

MFC ANNUAL REPORT 2020



MICROFINANCE CENTRE

MANAGEMENT LETTER

Dear MFC Partners,

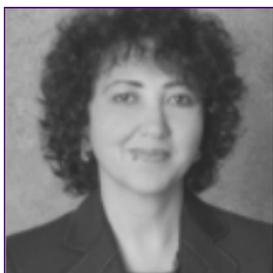
When we last presented you our annual report, the world was still in the early throes of the Covid-19 pandemic. Its profound effects have continued to impact MFC Members, their client businesses and the MFC itself. From the outset, we focused on:

- Helping partners deal with the crisis by organizing stakeholder meetings, circulating relevant information, accelerating the digitalization program and providing crisis management technical assistance
- Readjusting all MFC programmes and activities to virtual delivery.

We are happy to report that MFC was successful in accomplishing both tasks. Our technical assistance programs, such as the Digital Literacy Bootcamp and EaSI TA, offered an impressive number of virtual events that allowed our partners to convene and build their skills, while the research programme focused on the impact of the pandemic and the state of microfinance in Europe. We continued our excellent relationship with the European Commission, supported practitioner working groups and strengthened our relationship with local microfinance networks. MFC was also very active in the social economy space: participating in meetings by the European Commission Expert Group on Social Economy (GECES) and initiating a new, exciting relationship with Mastercard that will allow us to envision future microfinance business models and develop digital tools for microentrepreneurs.

The only event that did not occur was the MFC annual conference; due to the pandemic we canceled the meeting in Sofia. This year's fully virtual annual conference: Social Finance Vibe: Pandemic Reboot will take place from 14 to 16 September. We hope you'll join us in this unique digital village to discuss the most important trends and opportunities in social finance.

MFC Board Chair and MFC Management Board:



**Sanavbar
Sharipova**

CHAIRWOMAN
OF THE MFC BOARD OF
DIRECTORS
FOUNDER OF IMON
INTERNATIONAL
TAJKISTAN



**Katarzyna
Pawlak**

MFC CEO



**Grzegorz
Galusek**

MFC MANAGEMENT
BOARD

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MFC'S PANDEMIC RESPONSE

Consultations with Members

9 webinars on crisis management

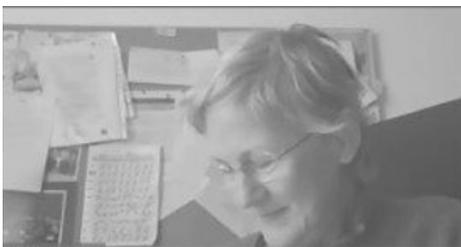
Research paper documenting the impact of the pandemic

Advocacy with the European Commission and the EIF

Adjusting all MFC programmes to the new context



MFC PROJECTS WENT VIRTUAL!



SUPPORTING MEMBERS TO GO DIGITAL

Digital Literacy Bootcamp:

- **32 webinars** organized in 6 thematic tracks
- Over **1,000 MFI** staff participated

Check out some of the webinar recordings

- [Your Mobile Brand Experience](#)
- [SEO for Microfinance](#)
- [Building landing pages for MFIs](#)
- [InsurTech for Microfinance](#)
- [Digitalizing internal communication](#)



SUPPORTING MEMBERS TO GO DIGITAL

Leaders in Digital Era

#LiDE is a series of webinars designed to equip microfinance leaders with the skills and knowledge required to effectively lead a team in a digital world.



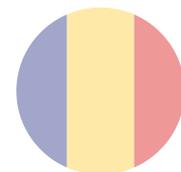
Check out some of the webinar recordings

- [Emotionally Intelligent Organizational Culture](#)
- [Emotionally Intelligent Leader](#)

2020 EU PROGRAM HIGHLIGHTS

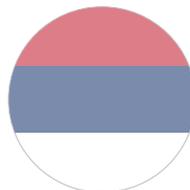


Albanian Microfinance Association (AMA)

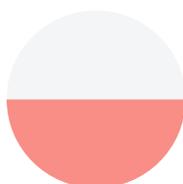


Romanian Microfinance Association

Support to **5 national Working Groups**: Poland, Romania, Albania, Serbia, North Macedonia



Serbian Microfinance Working Group



Polish Union of Loan Funds (PZFP) Poland



Alliance of Microfinance Organizations (MFO) Macedonia

In total we participated in **43 meetings with the European Commission's representatives**, networks and other organizations working on **EU policy topics**.

