Burundi and Rwanda. Through this pilot the demand for HIF products is tested as well as the design of the products is tested. In total 12 loans were issued in Rwanda and Burundi. As a result some revisions to the product design were made. The plan for 2016 is to start the roll out of the Health Investment Fund in Rwanda.



# CIMBV AND CORDAID FOUNDATION

## Cordaid Foundation

Stichting Cordaid is one of the largest development organizations in the Netherlands and has a network of 634 partner organizations in more than 30 countries in Africa, Asia, the Middle-East and Latin America as a member of the global Caritas International network. Cordaid has been protecting vulnerable human beings for 100 years, wherever poverty, injustice and violence have struck the hardest, both close to home and further afield. In 2015, Cordaid Foundation spent € 166 million to fight poverty. Cordaid counts 320,000 individual donors in the Netherlands.

Cordaid was formed when Mensen in Nood, Memisa and Cebemo joined forces in 2000. Although the legal structure Cordaid is a relatively young foundation, its mission remains unchanged from its founders' pioneering work in 1914; supporting those who suffer the consequences of poverty, exclusion and injustice. Nowadays Cordaid's mission is more relevant than ever because 1.2 billion people are living in extreme poverty and social inequality is steadily increasing in emerging economies.

## Cordaid Investment Management BV: complementarity but independence

Cordaid Investment Management is a 100% daughter firm of Cordaid Foundation. As such, both entities can enjoy each other's distinct expertise but also profit from their complementarity when it concerns grant-based development aid of Cordaid Foundation or other parties with investments in such institutions providing access to finance. The results of this approach are threefold:

- Maximizing social impact as investments leverage the available budget and catalyze the effect of grants by further strengthening investees.
- It mitigates investment risks by combining investments with grants for capacity building.
- Cordaid Investments solid partnership with Cordaid Foundation, firm on-the-ground presence, its thorough due diligence on financial, social and environmental risks and opportunities of investees and deep understanding of the complexities, further reduce these risks.

The relationships between the mother and daughter are formalized and transparent (=disclosed) to future investors in the funds to be managed by Cordaid Investments. Cordaid Investment Management is registered with the AFM under the applicable exemption in Dutch law of section 2:66a of the Dutch Financial Supervision Act (commonly referred to as the AIFMD light regime) but does not have a license of the AFM nor any other authority in the Netherlands or any other jurisdiction.

# FINANCIAL INFORMATION

Information on Investment Funds as stated in Annual Report Cordaid Foundation, as of 31 December 2015.

X € 1,000	LOANS	GUARANTEES	PARTICIPATIONS	TOTAL
<b>Value of portfolio at January 1, 2015</b>	<b>25,774</b>	<b>1,706</b>	<b>26,432</b>	<b>53,912</b>
Provision at 1 January 2015	-1,733	0	0	-1,733
<b>Carrying amount January 1, 2015</b>	<b>24,041</b>	<b>1,706</b>	<b>26,432</b>	<b>52,179</b>
<b>Changes in value of the portfolio</b>				
Loans and guarantees issued	12,126	2,000	0	14,126
Loans and guarantees repaid	-7,686	-1,333	0	-9,019
Participations acquired/committed	0	0	-471	-471
Participations sold/commitments withdrawn	0	0	-1,491	-1,491
Impaired loans and guarantees (write-offs)	-861	0	0	-700
Revaluation of participations	0	0	-1,426	-1,426
Currency gains and losses	1,383	108	1,218	2,709
<b>Value of portfolio at December 31, 2015</b>	<b>30,736</b>	<b>2,481</b>	<b>24,262</b>	<b>57,479</b>
<b>Changes in the provision</b>				
Impaired loans and guarantees (write-offs)	861	0	0	861
Allocated to/withdrawn from provision for loans and guarantees	-1,328	0	0	-1,328
<b>Provision at December 31, 2015</b>	<b>-2,200</b>	<b>0</b>	<b>0</b>	<b>-2,200</b>
<b>Value of the portfolio at December 31, 2015</b>	<b>30,736</b>	<b>2,481</b>	<b>24,262</b>	<b>57,479</b>
Provision at December 31, 2015	-2,200	0	0	-2,200
<b>Carrying amount December 31, 2015</b>	<b>28,536</b>	<b>2,481</b>	<b>24,262</b>	<b>55,279</b>

The table above is an extract from the annual report 2015 of Cordaid Foundation.

