



LEA 02	Disclosures Monetary	Reason for Interaction	Principle PRI 1,2,3
Individual/ internal staff engagements	<input checked="" type="checkbox"/> To support investment decisionmaking in a company relevant ESG areas <input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify	<input type="checkbox"/> To support investment decisionmaking in a company relevant ESG areas <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> Other: specify	
Collaborative engagements	<input type="checkbox"/> To support investment decisionmaking in a company relevant ESG areas <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> Other: specify	<input type="checkbox"/> To support investment decisionmaking in a company relevant ESG areas <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> Other: specify	
Service provider engagements	<input type="checkbox"/> To support investment decisionmaking in a company relevant ESG areas <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> Other: specify	<input type="checkbox"/> To support investment decisionmaking in a company relevant ESG areas <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information <input type="checkbox"/> Other: specify	

RI TRANSPARENCY REPORT

2014/15

Bamboo Finance S.A.

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	🔒	n/a							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Direct - Inclusive Finance				Principle							General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	7	
IFD 01	Mission and investment objective	✓	Public								✓
IFD 02	Governance, management structures and processes	✓	Public								✓
IFD 03	Social targets	✓	Private								✓
IFD 04	Percentage in equity, debt and guarantees	✓	Private								✓
IFD 05	Percentage in microfinance and/or SME finance	✓	Private								✓
IFD 06	Geographical spread of microfinance investments	✓	Private								✓
IFD 07	Tracking microfinance investees portfolio	✓	Public	✓							
IFD 08	Support financial services beyond credit, compulsory savings and/or compulsory insurance	✓	Public	✓							
IFD 09	Support the introduction of services tailored to the 'poor', 'very poor' and 'low income'	✓	Private	✓							
IFD 10	Technical assistance to investees	✓	Private	✓							
IFD 11	Public endorsement of the Client Protection Principles	✓	Public		✓						
IFD 12	Provide training and assistance for investees implementing the Client Protection Principles	✓	Private		✓						
IFD 13	Include the Client Protection Principles in investment policies	✓	Public		✓						
IFD 14	Investment in local currency	🔒	n/a			✓					
IFD 15	Average maturity of debt investments	🔒	n/a			✓					
IFD 16	Average holding period of equity investments	✓	Public			✓					
IFD 17	Terms and conditions	✓	Public			✓					
IFD 18	Tools for social performance reporting	✓	Public				✓				
IFD 19	Retail institutions have independent financial/social rating and/or social audit	✓	Public				✓				
IFD 20	Due diligence on and monitoring and reporting of corporate governance among investees	✓	Public				✓				
IFD 21	Training or assistance for investees on corporate governance	✓	Private				✓				
IFD 22	Percentage of investees where board seats are held	✓	Public				✓				
IFD 23	Procedure to integrate environmental issues in investment decision processes	✓	Public				✓				
IFD 24	Anti-corruption and whistle-blowing policies	✓	Private				✓				
IFD 25	How mission and investment objectives are communicated to stakeholders	✓	Public					✓			
IFD 26	Investors and/or the public provided with information aligned with industry standards	✓	Public					✓			
IFD 27	Transparency of pricing, terms and conditions among investees	✓	Public					✓			
IFD 28	How social performance of investees affects decision making and portfolio	✓	Public						✓		

	management													
IFD 29	Staff incentives linked to social performance measures	✓	Private									✓		
IFD 30	Collecting data regarding social outcomes of investees work	✓	Private									✓		
IFD 31	Incentivise investees to track social performance	✓	Private									✓		
IFD 32	Collaborative initiatives your organisation has supported or participated in	✓	Public										✓	
IFD 33	Encouraging investees to participate in collaborative initiatives	✓	Private										✓	
IFD 34	Encouraging your investees to participate in initiatives which contribute to the development of industry benchmarks	✓	Private										✓	

Bamboo Finance S.A.

