IMPACT REPORT 2019

Investing for an interdependent world

BAMBOO CAPITAL PARTNERS

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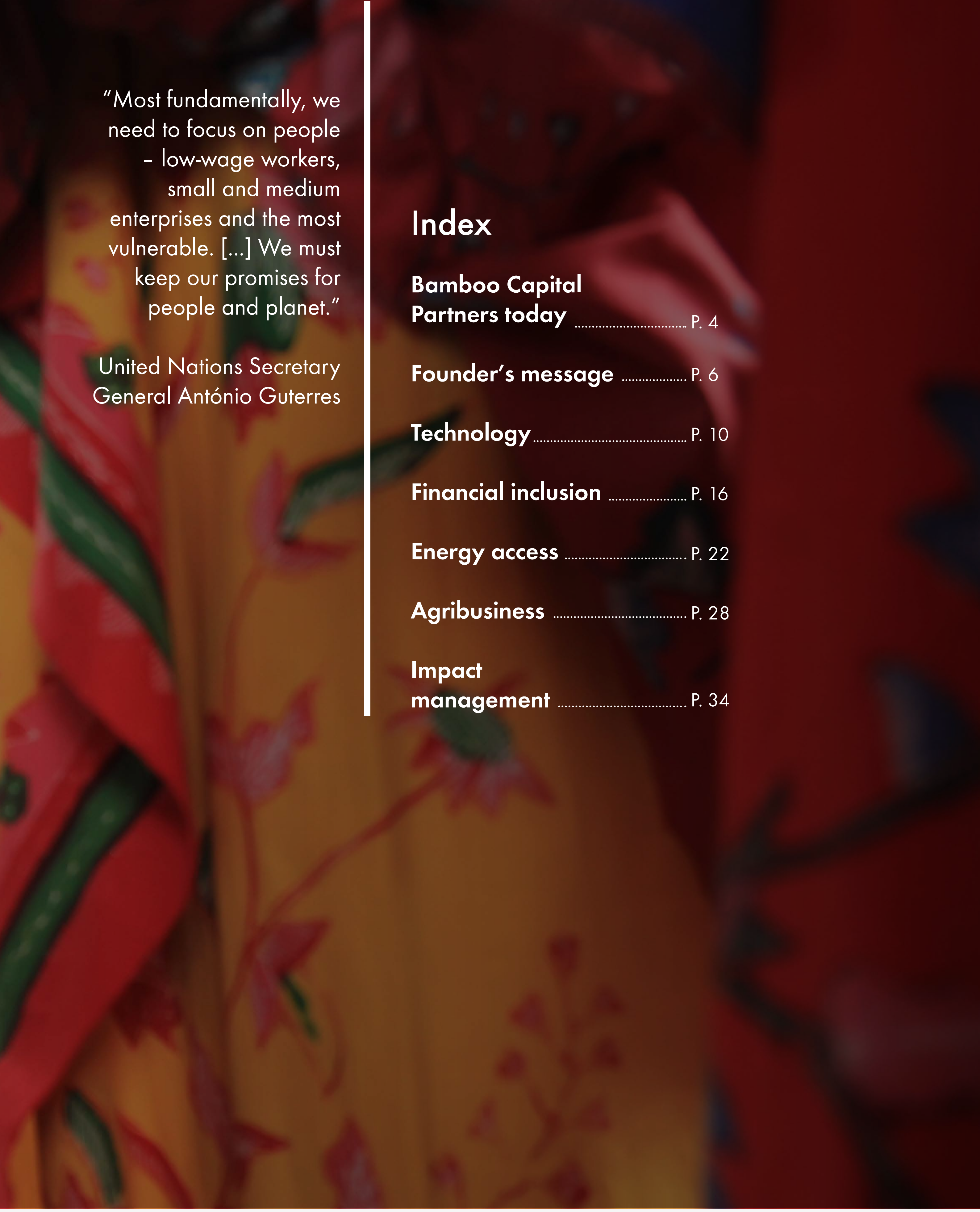

"Most fundamentally, we need to focus on people – low-wage workers, small and medium enterprises and the most vulnerable. [...] We must keep our promises for people and planet."

United Nations Secretary General António Guterres

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Bamboo Capital Partners today

Bamboo Capital Partners ("Bamboo") is an impact investing platform which provides innovative financing solutions to catalyze lasting impact. We bridge the gap between seed and growth stage funding through a full suite of finance options – from debt to equity – which we activate unilaterally or through strategic partnerships. Founded in 2007 by Jean-Philippe de Schrevel, Bamboo aims to improve the lives of the world's most marginalized communities while delivering strong financial returns. Since inception, we have raised close to $400m and invested in over 30 developing countries. Bamboo has a team of 30 professionals active across Europe, Latin America, Africa and Asia.

GIIRS rated 2013
GIIRS rated 2014
GIIRS rated 2015
GIIRS rated 2017
GIIRS rated 2018
GIIRS rated 2019

Bamboo Capital Partners recognised in IA50 list of ImpactAssets in 2019

Best for the World 2016
Best for the World 2017

(Best for the World Awards were discontinued after 2017)

Our investee companies have impacted over 184 million lives, supported 45,000 jobs including 15,900 women jobs, and avoided 9.68 millions of metric tons of CO_2 emissions

America

Argentina
Bolivia
Brazil
Chile
Colombia
Guatemala
Haiti
Honduras
Mexico
Panama
Paraguay
Peru
Salvador

Africa

Cameroon
Côte d'Ivoire
Ghana
Kenya
Madagascar
Mozambique
Niger
Nigeria
Rwanda
South Africa
Tanzania
Togo
Uganda
Zambia

Asia

India
Indonesia
Kyrgyzstan
Laos
Lebanon
Mongolia
Pakistan
Philippines
Romania
Vietnam

Jean-Philippe de Schrevel
Founder and Managing Partner

"All the seemingly isolated initiatives came together and fell into place within one coherent framework when Bamboo and all of our partners decided to come together and form a unique impact investing proposition: SDG 500"

Founder's message

A year in perspective - Partnering to solve the development puzzle

Sometimes, it feels like all the pieces of a puzzle are coming together. This is how I see 2019 for Bamboo. Since we decided to reposition our company a couple of years ago as a platform open to partnerships, ready to share lessons learned over 13 years, we have embarked on a rapid and virtuous cycle of growth.

In the last year, we launched the ABC Fund, sponsored by the International Fund for Agricultural Development (IFAD), in partnership and with funding from the European Union, the African, Caribbean and Pacific (ACP) Group of States, the Government of Luxembourg and the Alliance for a Green Revolution in Africa. Jointly with our partners at Injaro, we started financing smallholder farmers' cooperatives in Africa. Our first investments already reveal how impactful the ABC Fund will be, particularly for women and young people.

We started our work in Haiti, where, jointly with the newly-formed national development finance institution, we will bring solar energy to a population that desperately needs it. In December, we won a similar mandate from the World Bank in Madagascar, in collaboration with Société Générale.

We concluded the last investment of our second financial inclusion fund. The portfolio is now composed of exciting companies, all of which use technology to either create operational efficiencies or disrupt existing business models. We will do our best to support and guide their growth in the years to come. We welcomed ElectriFI as an anchor investor in our BEAM Fund, which is dedicated to solar electrification in off-grid markets, with a focus on Africa. With its final close fully realized, BEAM is now proceeding full steam ahead on investments within greenfield ventures, in partnership with BBOXX and energy giants such as EDF.

We were appointed as the manager of a new venture capital fund by Smart Africa, an alliance of thirty African states aiming to create a single digital African market. The fund will target early-stage companies using advanced technology to support new business models in the fields of access to energy, finance, healthcare, education and food security.

We completed the preparation of a very similar "tech for impact" fund for Latin America. The market scoping from our regional team indicated that Latin America was following the same technology trends and that the initial pipeline assessed was very promising for the social, environmental and economic impact we always seek to generate.

We finalized the carefully crafted impact performance monitoring tool of our gender fund with our partners at CARE Enterprises. We were also honored to welcome a new partner to the fund: the International Trade Center. The ITC "SheTrades" program is supporting thousands of women-led or women-owned SMEs in frontier markets and is the perfect match for the fund's objectives.

We also put the finishing touches to the structured fund BUILD, which we will be managing in partnership with the United Nations Capital Development Fund. The fund will finance early-stage SMEs in the Least Developed Countries, mostly active in the fields of financial inclusion, access to energy and food security.

Last but not least, we joined forces with the Stop TB partnership, hosted at UNOPS, to launch a global impact fund to provide much-needed capital to early-stage health-tech companies. The fund will take an ecosystem approach to promote access to primary and secondary healthcare for low- income populations of emerging markets. Another partner – Artha Networks – also decided to team up with us on the fund.

