



Microcredit for Mothers

ANNUAL REPORT 2017

Table of Contents

1. In a nutshell.....	3
2. Projects.....	9
3. Fundraising.....	17
4. Communication.....	19
5. Organisation.....	23
6. Financial Report.....	26



1. In a nutshell

1.1 Introduction

The purpose, cause and beliefs that inspire us to do what we do.

Microcredit for Mothers has the following mission statement: "We empower poor women in Asia to manifest their strength and potential. This reinforces their self-esteem and independence. Achieving this together inspires us to do this for as many women as possible. By offering small affordable microcredits, we intend to empower these women to start a small business aiming to generate a more sustainable income. This will encourage money savings, investments in health care and education of children, and finally create more autonomy and independence." In the past twelve years we provided over 25,000 women with a microcredit and experienced that a microcredit can act as an accelerator to improve the lives of these women and their children. When we meet the women face-to-face, we see proudness and self-esteem. This is amongst others what keeps all of us going strongly.

In our mission there are two components that are interesting to highlight: Our target group: Until recently, our target group was "the poorest women in Asia". In 2017 we decided to change this to "poor women" as

we learned from our local partners that if you want to reach out to the poorest of the poor, you should donate money instead of lending money. As we strongly believe in microcredits to improve livelihoods, we decided to focus on poor Asian women that do not have access to the regular financial service providers in the country to start a business. Why only women? Because women have already made enormous progress in emerging markets. Women are still a driving force in these areas. This is shown by facts as: (1) Poor families in general still depend on the woman's income; (2) The woman's income benefits not only herself, but her entire family; (3) Women, more than men, invest the money they make in health, education and the welfare of their family.

"Achieving this together inspires us to do this for as many women as possible".

When we asked our volunteers why they put so much of their time and energy into MfM the two main reasons they gave us were (1) to do something good for others and (2) the inspiration & energy they get when working with fellow volunteers to achieve this goal.

How we work and what is so special about us

Within Microcredit for Mothers, we feel a combination of seven clear characteristics sets us apart from other organizations focusing on the empowerment of poor women.

1. Our 100% volunteers.

Microcredit for Mothers exists due to the time and dedication of our 35 volunteers, none of them are paid for their work. These volunteers have different backgrounds and paid jobs at different employers but are all united in their passion in achieving MfM's mission.

2. Own fundraising.

We have a separate Fundraising Team within Microcredit for Mothers who ensures we raise enough funds to fulfil our mission. They are not focused on state subsidies or proceeds from lotteries; they organize a variety of creative events to raise private and corporate funds, ranging from our Female Leadership Journey to our "Cooking Month".

3. Local partners.

Our most important asset is our local (microcredit) partner network, through which we locate and reach the women in our target group. These are either smaller local NGO's (Non-Governmental Organizations) with educational-, health- and/or human rights activities or local MFI's (Micro Finance Institutions) in Asia. These local organizations have established a

relationship of trust with the local communities long before we encounter them.

4. Professional organization.

Although Microcredit for Mothers is a volunteer organization, it is run with a business spirit. Most of the volunteers have a paid job within a business environment and bring that mentality into work at Microcredit for Mothers. Not being dependent on single individuals anymore, MfM has become a solid and sustainable foundation.

5. We provide the fishing rod instead of the fish.

We believe our microcredits can be a catalyst for our women to start their own business and develop themselves and their families further, in a sustainable manner. Our partners combine the microcredits with basic financial, entrepreneurial and female leadership training.

6. Asia.

We have chosen to focus on providing microcredits to the poor women in Asia that do not have access to local financial service providers. We have established local partnerships in India, Nepal, Bangladesh, Sri Lanka, Indonesia, Cambodia, Laos and Vietnam.

7. Connection.

We believe in the power of connecting people. Within MfM we connect our 35 volunteers with each other to raise funds and start new

microcredit projects in Asia; we connect with our donors, who provide us not only with the financial and physical means to do our work; our strong connection with our local partners ensures we find the right target group. And we connect Dutch female leaders with Asian female leaders in our Female Leadership Journey.

1.2 Regulatory facts

Microcredit for Mothers consciously does not obtain the CBF-mark. The reason is simple; this mark has to be paid for, which amounts to several hundred euros a year. We have decided not to pay for the mark but instead save costs, i.e. donated money, so it can be distributed to the women in Asia. Nevertheless, in order to be completely transparent, all information regarding our activities, revenues and expenses can be found online and is accessible to anybody. Every year, we publish our results on the website and submit our annual report to CBF.

Since 2008, Microcredit for Mothers has been classified as an Algemeen Nut Beogende Instelling (ANBI) by the Dutch tax authorities and it continues to be so. ANBI status may provide donors with a tax advantage (a deduction of the income tax return of the donation can be made). This, however, depends on the specific facts and circumstance of each case.

The Microcredit for Mothers Foundation has its residence in Amsterdam and is registered at the Chamber of Commerce under number 30204889.

1.3 Our activities

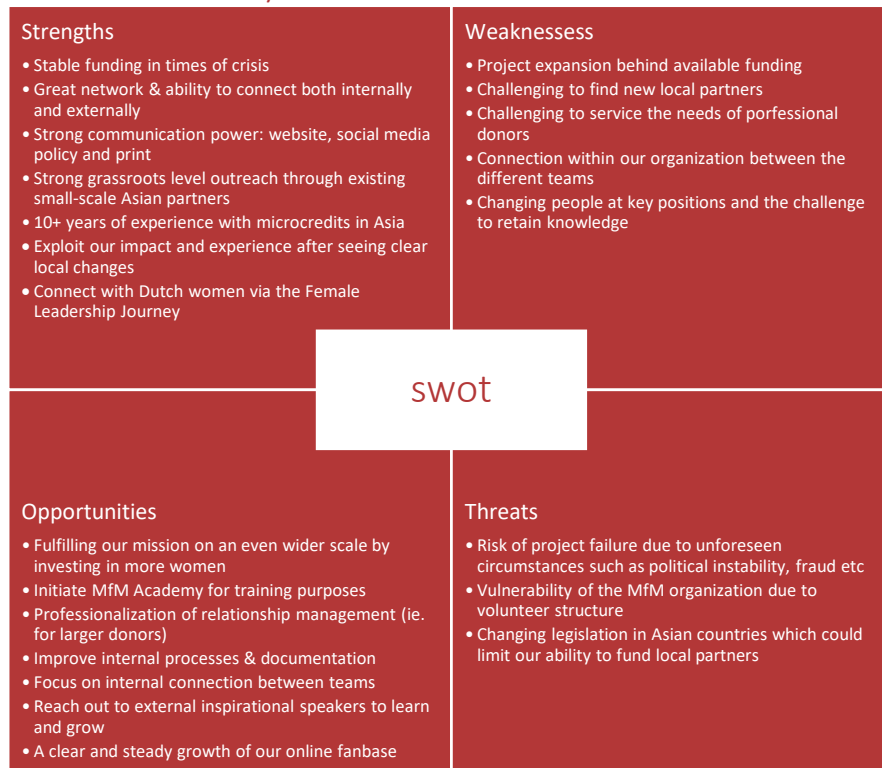
What we do and what kind of products and services do we have

The core product we have put in place to empower poor women in Asia to manifest their strength and potential is the provision of microcredits. An MfM microcredit is, on average, a loan of EUR 95 which is provided to women in Asia by one of our local partners. Our women use these loans for a variety of businesses ranging from raising chickens, selling textiles or making candles.