In the annual report of CIMBV we worked with an amount of portfolio value of 58,8M. This amount is calculated as follows:

X € 1,000	
Value of the portfolio at December 31, 2015 before corrections (after revaluations)	58,838
Net effect of corrections as a result of audit	0,401
Assets under management at December 31, 2015	58,425
Value of the portfolio at December 31, 2015	57,479



**INFORMATION ON INCOME AND EXPENSES, AS OF DECEMBER 31, 2015**

X €1,000	NOTE	2015		2014	
<i>Financial income</i>					
Interest income & fees	1 + 2	2,520		1,983	
Dividends	1 + 2	101		-136	
Capital gains	3	0		0	
Income from non-development investments and cash	4	-203		2,295	
			2,418		4,142
<i>Financial expenses</i>					
Additions Loan Losses	5	1,328		720	
Revaluation Investments	6	1,426		-228	
Currency results	7	-2,705		-2,861	
			49		-2,369
<i>Margin on financial activities</i>			2,369		6,511
<i>Operating expenses</i>					
Operating expenses direct	8	1,645		1,138	
Operating expenses indirect	9	934		795	
			2,579		1,933
<b>Financial result from investing activities</b>			<b>-210</b>		<b>4,578</b>

**Notes**

- 1+2. **Interest Incomes & Fees + Dividends:** These items refer to interest income on senior/subordinated debt, guarantees fees and dividends received. The overall level increased in comparison to 2015.
3. **Capital Gains:** This item relates to capital gains or losses on realized equity exits. No gains or losses were realized in 2015.
4. **Income non-development investments and cash/cash equivalents:** This item refers to income on long and short-term excess liquidity, which is out of the scope of the managed portfolio by Cordaid Investment Management B.V. More information on the disappointing result of non-development can be found in note 19 of the financial statement of foundation Cordaid.
5. **Additions loan losses:** This reflects the net addition to the loan losses in the portfolio. The amount stated is the net result of the release of provisions and the actual impaired loans and guarantees or write-offs. Due to a possible fraud case, a considerable addition to the provision was made at the end of 2015. As a consequence, the provision as a percentage of the gross loan portfolio was 7.6% at the end of 2015, compared to 6.7% at the end of 2014.
6. **Revaluations Investments:** This refers to the annual revaluation of the equity participations. Cordaid Investments values equity participations conservatively using the lower value of a) acquisition price, or b) the value of the Cordaid share as per the end of 2015.
7. **Currency results:** The Euro weakened again against most currencies in 2015, most notably against the US dollar. This has resulted in a currency gain of €2.7m of which €1.4m relates to unrealized currency gains on equities that were revalued downward in local currency in 2015.
8. **Staffing direct:** This refers to the total salary costs of the Business Unit Investments and Cordaid Investment Management B.V. plus other operational cost (such as training, legal advice and consultancy). The increase in cost compared to prior year relates to higher number of FTE and costs for the renewal of IT systems used by Cordaid Investment Management B.V.
9. **Staffing indirect:** This refers to the Cordaid corporate overhead costs shared to Cordaid Investments which are allocated pro rata to Cordaid Investments' FTEs in the total Cordaid FTEs. In 2015, only 80% of the total allocated costs was charged to the Loans & Guarantees Fund; the other 20% is charged to grant activities of the Investments Unit, which are not included in this statement of income and expenditure and administratively separated from the investment activities presented in this statement.

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