All the seemingly isolated initiatives I mentioned above came together and fell into place within one coherent framework when Bamboo and all of our partners decided to come together and form a unique impact investing proposition: SDG500.

The idea is actually quite simple: to create a first-of-its-kind comprehensive offering, composed of six investment funds totaling $500 million, covering most of the SDGs. Each fund is structured following a blended finance approach, with a first loss tranche protecting senior investment tranches. Each fund benefits from the support of a key partner bringing its expertise, extensive presence on the ground, ease of access to local public authorities, and in-depth knowledge of local economies. A perfect example of a public-private partnership, SDG500 will deploy money exactly where it is needed and will finance hundreds of small companies at an early-stage in their development in emerging economies. Institutional and private investors will have the opportunity to invest a total of $360m, protected by a cumulated first loss tranche of $140m, while earning an attractive risk-adjusted financial return.

SDG500 holds the promise of scalability in the future. The platform can be broadened out with new partners and deepened within investment thesis and sectors. As such, SDG500 is much more than the sum of its parts. It revolutionizes impact investing by bringing together a group of private and public development actors who in the past had not been working much with each other.

SDG500 provides a coherent and unifying platform to bring out the best in each of them, triggering endless cross-fertilization opportunities.

As always, such progress would not have been possible without the constant dedication of our staff. Equally important was the support of our Board members, and of course, the trust of our investors. I want to thank them all sincerely.

As I am writing my review of 2019, COVID-19 is hitting the world, reminding us of our interdependence and fragility, pointing at the failures and foolishness of a social and economic system entirely driven by profit. This crisis will be terrible, especially for the poorest people and countries. It only reinforces our conviction that we urgently need to change our way of measuring value and success. Investing sustainably and responsibly will have to become the new norm going forward.

In every crisis lies an opportunity – let us seize it in 2020 and let us quickly re-imagine how we can collectively thrive by bringing out the best of what lies in each of us.

With my gratitude and hope,

Jean-Philippe de Schrevel
Founder and Managing Partner

Technology

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Compatible with BBOXX Solar Ki
boxx
15"
boxx
the right energy.

Florian Kemmerich
Managing Partner

"While in 2004, only 7% of the population in Sub-Saharan Africa had subscribed to mobile services, the proportion is now 82%, according to the World Bank."

Technology

Technology leapfrogging years of development

In January 2020, we launched SDG500 – a bold, first-of-its-kind approach to funding Micro-Small-Midsize-Enterprises (MSMEs) in developing countries and helping finance the UN Sustainable Development Goals (SDGs) by 2030.

The SDG500 public-private partnership is truly unique – it is the only blended finance vehicle targeting systemic improvements for rural populations which combines private, institutional and public sector capital, including several United Nations entities and Non-for-Profit-Organisations, to achieve the SDGs. SDG500 is designed to inspire progress in the mission to close the SDG financing gap by 2030, which currently stands at US$2.5 trillion per year.

The individual funds of SDG500 have different impact goals, ranging from transforming healthcare access in rural areas to improving gender-justice in South and Southeast Asia. But what the funds all have in common is the red thread of economic inclusion and livelihood improvements, where technology acts as the enabler of positive impact for the most underserved.

In emerging and frontier markets, there are several barriers, including accessibility and affordability, which prevent people from using essential products and services. Although millions had escaped extreme poverty and inequalities in access to basic services were narrowing across most countries prior to the pandemic, various challenges remain and the gap is likely to increase as an effect of the global economic slowdown. For instance, children in the poorest 20% of the global population are up to three times more likely to die before their fifth birthday than children in the richest quintile.

Technology has the potential to unlock access to essential goods and services while transforming societies by leapfrogging years of development. The mobile phone revolution has opened up an immense wealth of opportunities for more inclusive economies. Over the last decade, Africa has embraced mobile technology at a much faster rate than any other geography in the world, demonstrating significant potential to transform various sectors. While in 2004, only 7% of the population in Sub-Saharan Africa had subscribed to mobile services, the proportion is now 82%, according to the World Bank. Mobile phones and the increasing connectivity have opened the possibility of new services and products that address the needs of low- and middle-income consumers. The mobile phone revolution has triggered the mobile money revolution, unlocking opportunities for better financial inclusion. Africa today is home to more digital financial services than any other region in the world, accounting for almost half of the nearly 700 million individual users worldwide.

Mobile money has triggered innovation in other sectors, for instance, in the field of clean and distributed energy. Mobile money in sub-Saharan Africa is now a key lever for the expansion of distributed energy solutions, with consumers able to pay their energy bills using the device in the palm of their hands through pay-as-you-go models.

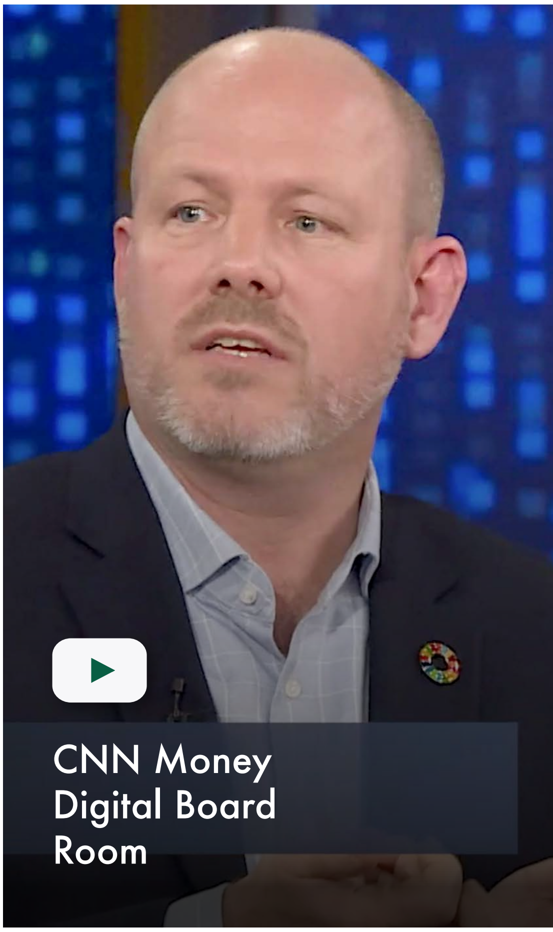
Simultaneously, investing in new, transformational technologies has become less expensive. For example, the cost of generating solar power was exponentially higher twenty years ago than it is today. The market and the underlying technology have advanced and matured over time, which has reduced the cost and allowed many to invest in these companies at scale. Over the last decade, we have witnessed different technologies linking to each other and triggering waves of development. Today, technology offers a wide and exponential (by its nature) range of impact investing opportunities, from new diagnostic devices for early detection of infectious diseases, or digital solutions increasing farmers' productivity and strengthening their resilience to climate change, to digital classrooms that empower teachers and students. It has already driven the transformation of multiple sectors and formed the building blocks of a thriving digital economy at an affordable price point.

At Bamboo, over the years, we have been on the front line investing in technology companies and helping them as they embark on a steep growth trajectory as their technology starts to transform communities and society at large. Our portfolio includes fintech such as Amartha and Lidya that have developed proprietary platforms with algorithms that determine the risk level of borrowers based on a set of numerous data points and without prior credit history. These solutions do not only enable a digital management of the whole loan process, but they also help create a credit history for the clients who will later benefit from better rates or a better access to financial services from other providers.

Today, business models built on new technology enable us to push the boundaries and invest at an even earlier stage than we did before. Three of our new funds will provide venture capital investments into promising tech-enabled business models generating positive impact in numerous areas and sectors, including access to healthcare, fintech, access to energy, ag-tech for smallholder farmers, smart mobility, and access to education.

This is a key focus for Bamboo Capital Partners. Through SDG500, we will invest in exciting businesses applying technology in local markets to leapfrog years of development and contribute significantly to the SDGs by 2030.

"Technology has already driven the transformation of multiple sectors and formed the building blocks of a thriving digital economy at an affordable price point."



Data as the new collateral to unlock SME financing

Small- and medium-sized enterprises (SMEs) account for the majority of businesses worldwide and are important contributors to job creation and global economic development. According to the World Bank, they represent 90% of businesses and more than 50% of employment over the world. In emerging economies, SMEs play a critical role, with formal SMEs contributing up to 40% of national income (GDP) and this number being significantly higher when informal SMEs are also counted. They generate most formal jobs, creating seven out of 10 jobs in emerging markets.