Reported Information

Public version

Organisational Overview

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Basic Information

OO 01	Mandatory	Gateway/Peering	General
-------	-----------	-----------------	---------

OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Execution and advisory services

OO 02	Mandatory	Peering	General
-------	-----------	---------	---------

OO 02.1 Select the location of your organisation's headquarters.

Luxembourg

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

25

OO 03	Mandatory	Descriptive	General
-------	-----------	-------------	---------

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04	Mandatory	Gateway/Peering	General
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OO 04.1 Indicate the year end date for your reporting year.

31/12/2014

OO 04.2 Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM			250	000	000
Currency	USD				
Assets in USD			250	000	000

OO 04.5 Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06

Mandatory

Descriptive

General

OO 06.1

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income – corporate	0	0
Fixed income – government	0	0
Fixed income – other	0	0
Private debt	0	0
Private equity	10-50%	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0

Forestry	0	0
Farmland	0	0
Inclusive finance	>50%	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 06.2

Additional information. [Optional]

Note, the asset mix categories your survey allows choosing from do not reflect the right options. We do 100% private equity 80% in financial inclusion and 20% in healthcare, education, renewable energy etc.

OO 08

Mandatory to Report Voluntary to Disclose

Peering

General

OO 08.1

Indicate the breakdown of your organisation's AUM by market.

Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0%
	<input checked="" type="radio"/> <10%
	<input type="radio"/> 10-50%
	<input type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0%
	<input type="radio"/> <10%
	<input type="radio"/> 10-50%
	<input checked="" type="radio"/> >50 %

OO 09

Voluntary

Descriptive

General

OO 09.1	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.
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Bamboo Finance is a global investment advisory firm investing in innovative, commercially viable enterprises which are designed to generate an attractive financial return and significant social impact. We use a market-oriented approach to deliver social impact and financial returns to investors. Our mission is to create value for investors, partners and entrepreneurs. We achieve this by promoting appropriate finance for the growth of enterprises which aim to have a direct positive impact on society. These enterprises deliver essential goods and services that benefit low-income communities by providing access to financial services, affordable housing, healthcare, education, energy, livelihood opportunities, water, sanitation and the like.

We manage USD250 million invested through 2 funds, the Financial Inclusion Fund I and the Oasis Fund.

Gateway asset class implementation indicators

OO 11	Mandatory	Gateway	General
--------------	------------------	----------------	----------------

OO 11.1	Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.
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- Private equity
- Inclusive finance
- None of the above

OO 11.3	Additional information. [Optional]
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Investment activities undertaken by Bamboo Finance are subject to ESG requirements and are reviewed against the following:

1. The Bamboo Finance Exclusion List; 2. The International Finance Corporation guidelines; 3. Applicable national laws or agreements on environment, health, safety and social issues (including labour and child labour); 4. Client protection principles and similar fair consumer/client treatment standards.

Bamboo Finance's Impact Management System (IMS) aims to:

- Ensure mission alignment of our portfolio;
- Establish staff and investee responsibilities to enhance social value creation throughout the life cycle of the investment;
- Refer to best practices and guidelines in social, environmental and governance performance.

Investments are carried out when it is expected that the companies be operated and maintained in a manner consistent with these best practices.

Bamboo Finance investment managers and associates screen pipeline investments against social, governance and environmental criteria and collect, monitor and analyse social indicators of their portfolio companies. Coordination and compliance is managed by the Head of Social Performance Management, who is responsible for the administration, coordination and compliance of the Impact Management System across the portfolio. Bamboo Finance developed a proprietary social performance scorecard, ASPIRE, which is applied to all financial inclusion deals and to portfolio companies every other year. This tool reviews in a systematic way the investee's principles and practices in the following dimensions: Intent and actual Outreach; Human Resources; Client Protection; Social Impact & Corporate Governance. ASPIRE is applied prior to investment and the analyses as well as the resulting score is discussed in the investment committee. The scorecard is then subsequently applied every other year, which allows regular monitoring on ESG issues. For the Oasis fund a similar through questionnaire is applied during the due diligence and negotiation phase. When an investment is approved an impact framework is set up for the company with selected ESG and impact indicators to monitor during the holding period.