Close cooperation on advocacy with the European Microfinance Network resulted in **7 joint responses/letters** to the European Commission.

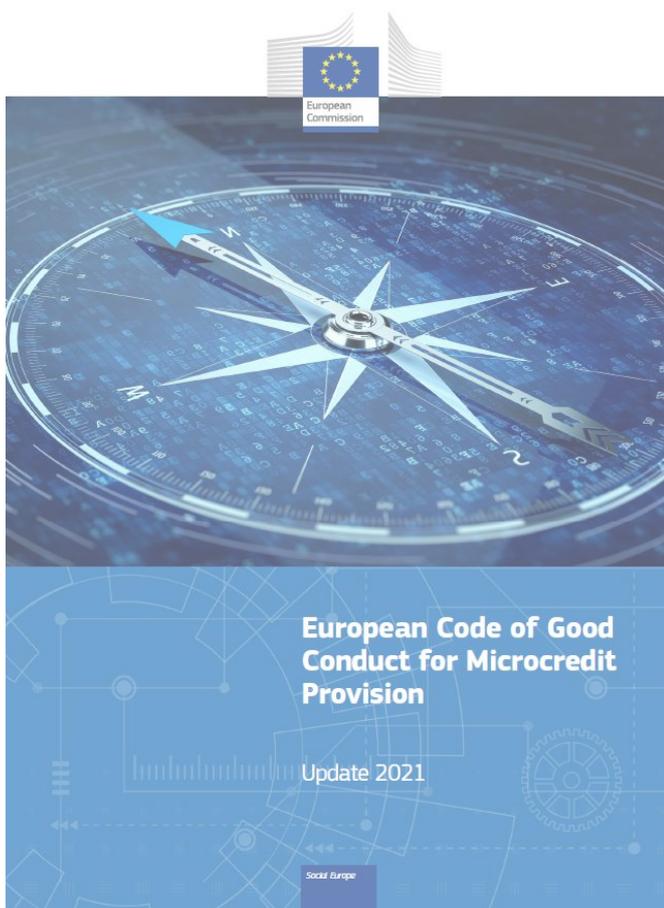
2020 EU PROGRAM HIGHLIGHTS

Other EU programme-related activities:

- Sharing information with EC representatives through our **Brussels mobile office** (moved to online due to lockdown).
- Online **consultations with MFC members** on EaSI instruments (16 MFC members responded).
- **Cooperation with international organizations** and networks, such as:



2020 EU PROGRAM HIGHLIGHTS



MFC continued promoting the **European Code of Good Conduct** and the changes that came into effect on 1 January 2021 by:

- Information-sharing via website, social media, and newsletters
- Participating in and co-organizing webinars via the EaSI TA program
- Consulting with members on issues related to the evaluation process
- Participating in Code Steering Committee meetings and the Code Working Group.



SAVINGS PROJECT LAUNCH

Let's SAVEE: LEarning, TEaming up and SAving – SAVing groups for Employability and Empowerment

Virtual visits to ACAF, Spain
and Labins, Italy

lab laboratorio
ins d'innovazione
sociale



ACAF

Case Study
of ACAF
From Spain



Erasmus+

ENGAGING MEMBER CEOS



Monthly Library recommendations and Talks on topics such as:

- [Crisis Leadership](#)
- [How to Lead a 100% Remote Team](#)
- [You're It. Crisis, Change, and How to Lead When It Matters Most](#)

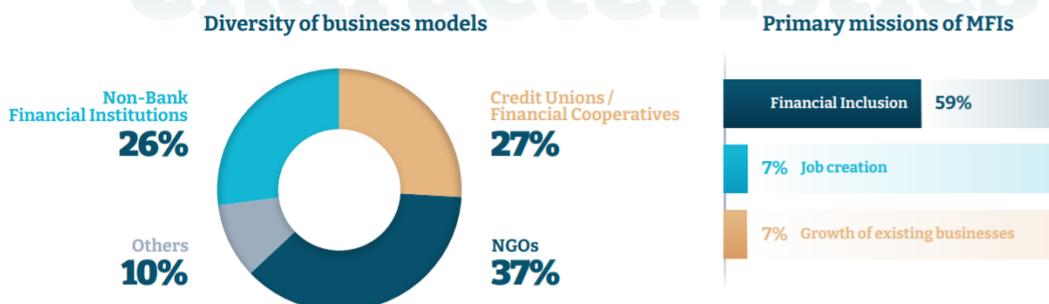


RESEARCH OUTCOMES

EMN-MFC [Microfinance Survey](#), 2018–19
– data from **143 MFIs**

Final report highlights:

- 1.26 million active borrowers
- 77% of MFIs have introduced digital solutions



[MFI Digitalization Pathways](#): Monitoring Progress in Microfinance Digital Journeys

CLIENT EDUCATION

7th Borrow Wisely Campaign:

- **23 member MFIs** across Europe and Central Asia (including 8 EaSI countries) participated: Agro & Social Fund, Noa, Albanian Microfinance Association AMA, Fondi Besa, EKI, Lider, Mi-Bospo, Partner, Sunrise, AMFI, Business and Cultural Development Centre (KEPA), AFK, Horizonti, Microinvest, Monte Credit, Vitas, Agroinvest, Opportunity Bank, Hope Ukraine.
- **Over 3 million people** reached via virtual activities



Fondi BESA branch during BWC



This campaign has received financial support from the European Union Program for Employment and Social Innovation "EaSI" (2014-2020).

SUPPORTING MIGRANTS

MAGNET project:

four-day
conference on
migrant
entrepreneurship



Funders and Partners of the Magnet Project

COSME programme of the European Union, Donau Universitat Krems, Delite Labs, Singa, Tern, Eucen, IATAP, VUZF University



DELITELABS

15
years



VUZF
University of
finance, business and
entrepreneurship



EASI TECHNICAL ASSISTANCE

Technical assistance for 5 MFIs

- Agro & Social Fund (Albania),
 - KEPA (Greece)
 - FULM Saving House (North Macedonia)
 - FAER IFN SA (Romania)
 - Mikro Kapital IFN (Romania)
-



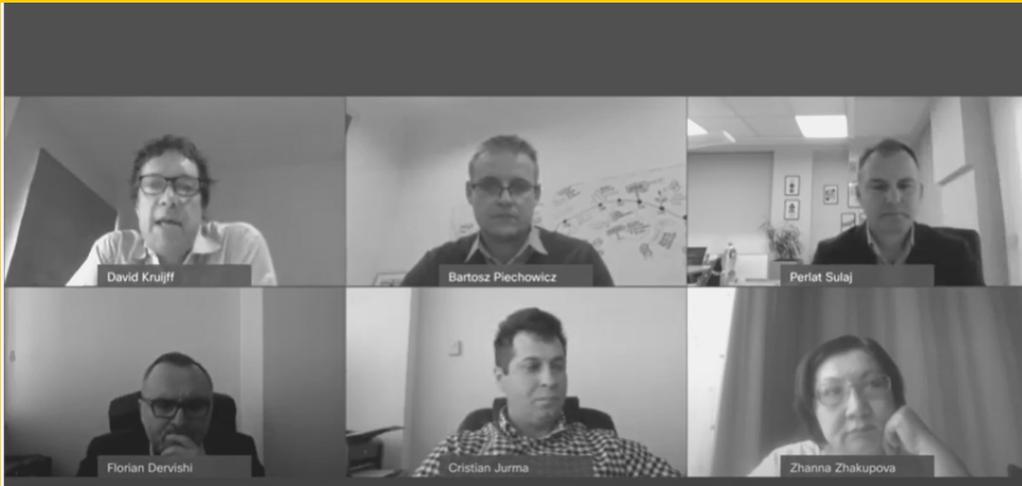
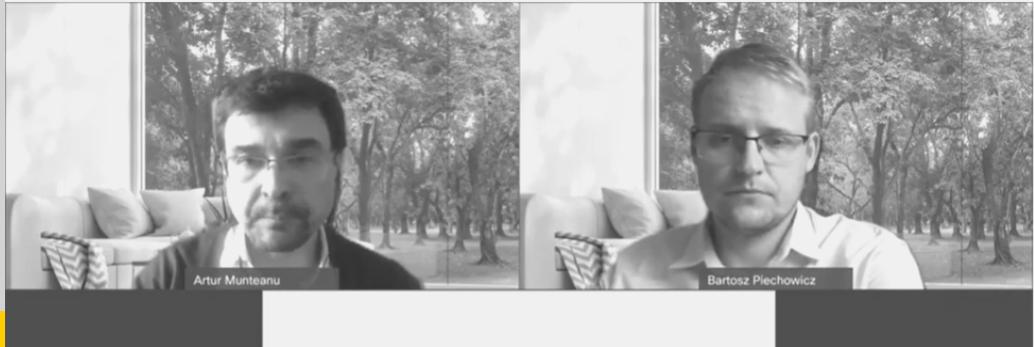
3 Code of Good Conduct assessments