However, SMEs face significant issues in obtaining access to the financial resources they need to grow. Globally, it is estimated that only 15% of SMEs can access the credit they need, 15% of them are underfinanced and 70% do not use external financing from financial institutions. This issue is particularly acute in emerging markets, where traditional lenders are often unable to provide credit at scale to SMEs due to many barriers, including a lack of credit history and high cost-to-serve. When they do, SMEs face higher transaction costs and higher risk premiums.

In Nigeria, there are only five traditional bank branches for every 100,000 people, compared to 33 in the United States. It can take up to six weeks to get a loan, and SME loan requests under US$50,000 are rarely approved, leaving many SMEs underserved.

Lidya addresses this financing gap by using a data-driven model and proprietary credit scoring enabling the provision of uncollaterized and risk-adjusted loan offers. The company provides a fast, easy and secure way for SMEs to access credit, even without prior credit history.

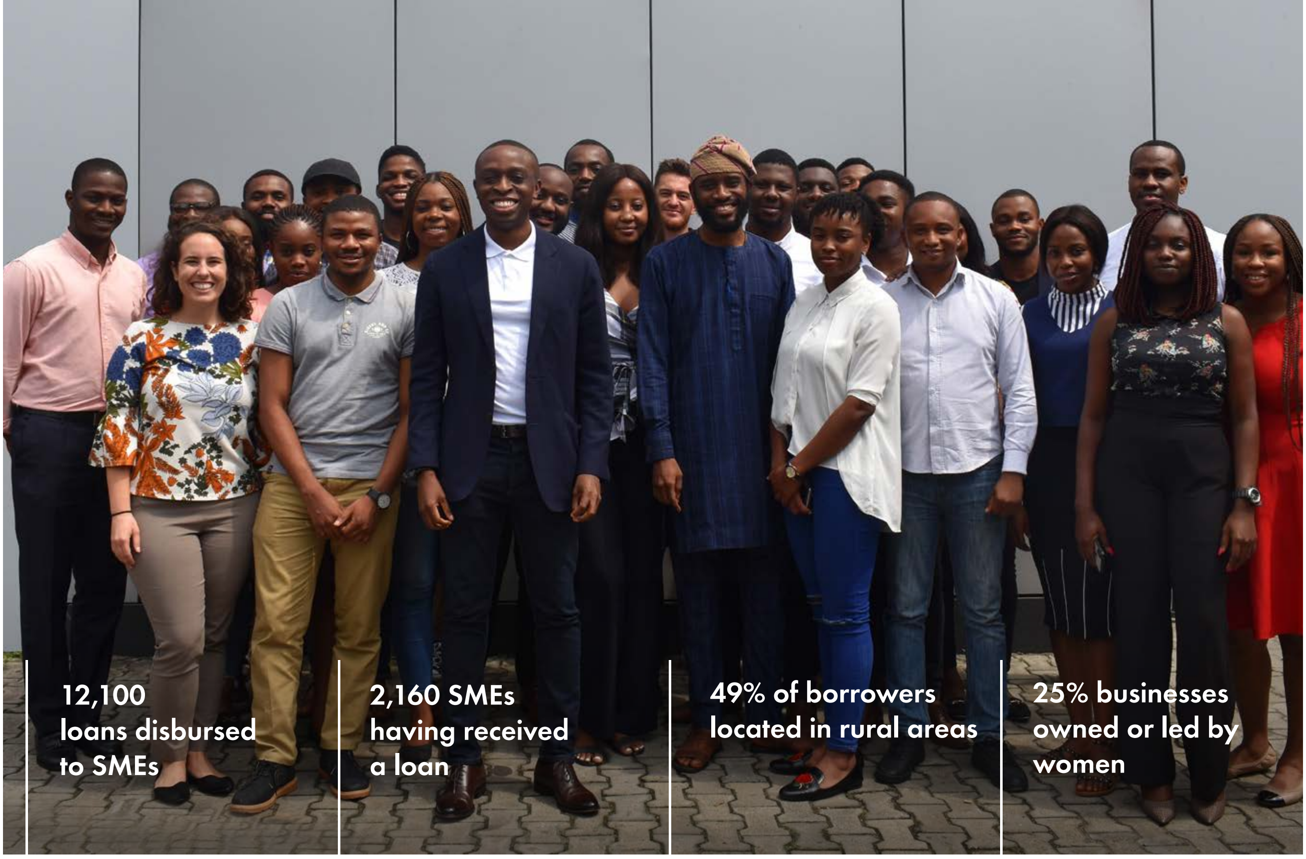
Tunde Kehinde and Ercin Eksin, co-founders of Lidya, have a long track record of building successful businesses in emerging markets, including Jumia and Africa Courier Express. "As entrepreneurs ourselves, we knew that traditional lenders aren't set up to bridge the SME credit gap, so a new solution was needed," say the co-founders.

Lydia's fintech platform allows SMEs to apply online and, if application is approved, get credit in 24 hours. The platform collects over 1,000 data points to evaluate a borrower's ability to repay the loan. Lidya is a strong example of the power of technology to reduce inequality and deliver impact at scale, by unlocking working capital in emerging markets. Its model enables SMEs to gradually build a formal credit history enabling them to unlock better rates and more capital as they improve their credit score. Lidya also provides transparency with repayment schedule clearly communicated.

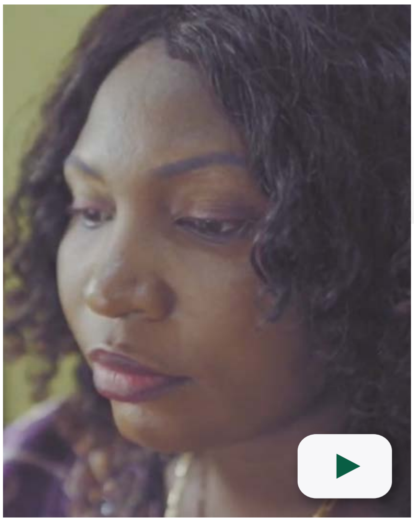
"Lidya was founded on the simple, yet fundamental, idea that technology can unleash and empower a generation of business leaders and entrepreneurs throughout Africa by revolutionizing how risk is assessed, credit is underwritten, and customers are banked," says Tunde Kehinde.

Since its inception in 2016, Lidya has been on a steep growth trajectory. To date, the company has dispersed more than 12,000 loans to over 2,000 businesses, most of them obtaining credit for the first time, and almost half of them being located in rural areas, enhancing financial inclusion. By enabling businesses to grow, Lidya is having a direct and indirect impact on job creation in Nigeria. As lever of its fast development, Lidya has partnered with over 70 enterprises including franchise networks, distributors, manufacturers, payment processors, hospitality companies, supermarkets, and more.

Lidya is also a successful example of a Nigerian-based fintech company now expanding to Eastern Europe. In October 2019, Lidya launched operations in Poland and the Czech Republic, where the SME credit gap is more than US$120 billion and US$80 billion respectively. Overall, Lidya aims to support the creation of 100 million jobs in fast-growing economies.



Data as of December 2019



Charity Ayomide Bafog

CEO of Charitem Enterprises, Lidya customer
Ijegun, Lagos State, Nigeria

"I moved into this area in 2014. Accessing cash was actually difficult because there was no bank around. You have to drive down to Igando area to find a bank. There's always traffic. You can even spend up to 20-25 minutes before getting to an ATM or to a bank. ATMs are always crowded. So I decided to set up Charitem Enterprise, a neighborhood bank. We render POS (point of sale) services where customers come with their ATM card to withdraw cash via our POS machine. We also accept cash deposits from customers to any bank. We also do utility bills. My typical customers are individuals around, business women, business men, market women... I started with one branch. Within two months, I decided to have another branch. Finance was an issue for me. I approached some microfinance banks. They requested for a lot of documentation that I don't think I would have been able to provide. Collateral, security, house receipt. And the loan would have taken up to 3-6 months before I can receive it. I heard about Lidya from a good friend. She told me she had taken a Lidya loan twice. I asked her: "How is it possible to take a Lidya loan without a collateral?" I asked her if she was sure they are not fraudsters. She told me I could speak with one of the Lidya staff, which I did. [...] And within the same day, I got my loan. [...] With Lidya, I was able to grow from 1,2,3,4 to 5 shops. One thing I like from Lidya is the fact that they don't ask for a collateral. The interest rate was ok. It was smooth and fast."

Financial inclusion

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Fintech driving financial inclusion

Jorge Farfán
Investment Director,
Head of Financial Inclusion

As of 2019, our investee companies have provided financial services to over 87 million people in emerging and frontier markets.

2019 has been an unprecedented year for the financial inclusion sector. It has become a more effective and mature market, where customers who were previously served by microfinance institutions or small banks, are now being served by new technologies.