Next to microcredits, we have a big ambition to provide locally organized trainings for all our projects. Research of the Rijksuniversiteit of Groningen shows that training (in whichever subject) creates a larger social network for women, more support, and a higher likelihood of running a successful small business. This will not only increase the repayment rate of a microcredit loan, but also have positive 'personal impact' on the women involved.

In 2017, we started our "MfM Academy" which aims to raise funds for training needs of our local partners. We hope to spend our first Academy money in 2018.

1.4 SWOT analysis



1.5 Impact

With our donors, we have been able to reach approximately 25,000 women up till now, by providing the women with a small microcredit loan. As a result, these women improve their freedom of choice in how they earn and spend money. This has many facets, including the ability for

them to have more choice of their occupation, make household spending decisions, finance larger purchases for their homes and businesses, avoidance of selling off assets in times of crisis, and better manage risk.

Combined with the broader context in which our partners implement the microcredit programs, we believe our microcredit loans have a positive impact on these Asian women to manifest their potential and strength. Crucial in this respect are amongst other criteria for enrolment in the local microcredit programs, training and guidance during the programs, working together and supporting each other. These factors influence a positive outcome of the projects. As we are a small foundation and only have limited financial means, we do not evaluate the impact of our projects through randomized controlled trials or other forms of profound evaluations. However, we do check the 'financial status' of these women with yearly poverty assessment index analyses and we do interviews with women in the programs during all of our visits. Although in this way we only reach a very small percentage of the women enrolled, it does teach us that the programs are highly appreciated, and many women benefit from it.

On our way forward to 2018, we aim to make our impact even more visible to ensure that we continue to create a meaningful and sustained change for our women.

1.6 Way forward in 2018

On basis of the successes achieved and challenges faced in 2017, we have defined a strategy for 2018 which consists of a few specific goals.

1. We would like to raise EUR 70,000 of funds and provide microcredit loans worth EUR 145,000. The latter has been a challenge over the past years. In 2016 and 2017, we travelled to our partners a lot and many new projects were funded. We expect these projects to grow in 2018 in particular through our existing partners, which is an easier process than establishing new partnerships.
2. We want to reinforce our 'Impact strategy and measurement'. This important project will probably spread over 2 years and will need a new volunteer to bring it to a success.
3. We aim to identify our risks and compliance. To do so we look for new people in our Supervisory Board who can contribute to this subject.
4. We continue with the build of our 'MfM Academy' to raise funds especially for training purposes. This gives our program managers the opportunity to discuss local needs and offer money where needed.
5. We want to exploit our knowledge and network around microcredits and become a well-known institution when it comes to financial inclusion.
6. We want to continue the strong connection between each individual volunteer and MfM to safeguard a sustainable organization. We will organize continuous activities to build the connection and furthermore we will focus on decreasing hierarchy within the organization and increasing evaluations on several of our workways and activities.

Exploring a new local partner in Laos

People ask me many times why I stay in this poor, remote and far away province. “I am staying in Bokeo, because I want to see the change”

Our program manager visited Vansy and her team. Vansy is founder and director of MHP (Women Participating in Development Association). A possible new partner aiming to promote gender equality and improve the livelihood of ethnic female minorities and their families in the northern and remote province of Bokeo. They do this, among other things, by providing training, creating marketing and business plans. Promising proposals and plans are eligible for funding. MHP offers this financing at a low interest rate from its own funds. This interest is fully added to the fund so that MHP can help even more villages and women. The fund is too small to finance all plans and here is a good chance or addition for Microcredit for Mothers.

It is weekend and everyone is free. Yet the entire staff of 14 people came to the office on Saturday morning to meet our program manager for a group discussion. Together they visited two villages. It is harvest time and most of them work on the land. Our program manager is am impressed by MHP and the warm bond that exists with the villagers. Vansy is a very inspiring, friendly woman and has a big heart. She travels a lot and visits (worldwide) many people, donors for MHP and also gives regular lectures. She still lives in Bokeo and makes a big difference with her team in different ways.

Preparing a project proposal for MHP will not be easy, but more importantly, we have a positive feeling and the desire to work with MHP so that more women can be helped in this poor part of Laos.



2. Projects

2.1 Introduction

In 2017, our main focus continued to be to invest in getting more in depth knowledge of the risk status of some of our (longer) running projects and funds but also – in line with previous years – expand well running projects and find new partners to start new projects with. By doing so, we strived to reach an increasing amount of women in order to enable them to manifest their strength and potential.

2.2 Project policies

We distribute our funding as an interest- and instalment-free loan to our local partners in South and South East Asia. Prerequisites for receiving one of our loans are a detailed MfM approved project proposal (including name, age, type of business, loan usage per woman) as well as confirmation of the ability of the partner to provide quarterly key performance indicators to MfM. To ensure the latter, a visit by one of our Program Managers to the local partner is also a necessity before the start of a partnership. After all the above-mentioned elements are in place, our local partner receives the fund and disburses this as microcredit loans with interest to the women that were specified in the project proposal.

The interest rate of the microcredit loan is never higher than the market (microfinance-) interest rate of the country in question, and in practice

often considerably below the interest rates charged by local microfinance institutions. The interest-income is used by our local partner organizations to finance labor and travel costs and any other costs associated with the specific project. No collateral is involved in the microcredit loans distributed with our funds. The target group we want to reach, the very poor, is often not able to provide any security. Instead, some of our partners may ask a group of women in a community to vouch for each other to get the loan, in accordance with the Grameen methodology. In some countries we work with so-called Self-Help Groups, who take on the loan as a group, thereby having the group members jointly share the responsibility for the entire group's liability. Our local partners meet with the women on weekly/monthly basis and collect loan- and interest payments. Loans which have been returned are redistributed to a (new) group of women according to the concept of a revolving fund. Our goal is to have every woman repay her loan within a year and to provide a woman with a maximum of three loans. At the moment, women usually repay their loans between ten and twelve months. We aim to have empowered the women to enter the national credit system by the end of

these three loan cycles. Program Managers are responsible for managing the running microfinance projects. They maintain the relationships with our local business partners, look after frequent reporting on our projects, measure impact and look for possibilities to expand our activities. Our goal is to have our program managers visit and evaluate every project once a year. For risk management purposes, we apply a cap of EUR 45,000 per partner and a cap of EUR 10,000 for the first loan to a new partner. We have not implemented country limits.

2.3 Project targets and results

To achieve our mission, we continue to be active in eight countries divided into two major regions: South Asia and South East Asia. By the end of the year, the value of MfM funds allocated to our Asian partners was approx. EUR 460,000.