OO 12	Mandatory	Gateway	General
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This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.

Core modules

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

Direct - Other asset classes with dedicated modules

- Inclusive Finance

Closing module

- Closing module

Bamboo Finance S.A.

Reported Information

Public version

Direct - Inclusive Finance

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Context

IFD 01	Voluntary	Descriptive	PIIF General
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IFD 01.1	Indicate if you have a distinct mission and investment objective for your investment in inclusive finance.
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Yes

IFD 01.2	Describe your inclusive finance mission and investment objective.
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The mission of Bamboo Financial Inclusion Fund is to deliver attractive returns to our investors by investing in companies that improve access to financial services for low-income communities in growth markets.

Investment objective: To invest private capital in financial inclusion companies, participate in their governance and contribute during our holding period to their sustainable growth, and add value at the strategic and operational aspects of the companies with the goal of divesting responsibly and profitably.

No

IFD 02	Voluntary	Descriptive	PIIF General
--------	-----------	-------------	--------------

IFD 02.1	Provide a brief description of the governance and management structures and processes you have in place for your responsible investment activities and implementation of the PIIF.
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All investment professionals at Bamboo Finance are required to commit to the principles and practices by reading and signing our Impact Management System (IMS). The IMS refers to the process of assessing, monitoring and enhancing the social, environmental and governance (ESG) issues (both risk and opportunities) of our investments. It includes a detailed description of our responsible investment practices.

I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

PIIF Principle 1: Range of services

IFD 07	Mandatory	Core Assessed	PIIF 1
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Possible action:

Develop and extend the range of financial services available to low-income populations. Extensions could include savings, loans, insurance, payment services, remittance facilities and pension plans.

IFD 07.1	Indicate if you track the percentage of your microfinance investees' portfolio that is in microenterprise loans.
----------	--

Yes, we track

If you aggregate this information at an organisational level, indicate the percentage of your portfolio in microenterprise loans. [Optional]

- <20%
- 20-40%
- 41-60%
- 61-80%
- >80%

- No, we do not track
- Not applicable (there are no microenterprise loans in the portfolio)

IFD 07.2

Indicate if you track the percentage of your microfinance investees' portfolio that is in loans for immediate household needs (i.e. consumer loans).

- Yes, we track

If you aggregate this information at an organisational level, indicate the percentage of your portfolio in loans for immediate household needs. [Optional]:

- <20%
- 20-40%
- 41-60%
- 61-80%
- >80%

- No, we do not track
- Not applicable (there are no loans for immediate household needs in the portfolio)

IFD 07.3

Indicate if you track the percentage of your investees' portfolio in housing loans.

- Yes, we track

If you aggregate this information at an organisational level, indicate the percentage of your portfolio in loans for other categories. [Optional]

- <20%
- 20-40%
- 41-60%
- 61-80%
- >80%

- No, we do not track
- Not applicable (there are no loans for housing in the portfolio)

IFD 08

Mandatory

Core Assessed

PIIF 1

IFD 08.1

In your microfinance portfolio, indicate if you support the provision of financial services beyond credit, compulsory savings and/or compulsory insurance.

- Yes

IFD 08.2

Indicate which of the following services you support:

- Voluntary savings products

Provide examples of how and what you support.