The emergence of new financial products using digital solutions to reach low-income customers has been a developing trend in the last few years. We have witnessed two complementary waves of transformation: the introduction of digital concepts and solutions in the microfinance sector; and the consolidation of fintech companies.

Bamboo's portfolio companies in the microfinance sector have been particularly active in employing digital transformation strategies. Digital transformation strategies improve the customer experience and inspire cultural change. However, for many businesses, they need to strike the right balance between introducing digital solutions and maintaining face-to-face relationships with clients. The main digital transformation strategies include: the creation of digital technologies or "in-house" products for microfinance clients, the acquisition of fintech companies, and the establishment of smart associations between microfinance institutions and fintech startups.

The global fintech sector grew substantially in 2019 with major transactions announced. For instance, Nubank, one of the biggest digital banks in Brazil, announced an equity raise of $400 million and regional expansion in Mexico, Argentina and Colombia. This transaction is the perfect example to demonstrate the significant, positive impact of fintech on the financial inclusion industry in emerging markets.

However, the growth in digital financial solutions is also being driven by technology companies in other sub-sectors, such as energy access, logistics and retail. Businesses in these sub-sectors are beginning to provide financial services to their client base in emerging markets. We foresee the growth of new business models which provide a multi-service offering in the next few years. For example, a logistics technology company offering financial services or fintech companies providing energy services.

Bamboo and financial inclusion: growing our fintech portfolio

At Bamboo Capital Partners, we grew our fintech portfolio and positioned our portfolio companies as fintech leaders in their respective regions throughout 2019.

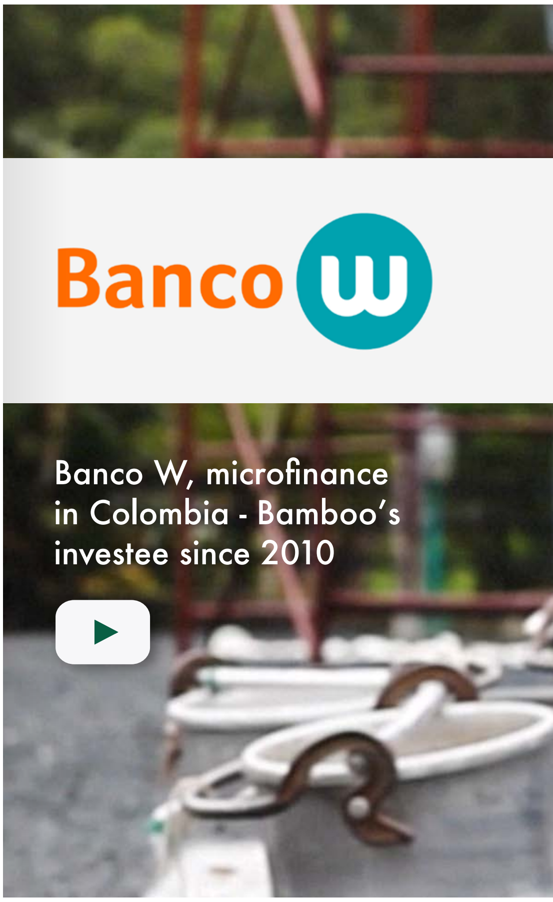
In Latin America, Kubo Financiero, a Mexican digital lending platform, enjoyed persistent growth in its loan book and increased deposits using digital solutions. We executed a final investment tranche in the company in 2019, enabling a clear growth strategy in the financial inclusion sector. ComparaOnline, an insurtech company with a broad range of insurance products, including travel, life and car, amongst others, initially operating in Chile and Brazil, acquired "Compara Mejor" to expand its services to Colombia.

In Africa, we witnessed the growth of Lidya, a Nigerian digital SME lending platform, which expanded to Poland and the Czech Republic, demonstrating how a Nigeria-based business can scale-up and expand into Europe.

In Asia, Annapurna received an equity injection from the Asian Development Bank to further expand operations in India to provide micro-credits to female members of Joint Liability Groups. Finally, we participated in a round of investment totaling more than $12 million for Amartha Mikro Fintek ("Amartha"), a pioneering peer-to-peer lending platform for female micro-entrepreneurs in Indonesia. The latest round of investment will be used to expand Amartha's business throughout Indonesia to empower more women and support more families in rural areas.

Within our traditional microfinance portfolio, Banco Fie in Bolivia implemented "Fie Movil", a mobile application which allows consumers to make inquiries about financial products, transfer, and repay services and loans. In Colombia, Banco W acquired Financiera Pagos Internacionales, a remittance company which will complement its existing suite of financial services for its microfinance clients. Banco W was also recognized by The European Magazine as "Social Impact Bank of the Year" in the publication's Global Business Awards.

Finally, we exited from Svasti Microfinance after growing its portfolio of borrowers over twenty times and the number of employees by tenfold. Since Bamboo's initial investment in 2011, Svasti Microfinance has serviced over 300,000 women customers across 57 branches in four Indian states. In addition, we exited from an indirect stake in Accion Microfinance Bank in Nigeria, after helping to triple portfolio of active borrowers. Bamboo's indirect investment in 2012 helped Accion MfB grow its portfolio from 14,000 active loans to 50,000 in 2019.



Bridging the financing gap for women entrepreneurs in Indonesia

Indonesia has more than 22 million female entrepreneurs, but most of them face significant difficulties in accessing financial services. In the country, only 49% of the population owns an account at a financial institution or with a mobile money service provider, according to the World Bank. In rural areas, most of the population is underserved by traditional banking services. Amartha's business model is a strong example of the potential of technology as an enabler of financial inclusion for women.

Through an innovative peer-to-peer lending platform, Amartha connects female entrepreneurs in rural areas facing difficulties in obtaining working capital, to a network of online lenders interested in making profitable, impactful investments. The platform includes a self-learning algorithm which determines the risk level of borrowers without prior credit history, and automates key aspects of operations, including application process, data gathering, credit decision making and scoring, thus lowering operating costs. It also creates a credit history for the borrowers for future funding requests to banks or other financial institutions.

But reaching the most underserved female entrepreneurs in remote villages requires more than technology, which is why Amartha's business model also relies on a strong network of field agents who bring the company's technology where the needs are most acute. Amartha's Android-based mobile application helps the field team perform servicing and manage the group of borrowers. Aria Widyanto, Chief Risk & Sustainability Officer of Amartha, names it "technology with human touch". "Amartha's mission could not be fully fulfilled if we were to focus only on people who have a smartphone and internet access. We need to ensure that we are not leaving behind those in remote areas. The role of our business partners is to bring the offline community into our digital platform, bridging the disparity," says Aria.

Founded in 2010 by Indonesian entrepreneur Andi Taufan Garuda Putra, Amartha started as a microfinance institution before pivoting into a fintech peer-to-peer lending model in 2016. With more than half of Indonesia's poor population being located in Java island, the company started its operations in Java, with a focus on villages without access to banking services. Amartha now operates in more than 3,500 villages in 36 regions of the island.

One of the strengths of Amartha's model lies in its holistic approach to poverty alleviation. "Education is key", says Aria. "This is at the center of our model and one of the reasons why our default rates stay below 1%." Most of Amartha's borrowers are unbanked women aged between 35 and 54 years, with a low level of education. Half of them went to primary school, one in five have a high school diploma, and less than 2% have ever attended college. Every week, each business partner holds a group meeting with 15 to 25 women from the same neighborhood to perform loan disbursement and collection in cash. They also take this opportunity to deliver educational content related to financial literacy and entrepreneurship. "We provide education programs around three pillars: financial literacy sessions that are mandatory for our borrowers, entrepreneurship training to help them improve the management of their business and take good decisions when they earn additional income, as well as health and hygiene programs."

According to the World Bank's Multidimensional Povert Index, health deprivations make up the greatest contribution to poverty in Indonesia in 2018. "Most of the household expenses are for education and health issues. Sometimes the children get sick because of a lack of hygiene at home. We have developed education contents to promote good practices for hygiene and water sanitation. We also perform health-checks and we implement social programs designed according to need analysis. For us it is risk mitigation, but most of all it is part of our approach to addressing the various factors that keep women in poverty," says Aria.

Working in partnerships is another strong asset of Amartha. The medical check-ups are led by CIMSA volunteer doctors and eye examinations led by ophthalmologists from NVG Essilor. From the eye examinations, thousands of pairs of free glasses have been distributed to improve productivity of the borrowers. Based on a survey led by the Amartha, 33% of women who received glasses experienced a productivity increase of four hours per day and 67% experienced one hour of additional productivity. Other social programs and learning modules have been developed in partnership with universities, international organization and the private sector, to address the needs observed on the ground. Organisations that have worked with Amartha include UNCDP, UN Women, and the World Bank.