2.4 South Asia

New funds of EUR 70,000 have been released to our existing and new partners in India, Sri Lanka, and Nepal, growing the revolving fund in South Asia to around EUR 330.000. In Bangladesh, the fund remained stable. With a target of EUR 85,000 we did not reach as many women as we hoped for. This was mainly due to the challenge to find and visit new partners and start projects with them within the same year.

We welcomed 5 new partners in Sri Lanka, India, and Nepal, and ended one partnership in Sri Lanka, increasing the total number of partners to 18.

Around 500 'new' women received our low-interest loans to start income-generating activities.

India

India is among MfM's largest countries representing about 40% of our revolving fund. The majority of our Indian partners are located in Andhra Pradesh and Tamil Nadu, South of Bangalore.

We welcomed three new partners in 2017:

Women's Organisation in Rural Development (WORD) is based in Namakkal District in Tamil Nadu, one of the most deeply affected regions of the HIV/AIDS epidemic in India. We started a project with 57 HIV/AIDS infected widows, women who have lost their husband/spouse or family members to AIDS before reaching the age of 30. The extended family system, which would traditionally provide support for widows, is greatly strained in communities most affected by AIDS. The aim of this project is to help the women to become rural entrepreneurs, by assisting them with revolving credit, and proper training & development to start income-generating activities.

Organization for Community Development (OCD) is established by fisherwomen, primarily natives of sea and indigenous marginalized Mukkuvar fisherwomen across the coastal villages of Kanyakumari District in the South of India. About 25 women will receive loans for fish processing purposes to encourage sustainable income augmentation in dry fish vending, instead of fresh fish that is easily perishable.

Nature, based in the North of Andha Pradesh, has more than 30 years' experience in working with tribal communities. Nature organised a convention for 1,000 women in the villages to discuss the start of the microfinance project dedicated to women empowerment. This event, which was widely covered in local media, resulted in the launch of the project with 126 women at the beginning of 2017.

The program manager visited Sarala, based in Calcutta, and cooperating with MfM since 2010. We launched our third project involving 125 poor women living in the Kasba slums of Calcutta. Sarala supports the women by providing loans of around EUR 140 to start income-generating activities, in particular small petty shops. By offering trainings and access to healthcare services, Sarala aims to improve the income and hygienic living conditions of the women. Sarala is currently among the largest partners in MfM's portfolio.

We also started a second project with our existing partner Ropes to support 71 tribal women in rearing goats. The women live in a small

remote village called Eguva Bandarlapalli, East of Bangalore. The project was delayed due to a severe fire caused by a cooking incident in one of the huts in May 2017. The fire fully burnt down 9 huts and belongings of the tribal families and 29 huts were damaged. Fortunately, there were no victims. Ropes intensely supported the affected families by organizing a diverse range of fire relief services. The project finally commenced during the summer.

The existing microfinance programs with RAIDS, HEARDS, Sanghamithra, and Qwarids are running well. No major write-downs have been reported. The communication with Manush has become increasingly difficult over the past period. We will try to retrieve the necessary information during 2018 and otherwise reconsider our outstanding funds with Manush.

Bangladesh

Bangladesh has not been visited by their program manager due to the uncertain security situation and ongoing threat of terrorism over the past period. For that reason, we have not increased our funds to the country.

Our cooperation with Centre for Rural Services (CRSS), active in the slums of the Barisal district in Southern Bangladesh, is performing well. MfM's funds are used to initiate income-generating activities for women in food retail, such as fish, vegetables, and poultry, or petty shops.

Our two projects with Rural Development Society (RDS) in Bandhabari, Southern Bangladesh, are progressing according to plan. RDS is active for

the ultra-poor in their region. Activities of women participating include fishing, handicrafts, tailoring and selling groceries.

We continue to monitor the situation in Bangladesh and will visit our partners as soon as it is safe for our volunteers to do so.

Nepal

MfM's first microfinance project in Nepal started at the end 2015 and we currently work with 3 local partners.

We launched a first fund of around EUR 10.000 with [All Angels Nepal](#). All Angels Nepal offers sewing courses to disadvantaged women in Lalitpur and Chitwan. The goal of this project is to ensure that the women who have successfully completed the course receive a loan as starting capital to invest in a sewing machine and related materials. The women are also closely assisted in establishing a microenterprise by a training program in business planning, accounting, registration and gender/social inclusion topics.

In October 2017, the program manager visited Nepal to evaluate our outstanding projects. The microfinance program launched in 2016 by [Dhulikhel Hospital](#) is one of the major public health programs of the NGO aiming to combine income-generating activities and skill-based trainings for women to create awareness of health and disease issues. The project made a good start and we aim to further increase our commitment in 2018.

The program manager also visited [CSRC](#), based in the Western Region of Nepal supporting disadvantaged land-poor farmers. The outcomes and future needs of the female farmers receiving their first loan in 2015 were extensively discussed. The project mainly strengthened the women's right to land thanks to female cooperatives that have been set-up to invest in farming activities.

Sri Lanka

We found a new partner in Southern Sri Lanka, [SANASA](#), active in Hambantota district. SANASA is an experienced microfinance organization granting access to finance for so called pro-poor entrepreneurial women, who do hardly have access to regular microfinance institutions. With our funds of EUR 10.000, about 50 women will grow cut flower plants, saw mosquito nets and curtains, or produce dry fish. The goal of this project is to ensure that the women will improve their income and become eligible for the regular microfinance network.

In 2017, we approved our second fund with [NESED \(North East Socio Economic Developers\)](#) in Trincomalee District, a post conflict area. This project targets 176 women from poor smallholder farming and fishing families, owning less than one acre of land. Part of the group has fled to India during the years of war and has only returned recently. Most women will start their own agricultural or animal husbandry activities. The contract for this project has been signed and funds were released

early 2018. We aim to further increase our commitment to NESED in 2018 after the visit of MfM's Female Leadership Journey.

We have decided to write off the outstanding loan to KIRDO, one of MfM's oldest partnerships. Throughout the years this partner was visited many times and the good work for the women has been witnessed during these visits. Although we are convinced that the MfM fund is revolving with the women, communication with this remote partner has become increasingly difficult. We have not been informed about the status of our funds and therefore decided to write off our loan.

The program managers are planning to visit our Sri Lankan partners in 2018 to evaluate our existing projects and discuss opportunities for expansion.

2.5 South East Asia

At the start of the year we aimed to release EUR 100,000 into this region. Very soon we decided that building a strong team and get ready for the future was more important.

We changed our goal to 'securing a solid staff of program managers', in which we succeeded completely. We can now rely on a team of enthusiastic volunteers, that is ready for the future.

We also extended our network with one more country, the Philippines. We did however not reach any new partnerships here.

New funds of EUR 10,000 have been released to a new partner in Vietnam. We ended one partnership in Cambodia also retrieving EUR 10,000. The other funds remained stable.

Cambodia

Cambodia is overloaded with microloan companies for the last decade. Reason for MfM to withdraw from this beautiful country because we could not find reliable partners.

In 2017 we had two partners in Cambodia. Chamroeun, based in Phnom Penh, is a large MFI. We noticed that they were moving away from our original target group of women. Therefore, we decided to end our partnership with Chamroeun. All our outstanding funds have been repaid within the scheduled time frame.