A majority of our portfolio companies now offer voluntary savings products. Savings are crucially important for low income populations as they contribute to ease cash flow changes (often unpredictable) smoothening consumption, they also increase security for clients (not having to keep cash at home). Additionally, savings offer MFIs long term (local) funding stability. As an example of how we promote savings, Bamboo Finance works with *Developpement International Desjardin* (DID) a microfinance operator in Zambia, Panama, Uganda and Tanzania, in all of these countries the DID model, known as EFC (Entrepreneurs Financial Centres aims to offer deposit taking services (Uganda pending licence). As of December 30 2013, Bamboo Finance's direct investments held a savings portfolio of close to USD 3 billion, accounting for over 2 million savings clients (and >USD5.3 billion in loans, with >8.5 million borrowers). Savings have increased rapidly in financial institutions offering these services, surpassing growth in loans (Tanzania for example).

Indicate if you gather data regarding the percentage of financial service providers in your portfolio that are offering such a service.

- Yes

If you aggregate this information at an organisational level, indicate the percentage of microfinance providers in the MIV or organisational direct portfolio offering such products.

- <20%
- 20-40%
- 41-60%
- 61-80%
- >80%

- No

- Voluntary insurance products

Provide examples of how and what you support.

We promote the offer of diverse, adequately designed products and services for low income, underserved populations.

Indicate if you gather data regarding the percentage of financial service providers in your portfolio that are offering such a service.

- Yes

If you aggregate this information at an organisational level, indicate the percentage of microfinance providers in the MIV or organisational direct portfolio offering such products.

- <20%
- 20-40%
- 41-60%
- 61-80%
- >80%

No

Other financial services, specify

Remittances, mobile money

Provide examples of how and what you support.

We promote product/service diversification, the Financial Inclusion Fund II foresees a 20% component for adjacent financial services such as mobile money, remittances and service companies.

Indicate if you gather data regarding the percentage of financial service providers in your portfolio that are offering such a service.

Yes

If you aggregate this information at an organisational level, indicate the percentage of microfinance providers in the MIV or organisational direct portfolio offering such products.

- <20%
- 20-40%
- 41-60%
- 61-80%
- >80%

No

Non-financial services, specify

Financial Education services, women empowerment,

Provide examples of how and what you support.

Some portfolio companies offer training (business skill development) and women empowerment.

Indicate if you gather data regarding the percentage of financial service providers in your portfolio that are offering such a service.

Yes

If you aggregate this information at an organisational level, indicate the percentage of microfinance providers in the MIV or organisational direct portfolio offering such products.

- <20%
- 20-40%
- 41-60%
- 61-80%
- >80%
- No
- No

PIIF Principle 2: Client protection

IFD 11	Mandatory	Core Assessed	PIIF 2
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Possible action:

Publicly endorse the Client Protection Principles (CPP).

IFD 11.1	Indicate if you have publicly endorsed the Client Protection Principles.
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- Yes
- No

IFD 11.2	Additional information. [Optional]
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Not only have we publicly endorsed the CPP, but we have also promoted our endorsement, and over 90% of our investees have publicly endorsed these standards.

IFD 13	Mandatory	Core Assessed	PIIF 2
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IFD 13.1	Indicate if you include the Client Protection Principles and/or other client protection measures in your investment policies.
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- Yes

IFD 13.2	Indicate if this is systematically applied.
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	During due diligence
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- Yes
- No

In covenants in loan agreements and/or in financing or shareholder agreements

- Yes
- No

IFD 13.3 Indicate if you encourage investees to apply for Client Protection Certification. [Optional]

- Yes
- No
- No

PIIF Principle 3: Fair treatment

IFD 16	Mandatory	Core Assessed	PIIF 3
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Possible action:

*Provide financing in an appropriate currency and tenor.
Actively support the building of a diversified funding base.*

IFD 16.1 In relation to your direct portfolio in equity (as reported in IFD 04), indicate the average holding period of an equity investment.

- 12 months or fewer
- 13 to 24 months
- 25 to 60 months
- Over 60 months

IFD 16.2 Indicate if you have specific policies or procedures in relation to responsible approaches to exit.

- Yes
- No

IFD 16.4 Indicate if you have specific policies or procedures on Return on Equity (ROE) targets or caps in relation to your equity investments.