Since 2016, the percentage of Amartha's borrowers below the national poverty line dropped from 63% to 31% while the proportion at country level fell from 10.7% to 9.6% over the same period.

Data as of December 2019

278,873 borrowers

- **100% women**
- **80% have no bank account**
- **Less than half of them have a smartphone**
- **62% of smartphone owners have access to the internet**
- **IDR 3,399,579 average loan size (~250 USD)**
- **3,108 people received free medical and eye examination in 2019**
- **2,646 pairs of free glasses distributed to borrowers in 2019**
- **251 headquarter employees and 1,858 business partners in the field**

Ibu Ratna
Amartha client, owner of a handcrafted doormat business.

As a woman villager, Ibu Ratna had experienced the struggle in fulfilling the basic needs of her family, including education for her child. Eight years ago, the economic condition of her household didn't allow her to enroll her first daughter into high school. Ibu Ratna received IDR 500 thousand from Amartha for her first loan and started to make handcrafted doormats. After the first loan cycle, she took another round to scale up her business and add up more womanpower. She recruited and trained her neighbors to help her with the production of the doormats. Today, she manages 22 women in the neighborhood who generate additional income for their families. From scaling up her business, Ibu Ratna is now able to renovate her house and improve the whole family's living condition, while creating jobs in her village.

Energy access

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Christian Schattenmann
Head of Energy Access

Improved health reported by **45%** of off-grid users who previously used kerosene, especially regarding respiratory and eye issues, and reductions in burns and accidents.

Global Off-Grid Solar Market Report, GOGLA

Energy access

Accelerating access to electricity with off-grid solar innovations

Despite progress over the last few years, today, about 850 million people around the world still have no access to electricity, according to the World Energy Outlook 2019. It is estimated that one to two billion people have unstable, unreliable access to electricity. Behind these global numbers lie high disparities between countries. In particular, Sub-Saharan Africa is disproportionately affected, with 55% of the population lacking access to electricity and even 77% in rural areas.

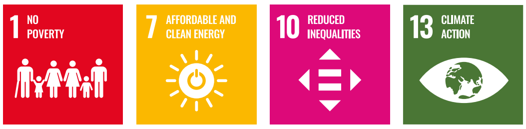
For those who have no access or unreliable access to the grid, energy comes from power sources that are often hazardous, costly and dangerous. Off-grid populations are highly dependable on kerosene, candles, and batteries. Close to three billion people use polluting, inefficient cooking systems that cause respiratory illnesses. Lacking access to electricity not only compromises the quality of life, but also the ability to generate an income, communicate, receive instant information and access many basic services. For rural households in low-income countries, charging a mobile phone means being able to communicate, use mobile money, manage agricultural data, or receive healthcare notifications. Access to reliable and modern electricity is essential for social and economic development.

In many countries, the electric grid continues to expand. But it will hardly ever reach people in rural areas. And while it expands, the grid is still very unreliable in many parts of the world. In emerging and frontier markets, the rising demand, also driven by rapid population growth, requires solutions for better and faster energy access.

New technologies and business models have developed that are addressing those challenges. Technical improvements make battery storage cheaper, while the use of data helps create efficiencies, reduce costs and improve user experience. Pay-as-you-go (PAYGO) models using mobile money payments help customers to benefit from clean energy at an affordable price without large upfront investments that most people can't afford. Smart pre-paid meters allow mini-grid operators to reduce losses and improve cash collections.

Bamboo has a long-standing track record of investing in and managing a portfolio of companies providing scalable off-grid energy access solutions in emerging and frontier markets. Over the last 10 years, we have progressively moved from financing companies that provide entry-level lighting solutions to more integrated, holistic energy services that allow customers to climb the energy ladder. Our investee companies such as Greenlight Planet, BBOXX, Husk Power Systems, PEC and Orb Energy have already reached millions of people with life-changing off-grid energy solutions.

Meanwhile, governments have recognized the potential of off-grid solar innovations to address energy poverty. Favorable tax policies and subsidy schemes are designed to develop off-grid energy markets in countries from Kenya to Nigeria, Madagascar, Myanmar or Haiti. We are witnessing a rise in national electrification strategies where mini-grids and individual solar home



systems are complementing grid extension. For instance, the Togolese CIZO program seeks to electrify rural Togo through the installation of 555,000 solar home systems (SHS) and 315+ mini-grids.

Furthermore, large multinational corporations have noticed these developments and made strategic investments in off-grid solar companies, for instance Mitsubishi Corporation with an investment in BBOXX or Shell's New Energies business with investments in companies like Orb Energy or Husk Power Systems.

Finally, Development Finance Institutions (DFIs) are playing an increasingly active role in the sector, sometimes with financing facilities that are able to take more risk. Recently, ElectriFI, the impact investment facility funded by European Union, invested $8 million in our fund BEAM. The role of DFIs is critical as more sustained efforts will be needed to achieve the Sustainable Development Goal 7 of ensuring affordable, reliable, sustainable and modern energy for all by 2030.

Over the next few years, we will continue to build on our expertise in off-grid solar energy to help address the needs of underdeveloped markets – whether in Haiti or in Madagascar where Bamboo was selected to co-manage off-grid energy funds. The needs are high in both countries, with rural electrification rates as low as 5% or less.

The Off-Grid Electricity Fund ('OGEF') was set up by the Haitian Government with support from the World Bank Group. The fund invests debt and equity in off-grid energy companies, ranging from solar distributors to C&I and mini-grids, with the goal to electrify 200,000 households and SMEs within 10 years. A similar structure, the Off-Grid Market Development Fund ('OMDF') was established by the Government of Madagascar, again with support from the World Bank Group. OMDF will offer a results-based financing grant facility and a credit line for solar distributors and financial institutions financing the off-grid solar sector. The objective is to electrify 300,000 households and SMEs in four years. In both funds, Bamboo joins forces with partners who bring local market knowledge. In Haiti, Bamboo partners with the Haitian Development Finance Institution, Fonds de Développement Industriel, while in Madagascar we partner with BFV - Société Générale Madagascar.

To develop sustainable off-grid energy markets and increase energy access, public-private partnerships are a promising way forward. Bamboo will remain an active contributor and investor in this dynamic sector. We are committed to power communities and help unlock opportunities to transform societies and make progress towards the Sustainable Development Goals. Together with our partners and investees, we look forward to being part of this transformation in the next years.

As of 2019, through our investee companies:

70.80MW installed clean energy capacity

Over **56 million** people & 4,565 businesses provided with access to clean energy

Over **9.6 million** tons of CO_2 emissions avoided

BBOXX Tomorrow's Rural Home, Rwanda

Scaling access to solar energy for households and businesses

Orb Energy was founded in 2006 in India with the mission to make solar energy affordable, available, and hassle-free to customers looking for a better energy alternative. At that time, 68% of India's population had access to electricity, falling to just 57% in rural areas.

Orb Energy provides a range of solar energy solutions, including solar electricity and solar water heating systems, adapted to the needs of residential, commercial and industrial customers. Headquartered in Bangalore, India, Orb Energy is vertically integrated: from manufacturing, to sales, to installation and finance. Orb Energy manufactures its own solar panels and solar water heating systems in-house in India, enabling control of quality and cost. Orb Energy has two factories, one producing solar photovoltaic panels and one producing solar water heating systems. The company employs over 260 people.

Orb Energy has historically developed its business on the model of residential solar systems providing reliable, clean energy at an affordable price to Indian households. In 2014, with the goal to replicate its model in Africa, Orb Energy started its operations in Kenya, a country with an electrification rate of 36% and 25% in rural areas.

Over recent years, recognizing that businesses were also an underserved market for solar energy, the company started to address the needs of commercial and industrial clients with larger solar systems offering higher power generation capacities. At the end of 2019, Orb Energy had served over 155,000 households and 4,500 business clients.

Orb Energy's products do not only reduce clients' dependence on fossil fuels – they also demonstrate that solar energy can be cheaper than grid electricity. A typical rooftop solar system offers a three to four year payback on their investment. This means that the client will benefit from effectively free energy after this period. For businesses, investing in a rooftop solar system can be costly, especially with large solar systems with significant capacity to produce clean energy. To help them ease the upfront cost of investment, Orb Energy offers finance options to its business customers via an in-house finance facility which provides extended payment terms. This credit financing option is offered without asking customers for any collateral, other than the rooftop solar system itself. Orb Energy aims to match the tenure of the loan with their payback.

By helping them reduce their energy bill, Orb Energy's products have the potential to boost the competitiveness of its client businesses. The company now serves a wide variety of clients, ranging from food and packaging businesses, rubber, fabric, clinics and hospitals, to universities and public institutes. The savings generated allow them to invest in delivering essential services to Indian and Kenyan populations, while reducing carbon emissions, that other systems based on fossil energy would have generated.