The Dutch Cambodia Foundation is a partner led by Jan Camp, a Dutchman who has lived in Siem Reap for many years. We supplied a loan in order to buy a rice field. Due to bad weather and poor harvests in the past paying back the loan has been postponed. This partnership has been evaluated again at the end 2017. We expect to have to write off this loan.

Indonesia

We currently have four partners in Indonesia.

At the end of 2016 we have granted an additional loan to our partner Amanah Ista. This partner supports women just outside the city of Bogor (Java), a poor region with high levels of unemployability. With our help Amanah Ista has been able to provide microcredits to 200 women in 2017. These women have started small businesses, like shops to sell food, make and sell clothing, or are creating part of an industrial product.

Our biggest partner is Komida (Koperasi Mitra Dhuafa), a professional MFI with its head office located in the south of Jakarta, with offices in Sumatra and Java. Our microfinance project runs in the area of Yogyakarta.

Another partner operating from Yogyakarta is Kopdit Anna. We have granted a small loan to this partner with which they have been able to support more than 200 women. Kopdit Anna has asked us to increase the loan amount per woman as the costs for starting a business are increasing. In 2018 we will evaluate this to ensure that we can be of support in this region.

Tita Mae is our partner in Ambon (Maluku), who has close ties with TitanE in the Netherlands. We started this partnership in 2016 and we were pleased that we could provide funding for their first microfinance project. Here we will be supporting 100 women.

Finally, we are talking to 2 potential new partners. Both partners are located in Jakarta and focus solely on providing microcredits to poor women. We hope that we can support these 2 partners with a loan in the course of 2018.

Laos

We run two projects in two different provinces in Laos through our partner GDG Bamboo Traders. Communication with this partner is difficult because of the language barrier, however our program manager visited both projects again in 2017 and was very enthusiastic about the way these projects are really helping the women involved to gain economic independence. At the moment some 320 women are taking part in these projects and we are due to expand. In 2017 a lot of effort and energy was put in finding new partners in Laos. Hopefully this will materialise in 2018.

Phillipines

Since we stopped finding new partners in Cambodia, we wanted to extend our area with a new country. After thorough analysis we agreed on moving to the Philippines.

Since we managed to find a program manager with already an extensive local network, we have a positive feeling about expanding in this area.

Vietnam

In 2017 we continued with our existing partners TDF (the Dariu Foundation) and Anh Ci Em (Entrepreneurs du Monde). The latter is our biggest partner in Vietnam. Following the visit in 2016 of two program managers to Vietnam, we were able to expand our network in 2017 with a new partner, Center for Women and Community Development (CWCD). CWCD is a small MFI focussing on the poorest women in the northern part of Vietnam currently financing 33 women in rural areas.

After the visit to Vietnam in 2016, we have adapted our policy and increased the amount for an average microcredit to match the present situation in the country. This makes it possible to discuss potential partnerships with more institutions that are active in Vietnam. We hope to expand our partnerships in 2018. We also had two new program managers starting to focus on Vietnam and we are planning a country visit in 2018.



I am now contributing more income for family growth

Mrs. Dhanalakshmi aged 37 years is surviving with her HIV infected husband, is a sero discordant couple based in Tamilnadu, India. With the support of our loan, she has expanded her business from a small street based mobile fruit stall into a vegetable shop. Her husband is looking after the small street based mobile fruit stall which typically deals the fruits from the nearby Kolli Hills.

Earlier she borrowed from money lenders for which she paid exorbitant interest rates on a day to day basis. That is no longer necessary. She is now able to buy vegetables from the growers and wholesale markets. Her business is picking up day by day with increased customers and she has the plan to shift this shop to her hometown in 2 years' time and settle down with family where she has even more potential for their business.

She aims to be able to afford a study for her children and to live a peaceful life with increased and consistent income with the business.



3. Fundraising

3.1 Introduction

Fundraising is an important anchor for Microcredit for Mothers. It's providing us the funds to carry out our mission. We fully depend on donations from donors as we don't receive any funds from the Dutch government or other governmental organizations.

3.2 Fundraising policy

It is our policy to raise funds without any costs involved, all based on efforts of our unpaid volunteers and supported by Dutch partners who work pro-bono.

As direct contact is key for good relations with our donors, we strive to have a dialogue with all our different donors as well as account management with our existing corporate partners. Each donor has a volunteer assigned who is in contact regularly to give updates about our organization and once every now and then to discuss the partnership.

With regard to our individual donors and foundations, we strive to communicate regularly through our different communication channels

(social media, newsletters, etc.) and involve them in activities organized by us.

3.3 Fundraising targets and activities

The marketing team organized our own signature fundraising events. This proactive way of fundraising has proven to be successful in the past, but also presents a challenge in terms of the increasing efforts that need to be taken to make these events profitable. In a majority of our activities and events, a way of reciprocity is seen however: people joining events gain social, intellectual or inspirational value in return for their donations. Our target was €80.000. With our total collection of €95.915 of funds, we easily made this target.

One of the events organized is the Female Leadership Journey (FLJ) to one of our projects in Asia. During these journeys, MfM facilitates three connections for the participants: a connection with their selves, a connection with the women in MfM's microcredit programs and a connection with local nature and culture. In 2017, the Female Leadership Journey took place in February. This year the Dhulikhel Hospital project in Nepal was visited. As with the journeys in previous years, part of the fee for this journey is reserved for donations for the project that is visited.

Our yearly Cooking Month event was held traditionally in October. Searching for more anchors for the Cooking Month, we initiated several smaller events linked to the cooking month, for example for Mothersday. Furthermore, Dorée den Hollander, known from national television cooking contest is now our ambassador. This helps us with free publicity for our Cooking Month events.