- Lithuanian Central Credit Union,
 - IFN Fortuna Leasing (Romania)
 - Agro & Social Fund (Albania)
-

- **3 national workshops** in Romania, Albania and Serbia
-

- **16 webinars** (*Building digital capabilities, Digital payment solutions, Use of algorithms in credit scoring, Contribution of MFIs to the Sustainable Development Goals, Choosing and running online training, Online meeting facilitation*)
-

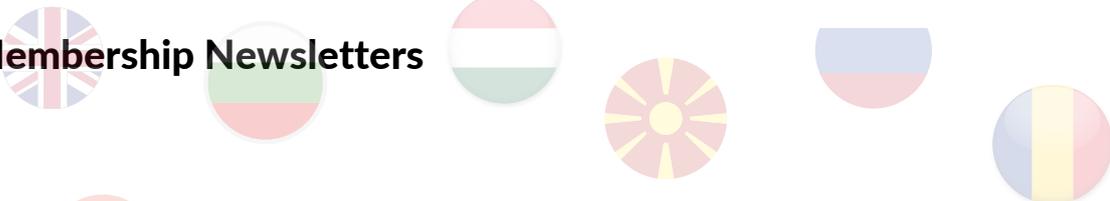
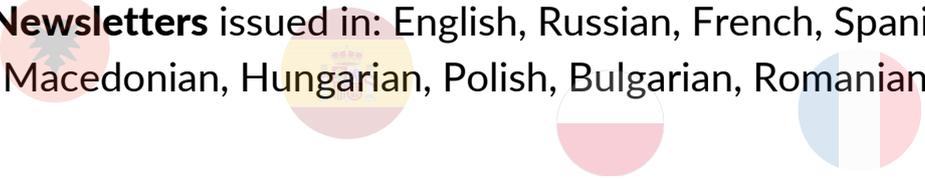
- **Peer-to-peer visit** (Debitum Network)



MEMBER OUTREACH

196 communications throughout the year within the EU program!

Mailing communications:

- **10 Membership Newsletters** 
- **Global Newsletters** issued in: English, Russian, French, Spanish, Albanian, Macedonian, Hungarian, Polish, Bulgarian, Romanian 
- **45 Project-dedicated updates**
- **4 EU Personal Updates** for CEOs from EaSI countries

Social Media

- LinkedIn: over 3,500 followers
- Facebook: over 4,500 followers
- Twitter: over 2,000 followers



NEW MEMBERS



Four new Members joined MFC:

- **Impactive®**, Estonia
- **Jobs MFI**, Bulgaria
- **Debitum Network**, Latvia
- **MBC**, Georgia
- **Georgian Microfinance Association**



საქართველოს მიკროსაბანკოების ასოციაცია
Georgian Microfinance Association

Total membership in MFC : 114

MEMBERSHIP IN MFC AROUND THE WORLD

MFC Members/countries

Albania
Armenia
Austria
Azerbaijan
Belgium
Bosnia & Herzegovina
Bulgaria
Croatia
Estonia
France
Georgia
Germany
Greece
Hungary
Italy
Kazakhstan
Kosovo
Kyrgyzstan

Latvia
Luxembourg
Macedonia
Moldova
Mongolia
Montenegro
Myanmar
Netherlands
Poland
Romania
Russian Federation
Serbia
Slovakia
Spain
Switzerland
Tajikistan
UK
Ukraine
US
Uzbekistan

MFC member institutions come from..

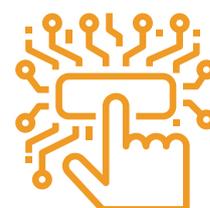
114
Members

38
countries

FUTURE PRIORITIES

Post-pandemic program for members

- MFI digitalization
- Business contingency planning
- Risk assessment review
- Research work on innovative MFI business models
- Advocacy efforts
- Strategic review
- Green transition agenda
- Virtual **conference**:



AUDITED (PRE-APPROVED) FINANCIAL STATEMENTS

Fundacja "Microfinance Centre"
Consolidated Statement of Comprehensive Income for the year ended 31 December 2020
 (All amounts are stated in PLN rounded to nearest zł)