The Bhat's Nursing Home, based in Mangalore, Karnataka, has been able to save approximately Rs. 4 Lackhs (US$5,267) per year by switching to Orb Energy's solar systems. "Using solar energy helps reduce the hospital's carbon emissions, and has a positive effect on the environment. With the savings from solar, we can also make operational improvements," said Dr. Rajesh Bhat, Managing Partner.

Since its inception, Orb Energy has sold more than 168,000 solar systems with cumulative installations of more than 80MW of rooftop solar systems. The clean energy generated by the company's products have helped avoid 342,550 tons of CO_2 emissions.

Over the next years, Orb Energy aims to significantly develop its offer for small and medium-sized enterprises (SMEs). Although 40% of India's industrial output comes from SMEs, they are still a largely underserved part of the market.

In October 2019, Shell's New Energies business acquired an almost 20% stake in the firm in its latest funding round. This investment will help more Indian SMEs benefit from lower-cost solar power. "Shell's investment will power the next phase of our growth and ensure that more underserved SMEs in India can benefit from clean, lower-cost electricity from solar," said Damian Miller, Orb Energy's Chief Executive Officer.

Data as of December 2019

90,029 solar electricity systems sold

78,158 solar water heating systems sold

34.7 GWhrs of energy produced per year

2.1 million liters of hot water per day

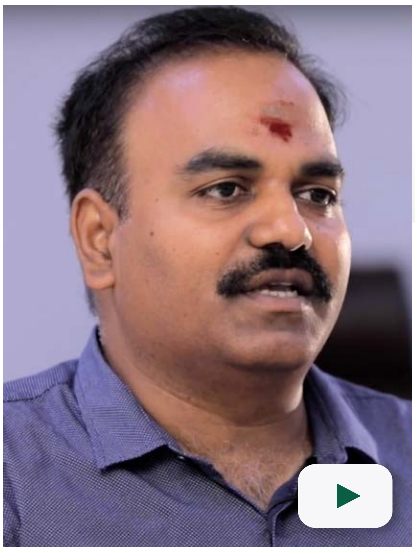
155,469 households served

4,565 business clients served

342,550 tons of CO_2 avoided

261 employees

43 women employees



Mr. Bolla Srinivasa Rao
Managing Director of Vallabha Feeds, Orb Energy customer, India.

"I was always passionate about agribusiness industry and constantly thinking how I can add value. This led me to start Vallabha Feeds Private Ltd. in 2009, with the motive to do good quality products for farmers like cattle feed, poultry feed, fish feed. We have state-of-the-art production facilities, importing machineries from different parts of the world. We are producing good quality products. As an entrepreneur, I want to reduce my expenses. That is why I installed a 450-kilowatt rooftop solar energy system. I approached Orb as they have good quality products and services as well as collateral free loan for the entire installation. We are saving INR 330,000 per month (~USD4,327) on our power bill. This comes to around 40 lakhs per annum (~USD52,000). The payback is 4.5 years. "

Agribusiness

BAMBOO
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Emanuele Santi
Fund Manager
for the ABC Fund

Agribusiness

Transforming agriculture and agribusiness in emerging and frontier markets

> "In Sub-Saharan Africa, smallholder farmers and agri-SMEs are the backbone of the economy and the main producers of food. Their sustainable growth can drive economic and social development and provide employment for rural youth."

The agribusiness sector finds itself at a crossroads in most developing countries. In Sub-Saharan Africa alone, according to the World Bank, the population is expected to double by 2050, up to 2.2 billion people. While regional demand for food will strongly increase over the next decade, the continent today has the highest prevalence of undernourishment, affecting one fifth of its population, or more than 250 million people.

The African agribusiness sector has significant untapped potential. Average cereal yields are currently 60% lower than the world average. Exports are largely based on unprocessed products. There are immense opportunities for smallholder farmers and small-to-medium sized agribusinesses (agri-SMEs).

In Sub-Saharan Africa, smallholder farmers and agri-SMEs are the backbone of the economy and the main producers of food. It is estimated that small farms produce up to 80% of food in the region. Their role is critical to addressing the challenges of poverty and food security. Their sustainable growth can drive economic and social development and provide employment for rural youth. Over the next decade, 11 million young people are projected to join the labour market each year in the continent.

Increased demand for food, driven by population growth, is putting pressure on the global food system. Meanwhile, overuse of natural resources and the effects of agricultural pollution affect capacity to generate the sustainable growth of food production, thereby threatening food security. By strengthening their resilience and adaptive capacity, small farms can develop sustainable food systems resilient to climate change.

However, smallholder farmers in Africa face many challenges that prevent them from scaling up their activity and participation in markets, including a lack of access to financial services. Increasing their productivity is essential to improving their livelihoods, while increasing food security. However, their investment and input financing needs remain mostly unmet by financial institutions. According to the Alliance for a Green Revolution in Africa (AGRA), the barriers that limit financing for smallholder farmers are a lack of verifiable data to support lending decisions, lack of collateral, high transaction costs to reach remote areas, as well as a perception of higher risk related to the nature of agricultural activities with variations of production and prices.

The Agri-Business Capital (ABC) Fund was launched in 2019 to address this challenge and support the transformation of the agriculture and agribusiness sector in developing countries, with an initial focus on Sub-Saharan Africa, the Caribbean and the Pacific. Set up as a blended-finance impact fund, it provides catalytic financing to underserved yet profitable segments of agribusiness value chains. The ABC Fund invests in smallholder farmers and agri-SMEs, enabling them to increase their productivity, secure economic opportunities, benefit from participation in value chains and strengthen their resilience to climate change. Ultimately, it aims to improve the livelihoods of smallholder farmers, with a special focus on women and young people.

The ABC Fund was initiated by the International Fund for Agricultural Development (IFAD) in partnership and with funding from AGRA, the European Union, the Organisation of African, Caribbean and Pacific States (OACPS), as well as the Government of Luxembourg. The contributions of these players go beyond their funding, as the Fund can tap into the wide expertise of these organizations, who are actively assisting the Fund Manager in sourcing, assessing and providing strategic and technical advice on funding opportunities. Bamboo Capital Partners has been selected as the fund manager of the ABC Fund, together with our investment adviser Injaro who brings its expertise and local knowledge of the African agribusiness market.

The ABC Fund offers a range of financial instruments including loans and equity investments to farmer organizations and rural agri-SMEs, either directly or indirectly via financial institutions. The Fund targets entities that have the strongest potential to transform smallholders' livelihoods, by enhancing their market participation and integration, addressing value-chain bottlenecks, enhancing their certification, increasing local transformation and value addition for exports, promoting climate-smart agricultural technologies and innovation. Accross its financing themes, the Fund favors investments in cooperatives and agri-SMEs that generate economic opportunities for women and youth.

Beyond financing, the ABC Fund also helps smallholder farmers and agri-SMEs address other constraints and strengthen their capacities through a dedicated technical assistance facility. This technical assistance is provided by the non-profit organization Agriterra and includes technical and advisory support in the fields of business development, operations, marketing, governance, financial management and other key areas based on need analysis. The objective is to help them mitigate risks and develop their business.

Less than a year after its launch, the ABC Fund is already operational and made its first investment at the end of 2019, in a cocoa cooperative in Côte d'Ivoire. The ABC Fund closed the year with eight approved loans to SMEs, cooperatives and financial intermediaries across five Sub-Saharan African countries. These loans will impact around 15,000 smallholder farmers and their families. We expect to do much more in 2020 and see the Fund's full potential at work, including by raising additional resources from a wide variety of funders who have expressed an interest in joining the blended finance vehicle.

Together with our partners and sponsors, we look forward to continuing this journey to transform agribusiness value chains and rural livelihoods by helping smallholder farmers reach their full potential for sustainable growth.

ABC Fund sponsors and partners:

Socak Katana

Unlocking capital for cocoa cooperatives in Côte d'Ivoire

Cocoa production is a major driver of economic growth in West Africa. In Côte d'Ivoire, the world's leading producer of cocoa beans, the crop accounts for 30% of national export income. Most cocoa producers are smallholder farmers. According to Fairtrade, 90% of the world's cocoa is grown on small family farms by about 6 million farmers.

At the end of 2019, the ABC Fund invested in Socak Katana, a cocoa cooperative in Côte d'Ivoire. Located in the North Western Region of Côte d'Ivoire, Socak Katana has over 2,700 members and procures raw cocoa from them before processing, transporting, storing and selling the cocoa beans to local and international buyers. The cooperative also provides other services including technical assistance and training. The cooperative's production covers the three Ivorian regions of Guemon, Cavally and Tonkpi. Currently, its production capacity is 6,000 metric tons, with 8,400 hectares under cultivation.