3.4 Impact

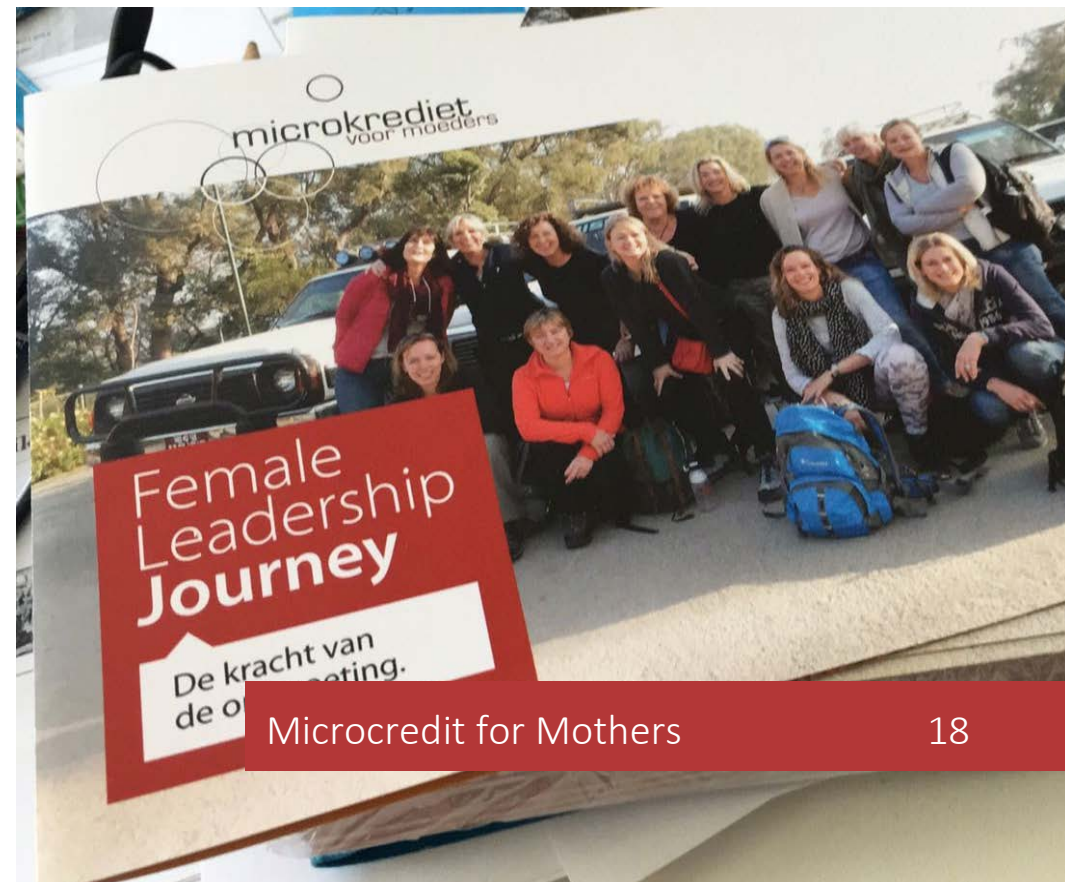
The efforts of our fundraising team resulted in approximately EUR 96,000 donated by individuals and institutions. Using an average loan of EUR 95, we can provide almost 1,000 new microcredit loans for new income generating activities.

3.5 Way forward in 2018

Our marketing, fundraising and communications team has had quite some changes in volunteers in 2017, but still has a stable base team. This provides a good basis for our fundraising activities, and gives confidence in our goal for 2018: We plan to collect a minimum of EUR 70,000 to be able to match the funding needs of our local partnerships in Asia.

The dedicated team for our Cooking Month event will expand on the small fundraising events during the year furthermore. The first idea, a wine sale where a part of the proceeds is donated to Microcredit for Mothers, now takes shape.

We will continue our relationship and communication strategy with our Dutch partners and individual donors. We will expand our network and search for more opportunities for new partnerships. In 2018, we intend to expand our collaboration with female networking communities.



4. Communication

4.1 Introduction

Communication is key to spread our word and tell the stories of our women in the projects in Asia. It also supports our ability to mobilize and expand the pool of resources available for development of female entrepreneurship in Asia.

4.2 Communication policy

Our communication policy focuses on the external communication with our local partners in Asia and all stakeholders in the Netherlands and our internal communication with our volunteers. As we want to spend as much of our funds on microcredit as possible, our communication focuses on channels and tools that are free of charge.

MfM is a transparent organization; we communicate directly with all our stakeholders; in the Netherlands our partners, our donors, our social media followers, our volunteers and all other individuals who show interest in our organization and in Asia our local partners. The content of our communication is very diverse; the projects and the women in Asia are the main focus, but also our fundraising events and activities in the

Netherlands and information about the organization are items we communicate on.

Our main point of contact is our email address info@microkredietvoormoeders.org. As we are volunteers with mostly full time day jobs it is not always possible to communicate by phone in the first moment of contact. However emails are always followed within a few days, mostly by phone. It is very important to be personal, our stakeholders would like to know the people behind the organization. This also gives us a good opportunity to listen to our stakeholders and learn from their ideas, wishes and remarks.

4.3 Communication targets and activities

Our marketing, fundraising and communications team has several specialists who are responsible for PR, communication materials, social media and direct marketing. In line with previous years, they focused on the different communication target groups and communication channels of MfM.

With no budget available for communication, we are keen to use all forms of free publicity that can be gathered by using different channels. Each

channel focuses on different target groups and has its own way of communication.

Contact with our organization is possible through our website, social media channels and our general email address. Our aim is to respond within several days.

Online communication

Our website is an important source of information for our donors. Information about our organization, Dutch partners and projects can be found, as well as information about our events (Female Leadership Journey and Cooking Month). An important part is also the information about how you can contribute to our organization.

Via our social media channels we communicate with our stakeholders in the Netherlands about project (visit) updates, fundraising activities and events. Our aim is to communicate weekly via Facebook, several times a month via Twitter and LinkedIn, and to send a newsletter every other month. In 2017 the number of followers increased again.

Communications channel	2014	2015	2016	2017
Website page views	15.203	37.456	29.137	21.850
Google Adwords ad displays	128.068	209.562	129.400	128.438
Facebook followers	537	635	780	1.109
Twitter followers	622	639	653	651
LinkedIn group member or followers	182	203	210	215
Newsletter subscribers*	674	729	801	797

* Including FLJ mailing list

PR

In 2017 we continued the PR strategy we started in 2015. Together with our partner WorldPR our PR activities continue on a professional level. We continued our stopper mailings, and started informing local, and regional separately in the regions our volunteers live in.

Print

Our general flyer is still up to date, we used this flyer to develop a A5 leaflet to be used as promotion material on markets and presentations. For our international audience one side is in Dutch, the other in English. As always Studio Pompe assisted us with graphical design.

Thank you policy

Donors of whom contact details are known, receive a personal thank you post card. If donations are done through the Geef Gratis module, also an automatic thank you message is sent.

4.4 Impact

The impact of our communication messages in total is increasing strongly. In 2017 the followers on our Facebook page increased significantly, our social media messages are liked, shared and commented on and more emails were sent to our general email account.

More and more people who lack any personal connection at first instance with MfM or one of the volunteers, contacted us. This has led to new fundraising leads, individual actions for donations, new communication partners and participants for the Female Leadership Journey.

Press releases were picked up more and more since 2015. We clearly are starting to see the success of our strategy started in 2016.

4.5 Way forward in 2018

For 2018, we will continue our successful PR strategy and focus on local newspapers and magazines. Also the “Stopper” campaign for printed media will be continued.

For social media, and email newsletters we developed a detailed communication plan, making sure posts for MfM in general, the Cooking Month and the FLJ are balanced, and minimal every week an update is posted. In order to increase our online reach further, we will search for an online specialist who can also tune up our AdWords program.

Furthermore, we will make a start showing the impact of MfM in our countries, and especially in the local communities.