- Yes
- No

IFD 16.6 Indicate your Return on Equity (ROE) targets, specifying different targets for different funds if applicable. [Optional]

Bamboo Finance as a member of the Sangham MIV (microfinance investment vehicles) CEO group endorsed a statement on Operationalizing "Responsible Pricing and Balanced Returns" (copied below)

The undersigned investment managers have been active in broadening the pool of investors in microfinance for many years, in some cases since the late 1990s, and are proud of the progress that has been made in engaging new, and in particular, private investors to support the growing scale and scope of microfinance. With the support of such investors, microfinance now reaches more clients with more products than ever before. Concurrent with this increase in capital have been major efforts to implement rigorous consumer protections and improved MFI transparency, including the SMART Campaign, MF Transparency and the Social Performance Task Force (SPTF), to ensure that microfinance's focus on benefiting the client is preserved.

In support of this focus on client benefit, key industry initiatives including the United Nations Principles for Responsible Investment's (UN PRI) Principles for Investors in Inclusive Finance (PIIF) and the Social Performance Task Force's (SPTF) Universal Standards for Social Performance Management (USSPM) include commitments to "balanced returns". The USSPM for example, state that "pursuit of profit [should] not undermine the long term sustainability of the institution or client well-being" while the PIIF speaks of "balanced long-term social and financial risk-adjusted return that recognizes the interests of clients, retail providers, and our investors".

As managers committed to building the scale and impact of the industry while preserving its commitment to client well-being, we believe it is essential that we can be held accountable to operationalize "responsible pricing and balanced returns" in a meaningful way. By aligning the interests of MFIs, investors and the clients we can preserve and enhance the credibility of the microfinance industry. To this end, we agree on the following considerations regarding responsible pricing and balanced returns:

A responsible price setting policy is based on reasonable costs incurred plus a return that is high enough to ensure the long-term sustainability of the organization.

For any given MFI there will be levels of operating expense and interest rates that will be justified by the operating environment and the target clients and products. It is crucial that the MFI understands its cost structure, so it can improve efficiency, lower interest rates, and avoid unnecessarily burdening clients.

Both MFIs and their investors share responsibility for progressively reducing interest rates.

Promoting competition through our investments is a key way that can help reduce rates. As social investors we must take responsibility for ensuring that rates are reasonable even when competitive conditions are not ideal.

As investment managers, we are responsible to set appropriate return expectations. Microfinance Investment Vehicles (MIVs) must clearly articulate to their investors how the targeted financial returns can be related cost and can impact the well-being of the end client.

Investors need to reconcile their own return requirements with the need to achieve meaningful client benefit.

Recognizing that an investment return is made through the profit generated by the investee MFI which is directly linked to the interest rate charged by the investee MFI on its end clients, we believe that most MFIs currently operate at reasonable levels of ROE and ROA.

We recognize two legitimate approaches to balanced returns:

One view holds that transparency and accountability can best be promoted by setting indicative thresholds for key indicators, such as ROE, ROA and Opex. Recognizing that many factors need to be taken into account, we believe that USD ROE exceeding 25% and / or ROA exceeding 7.5% warrant close scrutiny to ensure that an appropriate balance between investor and client benefit is being struck (ratios are denominated in USD in order to take into account the impact of potential depreciation of local currencies). Because of the volatility which can characterize these measures, we believe multi-year trends are more relevant than single annual data points.

We would expect to revisit and adjust these guidelines as better information becomes available.

We require that MFI investees that exceed these thresholds design a concrete plan to reduce the interest rates charged to end clients within a reasonable time frame.

A second view holds that indicative ROA and ROE thresholds are difficult to apply given the numerous factors that can justify higher or lower rates in particular operating environments, and the differing theories of change and impact held by investors.

We remain committed to rigorous analysis of each MFI to ascertain that it is operating efficiently and is not burdening clients with excessive or exorbitant costs at the expense of their well-being, or charging high rates purely for profit maximization.