Socak Katana's mission is to improve the income and living conditions of cocoa producers and their families by supporting a sustainable approach to cooperative management and transitioning from an informal to an organized system. The cooperative promotes sustainable cocoa production, sells members' production in the most profitable markets, and educates producers on issues related to gender balance, climate change and child protection.

The cooperative is Fairtrade certified and 54% of its cocoa farmers are UTZ certified. These certifications enable farmers to improve the sustainability of their practices through soil improvement techniques, better harvesting, and adaptation to climate change. They also set specific requirements such as prohibition of child labor, fair working conditions, good health and safety practices. They also enable the cocoa producers to earn a better price by benefitting from premiums under Fairtrade and UTZ labels.

The ABC Fund investment will help the cocoa farmers secure market access and revenue by providing the cooperative with additional funds needed to buy their seasonal production. It will also increase the number of people that Socak Katana temporarily and permanently employs due to the increase in the volume of cocoa to be handled.

This investment is the first of a series of ABC Fund investments into three cocoa cooperatives which have enjoyed growth in recent years and count almost 10,000 producers among their members. It is the first step towards the ABC Fund's goal to support rural employment and improve farmers' livelihood in developing countries.

Socak Katana was created in 2015 with the purpose of:

- Providing access to the local and international market to its members
- Implementing sustainable projects that generate community development
- Coordinating and supporting women inclusion in the community in order to diversify and create additional revenues whilst empowering women
- Raising awareness on climate change and deforestation
- Fighting against child labor on members' farms through a Child Labor Awareness campaign

Jerry Parkes

CEO of Injaro Investments Ltd.,
Investment Advisor for the ABC Fund

"We are excited about this first investment of the ABC Fund that will increase farmers' earnings and support rural communities. Improving earnings for rural farmers has an important multiplier effect as each farmer typically supports several household members. We look forward to making more investments that demonstrate the power of impact capital to improve lives in rural agricultural communities."

Impact management

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USHA

Impact management

The importance of empathy, data, and logic in impact management

Ximena Escobar de Nogales
Principal, Impact Strategy & Performance

"We need to listen to the client's voice. Every advance that we make in that sense will help us understand the serviced population better. Those who are genuinely interested in listening to- and collecting first-hand information from customers can call themselves impact investors."

Like billions of people around the world, everyone at Bamboo Capital Partners is currently working in lockdown. Life after the COVID-19 pandemic will be different; this is certain. While it is yet too early to say how it will be different, one reality has become apparent: **impact management will be more important than ever before.**

Through the lens of this global public health crisis, we finally realize that we are all interconnected. The social and environmental consequences of our actions and the way we invest and do business affects all of us. Our world is a single house, and we are all under the same roof.

Interconnectedness is at the center of impact management. At its core, the nascent discipline of impact management is nothing more than uncovering the effects of our actions, decisions, and use of resources on our ecosystem (i.e. on the community of living organisms – humans, other animals, plants, and microbes – with whom we share this planet). In addition to seeking a detailed understanding of how our actions intentionally impact the populations we aspire to serve, impact management also aims to recognize the unintended consequences, both positive and negative, of said actions.

The main pillars of impact management are *empathy*, *data*, and *logic*. Empathy means that, as a company, we care to understand *who* we serve with our products and services, *what* use they make of these, and *how* their consumption or use of the products and services affects their lives. This is a continuous process aimed at better serving low and middle-income populations. The result of this learning must take the form of solid, relevant, usable, reliable systematized data. The last pillar, logic, is the underlying structure of any impact management tool. A *Theory of Change* is, simply put, a logical framework linking cause and effect, that surfaces and tests our assumptions. Bamboo's own theory of change seeks to examine how our investment decisions, our choice of themes and targets, our selection criteria, our definition of socio-economic segments, our selection of investors and investees, our ESG criteria, our ethical codes, and our monitoring capabilities affect end-users, manufacturers, suppliers, employees, investors, and all other stakeholders.

Throughout the past year, we remained focused on these questions at fund and investment levels. With an increased perception of interdependence, we are committed to continue engaging resources for better impact management.

During 2019, we launched a new generation of funds in partnership with non-profit organizations and international institutions to deliver impact at scale. Working in partnership enables us to explore new impact themes and sharpen our impact theses – combining our track record and expertise with, for example, experts in gender equality, smallholder agriculture, SME financing in Least Developed Countries, and health-tech innovations. Our NGO and UN partners bring a wealth of specific domain knowledge and regional presence to our work. We also expanded our work to new geographies, launching two energy access funds in Haiti and Madagascar. Regardless of the investment theme or region, our focus and intentionality remain the same: serving low- and middle-income populations in emerging and frontier markets.

These partnerships help us further strengthen our impact management processes and tools. In close collaboration with each of our partners, we developed detailed impact frameworks which guide our approach to creating impact for each of our new funds. We also reinforced our processes to identify and prevent the risks of negative effects in the environmental, social or governance (ESG) fields. For instance, we strengthened our ESG risk management in specific environments such as cooperatives and agribusiness SMEs in Africa. Some of the new funds also include a dedicated technical assistance component that will help our investees further strengthen their own processes and develop their businesses.

Our leadership in impact investing is continuously recognised by third parties. This year, our Financial Inclusion Fund II obtained the GIIRS Rating certification with a Gold level and an increase in the rating of our operations. Powered by B Lab, the GIIRS Ratings provide rigorous, comprehensive, and comparable ratings of a company or a fund's social and environmental impact, and have become the reference point for impact measurement in the impact investing industry. For the ninth consecutive year, Bamboo was also included in the "IA 50" list published by ImpactAssets, together with 49 other private capital fund managers delivering social and environmental impact, as well as financial returns.

Throughout this journey, we continuously learn and share best practices with our peers and stakeholders. We support and embrace ongoing developments in impact measurement standards such as the new IRIS+ system aligned with the SDGs, the GOGLA guidelines for the off-grid energy sector, and other initiatives like the Impact Management Project. Our impact measurement tools are aligned to these frameworks. We contribute to industry initiatives such as the GIIN, the Swiss Capacity Building Facility, and the Social Performance Task Force, learning from and continuing to share best practices with our peers.

We are also advocates of impact investing. Among other initiatives, Bamboo joined a movement of 50 representatives from the development finance private sector, calling on the Swiss financial authorities to provide greater support to scale private sector investment in the Sustainable Development Goals (SDGs). We played a lead role in raising the voice of impact investing in this area.

As we launch new blended finance funds and engage in the SDG500 initiative to drive progress towards the SDGs, we will continue to exercise our self-critical mindset on the impact we create and how we can improve it at every stage of our investments.

Marie Puaux
Impact Associate

"Bamboo's impact thesis is to serve the needs of low- and middle-income populations in emerging and frontier markets. Our impact management is deployed throughout the lifecycle of our investments – from screening companies, working with our portfolio to define and monitor impact measurement, to divesting responsibly."

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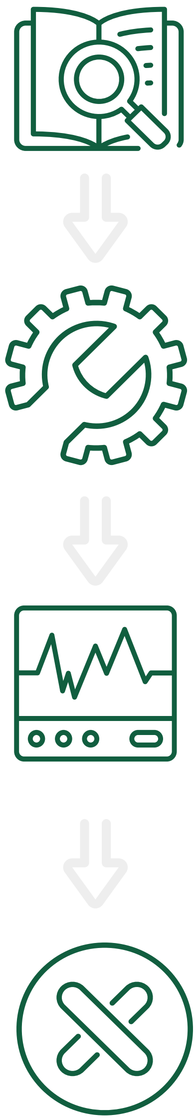

Our impact management process

Pre-Investment
Prior to investing in a company, we check that the potential investment is aligned with our impact thesis to bring essential services to low- and middle-income populations in emerging and frontier markets. We also ensure compliance with our exclusion list. During the due diligence phase, we conduct an Environmental, Social & Governance (ESG) risk assessment and further analyses on the expected impact of the company. These analyzes are part of the investment decision.

Investment
Upon approval and during the discussion on the terms of the investments, we define with the investee company the selected impact indicators which will be reported and monitored during the holding period. We may include conditions in the investment agreement related to the monitoring of specific ESG risks.

Post-Investment
During the holding period, we monitor the data reported by our investee company at the agreed frequency. As an equity investor, we purport to sit on the board of our investees, overseeing and contributing to social performance and impact issues alongside financial matters.

Divestment
We seek to divest to trustworthy investors who will allow and enable the companies to pursue their missions and visions. We also aim for organized, simple, fair and transparent divestment processes.