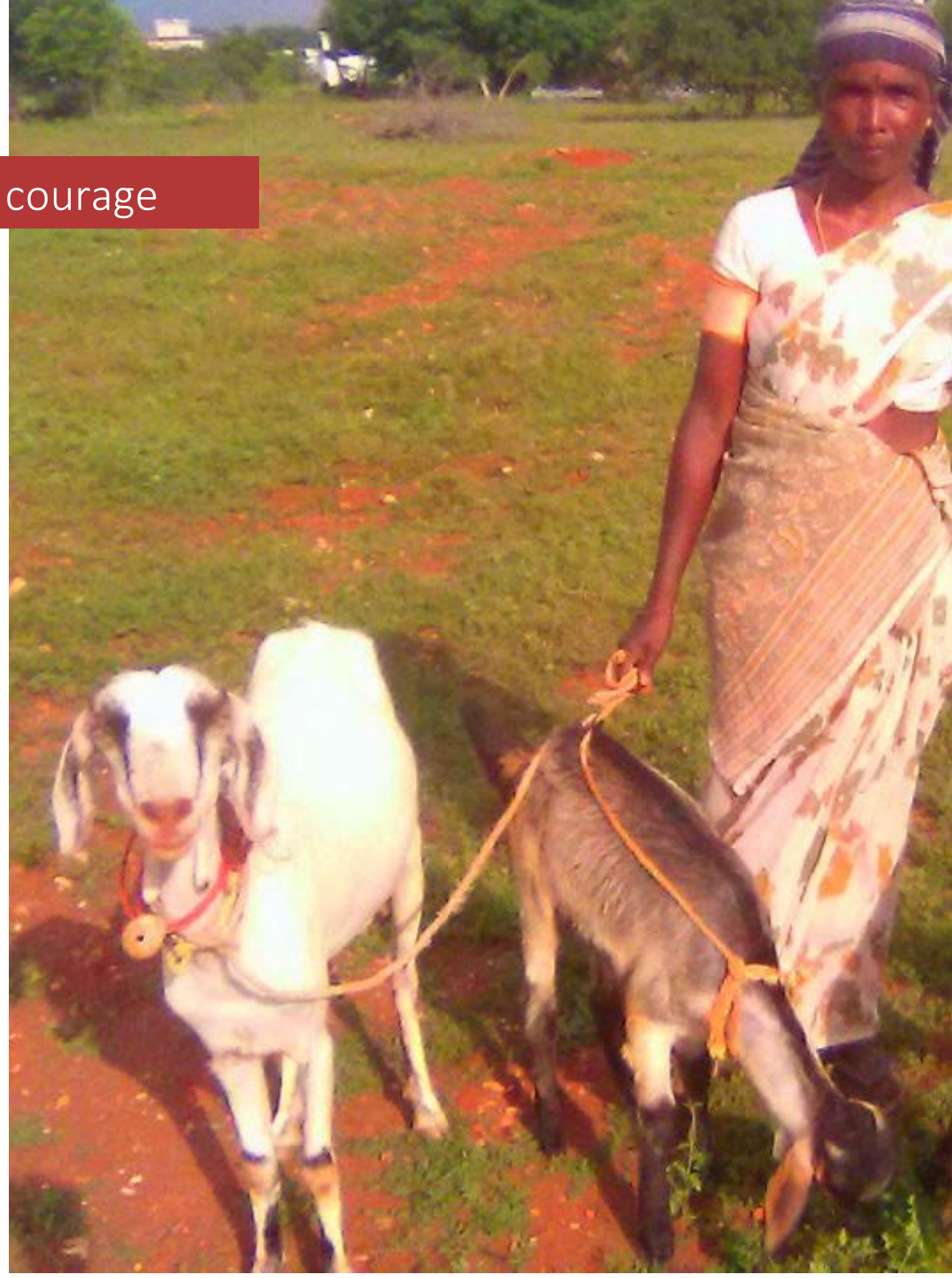
I lead my family with confidence and courage

Mrs. Pavalakodi, aged 37 years, a HIV+ based in Namakkal District is an agricultural coolie. She has 2 girls. One girl is studying at a college while one girl is working in a spinning mill. Her husband is not regularly staying with her. He seldom come and lives with the family for few months and he departs the family often. Pavalakodi says the contribution of her husband to the family growth and income is nil and she used to live with the family conditions.

As she had no regular income with the agricultural works, with the support our loan, she has bought goats for her additional income. She has enough grassing land around her house. She anticipates that the goats would grow in 6-8 months and would get an income by selling of goat.

She also anticipates many more young goats would also come. With this, this would grow the opportunity of regular income in the years to come and multiplies the number of goats.

She hopes that she will earn adequately in the days to come to meet the expenditures towards her daughter and after the marriage of both the daughters independently.



5. Organisation

5.1 Introduction

MfM consists of a team of approximately 35 volunteers. The board of 3 works with a Management Team consisting of Marketing & Communications, a Programme managers team for the South Asia region, a Programme managers team for the South East Asia region and HR & Connection.

Managing director and board

Marietje de Savornin Lohman has been appointed in the position of Managing Director. Marietje is commercial Director for skincare brand Drs Leenarts. She has been active for MfM since 2014 when she started organizing the 10-year anniversary in October 2015.

Annemieke Bos is Finance Director. Annemieke is investment specialist at OnePlanetCrowd and has been active for MfM since 2013.

Diana Brandsema was the third active board member in 2017, in the position of Operational Director. Diana is global head of RFP at UBS Asset management and she has been active for MfM since 2014.

All Board members are engaged with MfM on a voluntary basis. The board meets once a month.

Supervisory board

In 2017, the Supervisory Board of Microcredit for Mothers consisted of: [Ryenne van der Eijk](#). Ryenne joined the board in 2013. Ryenne works as Senior Vice President Customer Experience at Air France-KLM. Ryenne has a background in the (international) hospitality and travel business. Ryenne left the Supervisory Board in 2017 due to an international family move.

[Thirza Schaap](#). Thirza moved from the board to the Supervisory board. She has been active for MfM since 2012.

[Alexa Dutilh](#). Also Alexa moved from board to Supervisory board. She has been active for MfM since 2006. Both Thirza and Alexa bring a huge knowledge of the internal MfM organization which is very helpful for the board.

[Janine Meins](#). Janine joined MfM in 2016 because of her huge knowledge and long background in HR. As HR is always a challenge at MfM, Janine joined to help building a strong(er) team.

None of the board members receive any compensation for their efforts and none of the board members have additional positions with conflicting

interest. The board meets once every two months. The responsibilities of the board are stated in the articles of association of Microcredit for Mothers; these articles of association were renewed in 2013.

The Supervisory Board of Microcredit for Mothers supervises if the vision is lived up to and if the goals are achieved. The annual plan is made by management in close cooperation with the volunteers, and execution is followed by means of regular team meetings. The Supervisory Board advises, assists and supervises the execution of the annual plans through bi-monthly consultation. Next to this the Supervisory Board also has the task of approving the budget, annual report and the long term strategic plan. Therefore, the Supervisory Board is accountable for the end results of the foundation, including the functioning of the Management Board.

5.2 Organisational policies

All volunteers work on a fully voluntary basis, with an agreed requirement to spend approximately half a day a week on MfM. Most volunteers are professionals and have a nearly full-time job besides their work for MfM. Everyone works virtually, and we do not have an office where we meet. We meet at locations at no cost, with the exception of the 3 annual MfM meetings, for which volunteers pay a small contribution. It is a joint agreement that all volunteers join the 3 annual meetings, because the personal connection during these meetings is essential for the effectiveness of how we work together.