We all recognize that further work will be helpful to support the improved implementation of a balanced return framework. Among initiatives underway or contemplated are:

Research on MFI operating efficiency and the relationship with interest rates;

Improving measures of the cost to the client including portfolio yield, APRs and EIRs;

Better understanding of client margins, product affordability, and added value to clients;

Defining an analytical framework of mitigating factors that might justify higher opex and interest rates;

More transparent engagement with investors relative to financial returns and the impact on MFIs and their end-clients' well-being, so that we mutually strike a satisfactory balance.

Our intention in articulating these features of what we consider "balanced return" is not to impose a single framework on our industry: we understand that significant judgment is required to implement any approach and that well intentioned actors will reach different conclusions.

We do believe, however, that the future of responsible microfinance depends on our ability to make the concept of balanced returns concrete and operational and we will continue to work together to this end.

IFD 16.7

Indicate if you have a set limit regarding the maximum equity investment exposure of the investees in which you invest.

- Yes
- No

IFD 17

Mandatory

Core Assessed

PIIF 3

Possible action:

Negotiate terms and conditions that are transparent, fair and reasonable, including fair break-up clauses.

IFD 17.1

Indicate if you adopt the following practices:

- Ensure that the investee understands the terms, covenants and their implications prior to signing loan / shareholder documentation.

Describe your process.

There is ample discussion on terms sheet and shareholder agreements.

Indicate if these practices are formalised in written policies and procedures.

- Yes
- No

- Foster trust and proactive dialogue with investees through straightforward discussions on issues such as a covenant breach.

Describe your process.

Rights are thoroughly discussed (anti-dilution, scope of veto rights etc.)

Indicate if these practices are formalised in written policies and procedures.

- Yes
- No

- In the case of material covenant breach, create/participate in a voluntary workout group where applicable, with the goal to help the investee remain a going concern whenever possible.

- Encourage investee skills-building on financial projections, scenario planning and stress-testing for management, and on financial expertise and governance for Directors.

Indicate if these practices are formalised in written policies and procedures.

- Yes
- No
- Other (explain)
- None of the above

PIIF Principle 4: Responsible investment

Possible action:

Negotiate terms and conditions that are transparent, fair and reasonable, including fair break-up clauses.

IFD 18.1

Indicate if you use the following tools for social performance reporting:

Externally developed tools

During due diligence.

- Yes
- No
- We don't track social performance

For monitoring and reporting purposes.

- Yes
- No
- We don't track social performance

Describe the approaches used and frequency of use.

We use standards such as the Universal Standards for Social Performance and in particular the Client Protection standards as well as other guiding international standards (IFC sustainability standards) and GIIRS best practices.

In-house tools based on externally developed tools

During due diligence.

- Yes
- No
- We don't track social performance

For monitoring and reporting purposes.

- Yes
- No
- We don't track social performance

Describe the approaches used and frequency of use.

ASPIRE, our proprietary social performance scorecard for financial institutions, is applied every other year to all institutions. ASPIRE is aligned to the SPTF's Universal Standards for Social Performance Management. The scorecard assesses the investee's principles and practices along the following 5 dimensions (weights of each dimension in parenthesis): 1. Intent and Outreach (25%); 2. Human Resources (15%); 3. Client Protection (30%); 4. Social Impact & Corporate Governance (15%); 5. Measurement of Social Performance and Impact (15%).

Tools developed solely in-house

During due diligence.

- Yes
- No
- We don't track social performance

For monitoring and reporting purposes.

- Yes
- No
- We don't track social performance

Describe the approaches used and frequency of use.

We apply our ASPIRE scorecard every other year. We also collect quarterly social performance data from our investees.

IFD 19	Mandatory	Descriptive	PIIF 4
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IFD 19.1 Indicate if you require the retail institutions in which you invest to have an independent financial rating.