Our investee companies generate lasting impact towards the SDGs in emerging and frontier markets

1 NO POVERTY

Investments in 32 **microfinance institutions** and 6 fintech companies

87million people provided with access to financial services through our 38 investee companies

2 ZERO HUNGER

Investment in **1 farmer cooperative**

2,783 smallholder farmers supported by the cooperative

3 GOOD HEALTH AND WELL-BEING

Investments in **4** access to healthcare companies

3,436,295 patients served by our investee companies

4 QUALITY EDUCATION

Investments in **2** access to education companies

3,200 children attended affordable schools in India

13,389 student loans provided in Mexico

5 GENDER EQUALITY

15,950 women jobs supported within our investee companies

1,985,770 female borrowers reached by **2** recent investees providing financial services dedicated entirely to women

7 AFFORDABLE AND CLEAN ENERGY

Investments in **5** off-grid solar energy companies

70.80MW installed clean energy capacity

56 million people provided with access to solar energy

4,565 businesses provided with solar energy systems

8 DECENT WORK AND ECONOMIC GROWTH

45,135 jobs supported within our investee companies

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Investments in **6** fintech companies having provided financial services to **614,819 people** through technology

10 REDUCED INEQUALITIES

Investments in **60** companies serving the needs of low- to middle-income populations

184 million lives impacted by using the products or services of our investee companies

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

1 Fairtrade certified cooperative representing 2,783 smallholder farmers

1,502 smallholder farmers under UTZ certification

13 CLIMATE ACTION

9.685 million tons of CO_2 emissions avoided by our investee off-grid solar energy companies

17 PARTNERSHIPS FOR THE GOALS

8 impact funds in **partnership** with the World Bank, the United Nations Capital Development Fund, the International Trade Centre, the International Fund for Agricultural Development, CARE Enterprises, Smart Africa, and Stop TB Partnership

Cumulative data reported by Bamboo's active investee companies as of December 2019 and latest data available at time of Bamboo's exit for divested companies.

Luis Castillo
Founder and President
SAC Integral SA

Integral El Salvador - Portfolio company of Bamboo's Financial Inclusion Fund I

An experience of national social impact

In 1996, our institution mapped out the long-term path towards the creation of a regulated financial institution. This has been a reality for 10 years. Having reached this goal, we remain firm in being the first specialized Bank that best understands and serves the micro- and small business in El Salvador.

From very early on, in our beginnings as a credit program in the founding entity, FUSAI, we understood that if we wanted to have a massive social impact and attend to the broad needs of our clients, the people excluded from the benefits of formal banking, we would have to take on the challenge of creating a regulated, commercial institution. At the time, that challenge seemed unattainable. Promoting a Microfinance Bank for an NGO would be a titanic task, which we understood very quickly that we could not do alone.

In building that institution, in the midst of global crises, which caused unprecedented impact on the sector, we had the support of key partners such as Fundación Dueńas, Bamboo Capital Partners and the ACP Group, among others, as well as the IDB and AID, the latter of which supported us with resources for technical assistance and institutional support. Building a good institution requires a lot of resources and knowledge, which were possible thanks to our partnerships with the best in the fields of technology, microfinance, and investment fund management.

I would like to refer on this occasion to the role of the financial inclusion fund Bamboo Capital Partners, led by Jean-Philippe de Schrevel. With Bamboo, we promoted the creation of a holding company that allowed us to attract resources for a regional expansion vision. This is still underway at a slow and gradual pace, but it proved central to the creation of SAC Integral and we hope it will become the first MYPE Bank in the coming years.

During its existence, Integral has placed more than $600 million and approximately 171,000 loans, achieving a significant impact in the local context. Currently, Integral supports more than 65,000 jobs, in an economy that barely generates 15,000 new jobs each year, leaving a deficit that feeds the informal sector with some 80,000 vacancies or underemployment.

Our work is more relevant today than ever before in economies with low job creation, such as ours. The financial inclusion sector in micro- and small enterprises drives the economy of 70% of the economically active population.

To meet the needs of the economy, we must build institutions that respond to a variety of financial services and not just loans. Among the main needs are savings, investment capital, payment services, and insurance. Savings are the best tool for these companies to accumulate capital and become viable, fast-growing enterprises with a strong impact on job creation.

Today, as a leading regulated company, with $170 million in assets and $130 million in portfolio, we already offer a wide range of remittance services, microinsurance, credit and payment services, which we hope to specialize, and improve through innovation.

In certain segments we are launching more banking products, to accompany the development of small businesses that take the leap in their development, and demand services such as the current account. The checking account has already been launched on the market, and we expect it to work simply and flexibly, in order to capture the acceptance of this niche that rejects technological platforms alien to its culture, its day-to-day life and its way of doing business.

Bamboo has been a committed partner in this vision and the construction of this offer. Integral is a national and international reference in financial services for this niche, particularly in Latin America and Central America. Associated to Bamboo, we expanded our brand to Guatemala, within a vision of regionalization of the brand that we keep.

Building Integral has been a process of almost 30 years. Surely the consolidation of the sector and the regional expansion will take many more years, but it will be for the good of the sector, which demands the gains of economies of scale to offer competitive services in price, quality and accessibility, making use of the best technological tools.

Partners like Bamboo supported us when we started to dream. The project of that time is now a reality: we have built a financial institution, of regional projection, with a high social impact, renowned for its environmentally responsible practices, and a stable economic profitability in the medium and long term.

References

We are constantly contributing to, and learning from, industry impact management frameworks. Among others, our impact management system is aligned with the following standards, initiatives and best practices:

IRIS+
IRIS is a set of standardized indicators to describe an organization's social, environmental, and financial performance. Bamboo Capital Partners adopted IRIS indicators in 2011. We also track non IRIS indicators.

GOGLA
GOGLA, established in 2012, is the global association for the off-grid solar energy industry. Bamboo's impact measurement in the Energy Access sector is aligned with the Gogla Standardized Impact Metrics for the Off-Grid Solar Energy Sector.

GIIRS
The Global Impact Investing Rating System (GIIRS), managed by B Corp, is an unbiased third party assessment to rate funds and companies' social, governance and environmental performance. At Bamboo, we have rated our funds with the GIIRS assessments since 2013. For two years in a row we were recognized as Best for the World Fund, in 2016 and 2017 (the Best for the World Fund's ranking ended in 2017).

Guidelines for investing in Responsible Digital Financial Services
The Guidelines for investing in Responsible Digital Financial Services promote responsible investment in digital finance while managing risks with growth of digital inclusion.

Impact Management Project
The Impact Management Project (IMP) is a forum for building global consensus on how to measure, manage and report impact. As an IMP Practitioner, we are part of a community of practitioners sharing findings and challenges on impact measurement.

IFC Operating Principles for Impact Management
The Operating Principles for Impact Management seek to establish a common discipline and market consensus around the management of investments for impact.

Social Performance Task Force (SPTF)
The SPTF develops, disseminates and promotes high social performance standards and good practices for social performance management and reporting. Bamboo follows the Universal Standards for Social Performance Management, a comprehensive manual of best practices created by and for people in microfinance as a resource to help financial service providers achieve their social goals.

Smart Campaign
The Smart Campaign focuses on client protection and has articulated 7 basic Client Protection Principles. Bamboo endorsed the Smart Campaign and actively encourages financial institutions to endorse the principles and implement them.

United Nations Principles for Responsible Investment (PRI)
Bamboo is a signatory to the Principles for Responsible Investment and a founding signatory of the Principles for Investors in Inclusive Finance.

Bamboo in the media

The A-Z of Impact Investing
Private Equity International

How to invest in companies that pay employees well, clean up the environment, and care about the future
Business Insider

Can investors go green and still make money?
The telegraph

Raising funding in Africa? Here are 12 venture capitalists you should know
Ventureburn

Fintech Doing 'Good' Can Turn Into Something Bad For Poor People
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Blended Finance in the Least Developed Countries 2019
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Impact investing can unlock the potential of blockchain in Africa
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Blended finance funds impact African agriculture
Spore

Private equity lets no opportunity go to waste
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Closing in on the SDG Home Stretch: A Q&A with Florian Kemmerich and Lucica Ditiu at SDG500
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Why Haiti is full of opportunity for off-grid energy companies
Global Off-Grid Solar Forum & Expo Blog

Defining the Decade of Delivery: 50th Annual Meeting Calls for Stakeholder Responsibility
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How Blended Finance Can Plug The SDG Financing Gap
OECD Development Matters

SDG500: the fund kickstarting sustainable inv World Economic
Forum estment

Bamboo Capital & Smart Africa
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