	Note	12 months ended 31 December 2020	12 months ended 31 December 2019
Earned revenue			
Membership fees		80 776	147 664
Program revenue	6	1 473 212	3 373 428
Other operating income	5	76 816	23 661
Total revenue		1 630 804	3 544 753
Program expenses			
Staff expenses		469 554	301 630
Non-staff expenses		651 113	1 634 889
Total program expenses	7	1 120 667	1 936 519
Administrative expenses			
Staff expenses	11	285 164	301 776
Non-staff expenses	11	389 471	454 716
Other operating expenses	9	81 651	10 897
Total administrative expenses		756 287	767 389
Total expenses		1 876 954	2 703 908
RESULT FROM OPERATING ACTIVITIES		-246 150	840 845
Finance income	10	859 649	78 811
Finance costs	10	(5 900)	(12 245)
Net finance income		853 749	66 566
Profit before income tax		607 599	907 411
Income tax expense	12	(53 209)	(81 249)
Net result after tax		554 390	826 162
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		554 390	826 162

AUDITED (PRE-APPROVED) FINANCIAL STATEMENTS

Fundacja "Microfinance Centre"
Consolidated Statement of Financial Position as at 31 December 2020
(All amounts are stated in PLN rounded to nearest zł)

		2020	2019
ASSETS			
Non-current assets			
Property, plant and equipment	13	8 876	-
Right-of-use assets	27	282 949	93 011
Deferred tax assets	16	-	-
Total non-current assets		291 825	93 011
Current Assets			
Accounts receivable	15	467 649	829 433
Cash and cash equivalents	14	15 694 031	13 859 179
Total current assets		16 161 680	14 688 612
TOTAL ASSETS		16 453 505	14 781 623
Equity			
Own Funds			
Founding capital	20	2 100	2 100
Retained earnings		14 387 897	13 833 509
Total own funds		14 389 997	13 835 609
Total Funds attributable to equity holders of the Foundation		14 389 997	13 835 609
Liabilities			
Accounts payable	18	113 004	133 713
Accruals	19	1 624 090	719 282
Lease liabilities	27	282 949	93 011
Deferred tax liabilities	16	43 465	8
Total Accounts Payable and Accruals		2 063 508	946 014
TOTAL LIABILITIES		16 453 505	14 781 623

PARTNERS



BOARD OF DIRECTORS



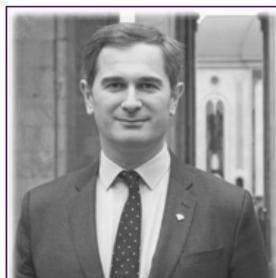
Sanavbar Sharopova

CHAIR
OF THE MFC BOARD OF DIRECTORS
FOUNDER OF IMON TAJIKISTAN



Alisher Akbaraliev

EXECUTIVE DIRECTOR AT
ASSOCIATION OF
MICROFINANCE INSTITUTIONS
OF THE KYRGYZ REPUBLIC



Archil Bakuradze

CHAIR OF SUPERVISORY
BOARD AT JSC MFO
CRYSTAL



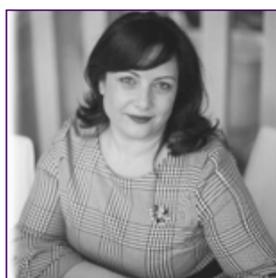
Gabriele Giuglietti

DIRECTOR IN CHARGE OF
INTERNATIONAL
DEVELOPMENT ACTIVITIES
OF BANCA ETICA, PRESIDENT
OF CRESUD



Paul Kalinauckas

FOUNDER CHIEF EXECUTIVE,
BCRS BUSINESS LOANS, UK



**Brunilda Isaj,
MBA, CRB**

SECRETARY GENERAL AT THE
ALBANIAN MICROFINANCE
ASSOCIATION



Elma Zukić

PRESIDENT OF THE
ASSOCIATION OF
MICROFINANCE
INSTITUTIONS IN B&H - AMFI

TEAM

**Katarzyna
Pawlak**

CEO OF THE MICROFINANCE
CENTRE



**Grzegorz
Galusek**

MEMBER OF THE
MANAGEMENT BOARD



**Ewa
Bańkowska**

RESPONSIBLE FINANCE
EXPERT



**Kinga
Dąbrowska**

RESPONSIBLE FINANCE,
PROGRAM MANAGER



**Aleksandra
Karabon**

COMMUNICATIONS
COORDINATOR



**Bartosz
Piechowicz**

PROJECTS COORDINATOR



**Justyna
Pytkowska**

RESEARCH, PROGRAM
MANAGER



**Marcin
Sawicki**

FINANCE AND ADMINISTRATION
COORDINATOR





MICROFINANCE CENTRE

www.mfc.org.pl