- Always
- In a majority of cases
- In a minority of cases
- No

IFD 19.2

Indicate if you require the retail institutions in which you invest to have an independent social rating.

- Always
- In a majority of cases
- In a minority of cases
- No

IFD 19.3

Indicate if you require the retail institutions in which you invest to have an independent social audit.

- Yes
- No

IFD 19.4

Additional information. [Optional]

We do not *require* the institutions to have financial and social ratings, but we do encourage independent ratings and use them when available in our investment decisions.

IFD 20**Mandatory****Core Assessed****PIIF 4****Possible action:**

Assist in developing appropriate references for corporate governance issues.

IFD 20.1

In relation to your due diligence on and monitoring and reporting of corporate governance among investees, indicate if you assess:

Compensation of the Board of Directors and Executive Directors (i.e. its transparency, the use of benchmarking)

Pre-investment

- Yes
- No
- Not for all of our investments in inclusive finance

Post-investment

- Yes
- No
- Not for all of our investments in inclusive finance

Composition of the Board (i.e. breadth and depth of experience, effective client representation, diversity)

Pre-investment

- Yes
- No
- Not for all of our investments in inclusive finance

Post-investment

- Yes
- No
- Not for all of our investments in inclusive finance

Whether the Board receives social performance management-related information from the management team that is analysed and contributes to Board decision making.

Pre-investment

- Yes
- No
- Not for all of our investments in inclusive finance

Post-investment

- Yes
- No
- Not for all of our investments in inclusive finance

IFD 22	Voluntary	Descriptive	PIIF 4
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Possible action:

Assist in developing appropriate references for corporate governance issues.

IFD 22.1 In relation to your direct portfolio in equity (as reported in IFD 04), indicate what percentage of investees you have board seats with:

- 0%
- <=20%
- 21-40%
- 41-60%
- 61-80%
- >80%

IFD 22.2

Indicate how frequently you participate in meetings.

- Monthly or more
 - Quarterly
 - Semi-annually
 - Annually
 - Every two years or less
 - Ad-hoc
 - We do not track this information
- We do not track this information

IFD 22.3

For those equity investments where you do not hold board seats, indicate how you attain or maintain influence.

We have board seats in the large majority of our investments, where we do not, we act through like-minded investors.

IFD 23

Mandatory

Descriptive

PIIF 4

Possible action:

Assist in developing appropriate references for environmental issues.

IFD 23.1

Indicate if you have a procedure to integrate the consideration of environmental issues in your investment decision processes.

- Yes
 - For all inclusive finance investments
 - For a majority of inclusive finance investments
 - For a minority of inclusive finance investments

IFD 23.2

Describe how your procedure to integrate the consideration of environmental issues in your investment decisions processes affect decisions pre-investment. [Optional]

We inquire if the company has an environmental management system and if it complies with national labour and environmental laws and regulations. The latter is done during our legal due diligence. Furthermore, the ASPIRE tool also assesses if the companies offer green credit products (such as loans to transform to renewable energy).

No

IFD 23.4

Indicate if you request your investees to comply with an environmental exclusion list.

- Yes, for all investees
- Yes, for a majority of investees
- Yes, for a minority of investees
- No

PIIF Principle 5: Transparency

IFD 25	Voluntary	Additional Assessed	PIIF 5
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Possible action:

Fully disclose policies, criteria and related conditions of products and services to investees and other relevant stakeholders.

IFD 25.1	Indicate how your mission and investment objectives communicated to stakeholders (e.g. investees, investors).
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Publicly

Provide a URL

<http://www.bamboofinance.com/about/>

Selected stakeholders only

On request only

IFD 26	Mandatory	Core Assessed	PIIF 5
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Possible action:

Fully disclose policies, criteria and related conditions of products and services to investees and other relevant stakeholders.