The average volunteer spends 3 years with MfM. We have a continuous flow of new volunteer hires. In 2017 we therefore created a specific recruiter position in the MfM team. We have agreed set positions and only take on new volunteers when there is a position available, to keep it manageable. The recruiter in the HR team speaks with everyone who approaches MfM with interest to work as a volunteer for MfM. We hire most volunteers through the network of our own volunteers. We have onboarding sessions for new volunteers and we hold exit interviews with volunteers that leave to learn from their experience.

For active volunteers, we want to be an appealing team to work with and we try to keep our virtual volunteers connected with their roles, their teams and the overall MfM team.

5.3 Targets and activities

The HR team focuses on the sourcing and intakes of new volunteers, onboarding new volunteers, organising 3 annual meetings with all volunteers focused on Connection with MfM, making up and distributing the annual newsletter, and offboarding volunteers who decided to leave MfM. In addition, a good administration of active volunteers is kept up to date.

We have also started up a new initiative the MfM Academy through which we aim to find training institutes to sponsor MfM to provide training funding for our partners, i.e. "trainers for training". The MvM Academy

also incorporates the Female Leadership Journey. The HR expertise in the team can help to bring the Academy and the FLJ to the next level and it is motivating for the HR team to contribute to an activity close to the purpose of the women we work for.

5.4 Impact

With the new set up of the Connection meetings in 2017 based on the input of the volunteers we have created a much higher participation of the meetings and sense of connection among the volunteers to the purpose of the MfM. It has also improved cross-team collaboration.

Adding a specific Recruiter position in the MfM team has allowed for a better distribution of work within the team, shorter recruitment processes and more focus for the HR manager for new initiatives such as onboarding, offboarding and the MfM Academy.

5.5 Way forward in 2018

Impact is the main MfM theme in 2018 and is therefore the main topic of the 3 annual Connection meetings. We will work further on embedding our new initiatives of 2017 such as onboarding and offboarding. It is our aim to make the MfM Academy come to life in 2018, continuously improve our Female Leadership Journey, and to make use of the HR expertise in the team for the MfM Academy.



6. Financial Report

6.1 Financial policy

The Financial Report is a fair presentation of the financial statements in accordance with the Guideline for annual reporting 650 “Fund-raising institutions” of the Dutch Accounting Standards Board.

This annual report is based on a reporting period of one year. The financial year coincides with the calendar year. All amounts are in euros. The assets and liabilities are carried at the nominal value. Revenue and expenditure are allocated to the period to which they relate.

Transactions in foreign currency are converted with the exchange rate of the transaction date. In foreign currency denominated assets and liabilities are converted per balance sheet date in the functional currency with the exchange rate of that date, except for the Dutch Microfinance assets and liabilities. These are carried in functional value at nominal value. The exchange differences are accounted as expenditure in the statement of income and expenditure.

6.2 Balance sheet

Balance sheet	2016	2017
Total funds	476.411	460.213
Accounts receivable	3.210	4.993
Total cash	187.435	142.076
Total assets	667.056	607.282
Continuity reserve	12.500	12.500
Revolving funds reserve	476.411	460.213
Future projects reserve	80.674	110.559
Long term liabilities	0	0
Accounts payable	63.803	40
Deferred income	33.667	23.970
Total equity & liabilities	667.056	607.282

A more detailed explanation can be found in paragraph 6.4

6.3 Statement of Income and Expenditures

Profit and loss statement	2016	2017
Fundraising	49.084	95.913
Interest income	3.466	11
Total income	52.550	95.924
Spent on behalf of the objective	20.148	82.098
Acquisition costs	0	-
Administrative costs	138	139
Total expenditures	20.286	82.237
Net result	32.264	13.687

6.4 Notes to the Balance Sheet

Financial Assets (1)

The Financial Assets consist of the Revolving Funds. These are the loans distributed to our partners, which they use to provide microcredits to the women in the countries in which we are active. In that way, they represent the microcredits that are provided to the various projects. When providing the loan to our partner organizations in the various countries, we make sure the microcredit loans to the women in the projects can only be granted under the terms and condition as set by our foundation.

The tenor of a microcredit is, generally speaking, 1 year. Of course, our goal is to have every woman repay her loan within this year but because the loans are provided to (very) poor women the risk profile of these loans is also very high. In the last few years our partners have reported very high pay back percentages of the loans by these poor women. We decided that in the year 2016 MfM, in some cases, needed to explore these high numbers more accurately. Notably, this effort has resulted in the decision to write off more funds than previous years. We consider these write offs a logical result of working with this vulnerably target group. For 2017 we see a similar number as we decided to more critically evaluate a number of projects where we think our funds are at higher risk than average.

On the next page, a detailed overview of the Financial Assets per country and the number of local partners per country can be found.

Country	Partners	2016	2017
Bangladesh	Two existing partners	31.687	26.514
	Total	29.115	26.514
Cambodia	Two existing partners	29.115	24.234
	One partner repaid		-10.000
	Total	26.514	14.234
India	Eight existing partners	144.080	122.792
	Funds provided to existing partners		40.710
	Funds provided to new partners		10,660
	Total	144.080	174.168
Indonesia	Four existing partners	64.688	56.427
	Total	64.688	64.688
Laos	One existing partner	27.379	23.580
	Total	27.379	23.580
Nepal	Three existing partners	41.191	38.310
	Total	41.191	38.310
Sri Lanka	Five existing partners	53.125	35.993
	Funds provided to new partners		10.000
	Total	53.125	45.993

Country	Partners	2016	2017
Vietnam	Two existing partners	85.147	70.998
	Funds provided to new partners		10.000
	Total	85.147	80.998
DM	Two existing partners	57,500	
	One partner repaid, one partner transferred from DM to MfM	-57,500	
	Total	0	0
Total		476.411	460.213

The decrease in financial assets is the result of new loans (EUR 71.373), write off of projects (EUR 20.601), repayments of loans (EUR 10.000) and the very strong depreciation of all foreign currencies versus the euro. The latter is non-cash, due to the fact that the provided loans are local currency loans, reported in euro.

Cash & Cash equivalents (2)

Cash and Cash equivalents	2016	2017
Triodos	180.316	135.734
ING	578	-192
ASN	6.541	6.534
Total	187.435	142.076

Accounts Receivable (3)

This concerns amounts receivable of EUR 4.993 which relate to the year 2017 but which are received in 2018. This amount consists mostly of private donations that related to 2017 but were transferred in the beginning of 2018.

Equity (4)

Appropriation of result	Continuity Reserve	Revolving Funds Reserve	Future Projects Reserve
Equity 2016	12.500	476.411	80.674
Appropriation of 2017 result	0	-16.198	29.885
Equity 2017	12.500	460.213	110.559

Continuity Reserve

The Board of the Foundation has decided that at all times a reserve of EUR 12.500 must be present to make sure the foundation is able to fulfil all short-term obligations as well as cover any future unexpected expenses.

Revolving Funds Reserve

The Revolving Fund Reserve consists of the equity that is used to fund or provide loans to the different local projects in accordance with the purpose of the foundation.

Future Projects Reserve

The Future Projects Reserve consists of part of the equity and net result which is still available for (future) funding of the projects in accordance with the purpose of the foundation.

Long term liabilities (5)

As of 2016 MfM has no long-term liabilities.

Accounts Payable (6)

This concerns amounts still payable of EUR 40 and consist of banking costs and invoices that related to 2017 but were transferred in the beginning of 2018.

Deferred Income (7)

This concerns amounts received of EUR 23.970 which relate to the year 2018 but have been received in 2017. These obligations largely consist of the prepaid amounts for the Female Leadership Journey which is to take part in 2018.

6.5 Notes to the statement of Income and Expenditures

Income (8)

Income	2016	2017
Donations individuals	25.503	19.789
Donations foundations and associations	2.995	59.192
Donations corporations	16.063	5.771
Donations events	4.523	11.161
Income from fundraising	49.084	95.913
Interest income	3.466	11
Total	52.550	95.924

In 2017 the overall income from fundraising amounted to EUR 95.913. In comparison with 2016 donations of foundations increased significantly. Income from events consists of amongst others contributions from participants of the Female Leadership Journey organized by MfM and our Cooking Month event.

Expenditures on behalf of the objective / Funds to projects (9)

Total expenditures on behalf of the objective/funds to projects amounted to EUR 82.098 in 2017. Excluding the currency loss and write offs, they amounted to EUR 4.662. In accordance with the mission of Microcredit for Mothers, these expenditures were used to support all projects. A detailed overview of these costs can be found below.

Spent on behalf of the objective	2016	2017
Capacity building	0	207
Currency result	-10.987	56.973
Depreciation of bad funds	23.310	20.601
Representation costs	392	0
Travel expenses	3.908	4.112
Bank costs variable	150	205
Interest expenses related to DM funds	3.375	0
Total	20.148	82.098

Currency Results & Depreciation of bad debt

All our projects are funded in local currency. Therefore, MfM incurs a currency risk. In 2017, this resulted in a currency loss of EUR 56.973. Our projects also run a high risk for bad debt depreciation. In 2017 a remaining part of one project in India had to be written off. The write-off in also includes the project with our oldest partner in Sri Lanka (EUR 8.622).

Smaller write-offs incurred in Vietnam and Cambodia, due to a number of reasons such as illness or death of the ultimate beneficiaries, crop diseases etc. We consider this amount within normal boundaries.

Country	2016	Additional funding	Depreciation bad debt	Currency result	2017
Bangladesh	31.687	0	29	-5.202	26.514
Cambodia	29.115	-10.000	-1.191	-3.690	14.234
India	144.080	51.376	-7.053	-14.235	174.168
Indonesia	64.688	0	0	-8.260	56.427
Laos	27.379	0	0	-3.799	23.580
Nepal	41.191	0	0	-2.881	38.310
Sri Lanka	53.125	10.000	-8.622	-8.510	45.993
Vietnam	85.147	10.000	-3.764	-10.396	80.988
Total	476.411	61.376	-20.601	-56.973	460.213

Capacity Building, Representation costs & Travel Expenses

Our volunteers regularly visit the local projects. Travel expenses are paid for by the volunteers with their own financial means and upon request MfM contributes to their travel expenses with an amount of EUR 450 up to maximal EUR 1.000 for each volunteer visiting a project. In 2017, 5 volunteers requested this compensation, resulting in travel expenses of EUR 4.112. These travels are also used to visit potential new partners. In addition, capacity building costs of EUR 207 were made because of activities for the volunteers.

Bank costs

EUR 205 of bank costs incurred, related to the transfers of funds to international bank accounts of MfM's partners.

6.6 Cashflow

Cashflow	2016	2017
Net Result	32.264	13.687
-/- currency result	-10.987	56.973
+ depreciation of bad debt	23.310	20.601
+ change in account receivables/payables	123.173	-75.244
-65.917	-61.376	-65.917
-/- new funds provided to partners	-8.417	-61.376
+ new funds received from DM	-57.500	0
Cashflow from financing	-65.917	-61.376
Total net cashflow	101.843	-45.358
<i>Cash beginning of the year</i>	<i>85.592</i>	<i>187.435</i>
<i>Cash end of the year</i>	<i>187.435</i>	<i>142.076</i>

By the end of 2017, MfM's cash position had decreased with ca. EUR 45.000. This is mostly explained by the decrease of accounts payable and deferred income.

6.7 Expenditure ratio's

Ratio's	2016	2017
Expenditure to projects + net result / total income	99,7%	99,9%
Expenditure for fundraising / total income	0,0%	0,0%
Expenditure for management and administration / total income	0,3%	0,1%

Expenditure to projects + net result / total income

The ratio expenditure which includes the net result which is added to the Future Projects Reserve and Revolving Fund Reserve provides a good understanding of the total income that is used to fulfil the strategic goal of the Foundation. This percentage is 99.9% in 2017. We are extremely proud of the fact that this percentage is - again - above 95%.

Expenditure for fundraising / total income

The ratio costs for fundraising was 0% in 2016. This ratio indicates the relation between costs of fundraising and the total income by fundraising. This shows that the Marketing, Communications & Fundraising Team is able to raise funds at an exceptionally low cost.

Expenditure for management and administration / total income

The ratio management and administration is 0,1% in 2017. This ratio indicates which part of the income is spent on management and administration costs. MfM does not incur any management costs! Our entire management team and board of directors operate on a 100% voluntary basis.

අංකය	විස්තරය	මුදල	මුදල	මුදල	මුදල
76	ම. සේවකාර්ය	500,000	90,000	410,000	මුදල
77	ම. ජාති	500,000	90,000	410,000	මුදල
78	ම. සාමාජික	500,000	90,000	410,000	මුදල
79	ම. විකල්ප	500,000	90,000	410,000	මුදල
80	ම. සේවක	500,000	90,000	410,000	මුදල
81	ම. සේවක	500,000	90,000	410,000	මුදල
82	ම. සේවක	500,000	90,000	410,000	මුදල
83	ම. සේවක	500,000	90,000	410,000	මුදල
84	ම. සේවක	500,000	90,000	410,000	මුදල
85	ම. සේවක	500,000	90,000	410,000	මුදල
86	ම. සේවක	500,000	90,000	410,000	මුදල
87	ම. සේවක	500,000	90,000	410,000	මුදල
88	ම. සේවක	500,000	90,000	410,000	මුදල
89	ම. සේවක	500,000	90,000	410,000	මුදල
90	ම. සේවක	500,000	90,000	410,000	මුදල
91	ම. සේවක	500,000	90,000	410,000	මුදල
92	ම. සේවක	500,000	90,000	410,000	මුදල
93	ම. සේවක	500,000	90,000	410,000	මුදල
94	ම. සේවක	500,000	90,000	410,000	මුදල

Please meet Ragini

Ragini started a professional washing service. Before she received our first loan, she already hand washed laundry for local hotels. With her first microcredit three years ago she bought a washing machine.

Steadily expanding her business (using a second, and third loan) she nowadays is the proud owner of 3 professional washing machines. Furthermore, she has 2 people working for her business. Her husband bought a tuk-tuk to visit by the hotels and pick up the dirty laundry. A successful business!