IFD 26.1	Other than the PRI/PIIF, indicate if you provide your investors and/or the public with information aligned with industry standards.
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Yes

IFD 26.2	Do you provide information aligned with:
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The MIV Disclosure Guidelines

Yes, to our investors only

Yes, to the public

The Impact Reporting & Investment Standards (IRIS)

Yes, to our investors only

Yes, to the public

Other, specify

No

IFD 26.3	Additional information. [Optional]
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<http://iris.thegiin.org/bamboo-finance-0>

IFD 27	Mandatory	Core Assessed	PIIF 5
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Possible action:

Ensure that investees adequately disclose the pricing, terms and conditions of financial products and services offered, and that the pricing, terms and conditions are understood by clients.

IFD 27.1	Indicate if you encourage the retail institutions in which you invest to ensure that the following are transparent and fully explained to their clients (i.e. those seeking financial services from them) in a form they can understand.
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	Pricing
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Yes

IFD 27.2	Indicate how you ensure this for pricing and provide examples.
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We encourage investees to calculate prices and report to us using MF-Transparency. Our ASPIRE scorecard also promotes the use of this calculator.

No

	Other terms and conditions
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Yes

IFD 27.3	Indicate how you ensure this for other terms/conditions and provide examples.
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We ask institutions to provide full pricing transparency on commissions, mandatory savings, and any other cost component paid by a customer.

No

PIIF Principle 6: Balanced returns

IFD 28	Mandatory	Core Assessed	PIIF 6
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Possible action:

Strive for a balanced long-term social and financial risk-adjusted return that recognises the interests of clients, retail providers and investors.

IFD 28.1	Indicate if the social performance of investees affects your:
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	Investment decision making
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Yes

IFD 28.2

Explain how social performance of investees affects investment decision making.

Our social performance scorecard ASPIRE is applied to all financial inclusion investments. This tool is aligned to the SPTF's Universal Standards for Social Performance Management. As mentioned earlier, it reviews the investee's principles and practices along 5 dimensions: 1. Intent and Outreach (25%); 2. Human Resources (15%); 3. Client Protection (30%); 4. Social Impact & Corporate Governance (15%); 5. Measurement of Social Performance and Impact (15%). All of these dimensions are considered when making an investment decision.

No

Portfolio management

Yes

IFD 28.3

Explain how social performance of investees affects portfolio management.

ASPIRE is applied to portfolio companies during the holding period (at least every other year), this helps to assess progress and identify opportunities to improve ESG practices.

No

PIIF Principle 7: Standards**IFD 32****Mandatory****Core Assessed****PIIF 7****Possible action:**

Participate in networks to share tools, information and resources.

IFD 32.1

Select which of the following collaborative initiatives your organisation has supported or participated in, and the role you played.

The Principles for Investors in Inclusive Finance

Yes

Basic

Moderate

Advanced

No

The Smart Campaign

Yes

Basic

Moderate

Advanced

No

Social Performance Task Force

- Yes
 - Basic
 - Moderate
 - Advanced
- No

Financial Inclusion Equity Council (formerly CMEF)

- Yes
 - Basic
 - Moderate
 - Advanced
- No

European Microfinance Platform (eMFP)

- Yes
- No

Global Impact Investors Network (GIIN)

- Yes
 - Basic
 - Moderate
 - Advanced
- No

Other network, association memberships and/or specific collaboration related to the promotion of inclusive finance, specify

IRIS, we helped translate indicators into Spanish <http://iris.thegiin.org/spanish-translation-working-group>

- Yes
 - Basic
 - Moderate
 - Advanced
- No

IFD 32.2

If you have indicated that your organisation was involved in any of the above, please provide a brief commentary. [Optional]

We have endorsed PIIF (since foundation) and PRI since 2010. We have actively promoted Smart Campaign endorsement among investees and have been trained in Client Protection Principles. We have participated as speakers and in several meetings (SPTF social investors and annual meetings) as well as webinars organized by these initiatives. We benefit from their research, tools and compendia of best practices in social performance and impact measurement and management. We contributed our experience and knowledge of social performance.