



# EMPOWERED COMMUNITIES

**VISIONFUND**  
2021 ANNUAL REPORT



**VisionFund**



# Message from **leadership**

Many parts of the world are adapting and becoming resilient to the impacts of COVID-19; however, for the most vulnerable individuals, it is still a struggle to earn a livelihood that will bring fullness of life to children. It is in these unprecedented times that we flourish as a ministry. We are conduits for the beauty and power of the Gospel of Jesus Christ for when we do our economic development work in favour of the least of these, it is as if we were doing it in favour of the Lord Jesus himself, as referenced in Matthew 25:34-40.

Within the 1 million customers we currently serve, we find endless stories of clients who persevered, with unrelenting spirits, as they took on new challenges and are now thriving. Clients like Cynthia, a Ghanaian mother of two, who struggled to put a meal on the table when her second-hand clothing business collapsed and her husband lost his job. With the help of a Recovery Loan, she was able to build back even better than before.

We believe that our greatest progress towards eradicating extreme poverty is yet to come. VisionFund celebrates the launch of a new programme: FAST – Finance Accelerating Savings Group Transformation. FAST provides loans directly to savings groups made up of mostly rural women, to boost their capital to empower group members to grow their businesses and self-esteem. Savings groups provide a powerful platform of economic development.

The Network (excluding Myanmar) ended FY21 with a solid performance of three consecutive profitable quarters. Of our 28 MFIs, 15 were profitable which is equal to the number achieved in FY19 – before the pandemic.

In January 2021, we welcomed Edgar Martinez as VisionFund's President and CEO. And we launched **Our Livelihoods Promise**, VisionFund's strategy to 2030 with an aspirational goal to end intergenerational poverty and impact the lives of 30 million children; which was shared with the Board and staff.

We are grateful for our staff, board members, partners, donors, funders and the broader World Vision family, as we continue to seek fullness of life for our clients, children and staff.

**Edgar Martinez**  
President and CEO  
VisionFund International

**Jim Bere**  
Board Chair  
VisionFund International

## **Our Vision**

**Our vision for every child, life in all its fullness.  
Our prayer for every heart, the will to make it so.**

## **Our Mission**

**We believe in brighter futures for children.  
Empowering families to create income and jobs.  
Unlocking economic potential for communities to thrive.**



## We are **VisionFund**

At VisionFund, we provide more than just microlending. Across **28 countries**, our **7,298 staff** work closely with vulnerable communities, providing holistic financial solutions to overcome poverty.

Our financial inclusion services are integrated with the work of World Vision, the global Christian relief, development and advocacy organisation, focused on improving the lives of children and their families, and transforming the communities in which they live.

By providing access to financial support for small businesses, savings, insurance, business skills training and more, rural communities are better able to grow their livelihoods and pave the way for brighter futures for their children.

### ■ **AFRICA**

**11** microfinance institutions  
**273** branches  
**3,073** employees  
**48%** of clients in World Vision Area Programmes

### ■ **ASIA**

**6** microfinance institutions  
**135** branches  
**2,103** employees  
**47%** of clients in World Vision Area Programmes

### ■ **EASTERN EUROPE**

**4** microfinance institutions  
**51** branches  
**426** employees  
**43%** of clients in World Vision Area Programmes

### ■ **LATIN AMERICA**

**7** microfinance institutions  
**108** branches  
**1,612** employees  
**34%** of clients in World Vision Area Programmes

# Our global outreach

BRIGHTER FUTURES  
for  
**4.3m**

# CHILDREN



<b>3,468,000</b> AFRICA	<b>475,000</b> ASIA	<b>34,000</b> EASTERN EUROPE	<b>322,000</b> LATIN AMERICA
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**CLIENTS**  
**1 million**

Africa 520,000  
Asia 289,000  
Eastern Europe 23,000  
Latin America 199,000

[Read John's Story](#)



**WOMEN CLIENTS**  
**69%**

Africa 61%  
Asia 87%  
Eastern Europe 50%  
Latin America 68%

[Read Nancy's Story](#)



**RURAL CLIENTS**  
**64%**

Africa 64%  
Asia 72%  
Eastern Europe 73%  
Latin America 53%

[Read Cong's Story](#)



**JOBS IMPACTED**  
**1.3 million**

Africa 707,000  
Asia 338,000  
Eastern Europe 34,000  
Latin America 227,000

[Read Samasey's Story](#)



**VALUE OF LOANS DISBURSED**  
**\$613 million**

Africa \$208 million  
Asia \$112 million  
Eastern Europe \$26 million  
Latin America \$266 million

[Read Paula's Story](#)

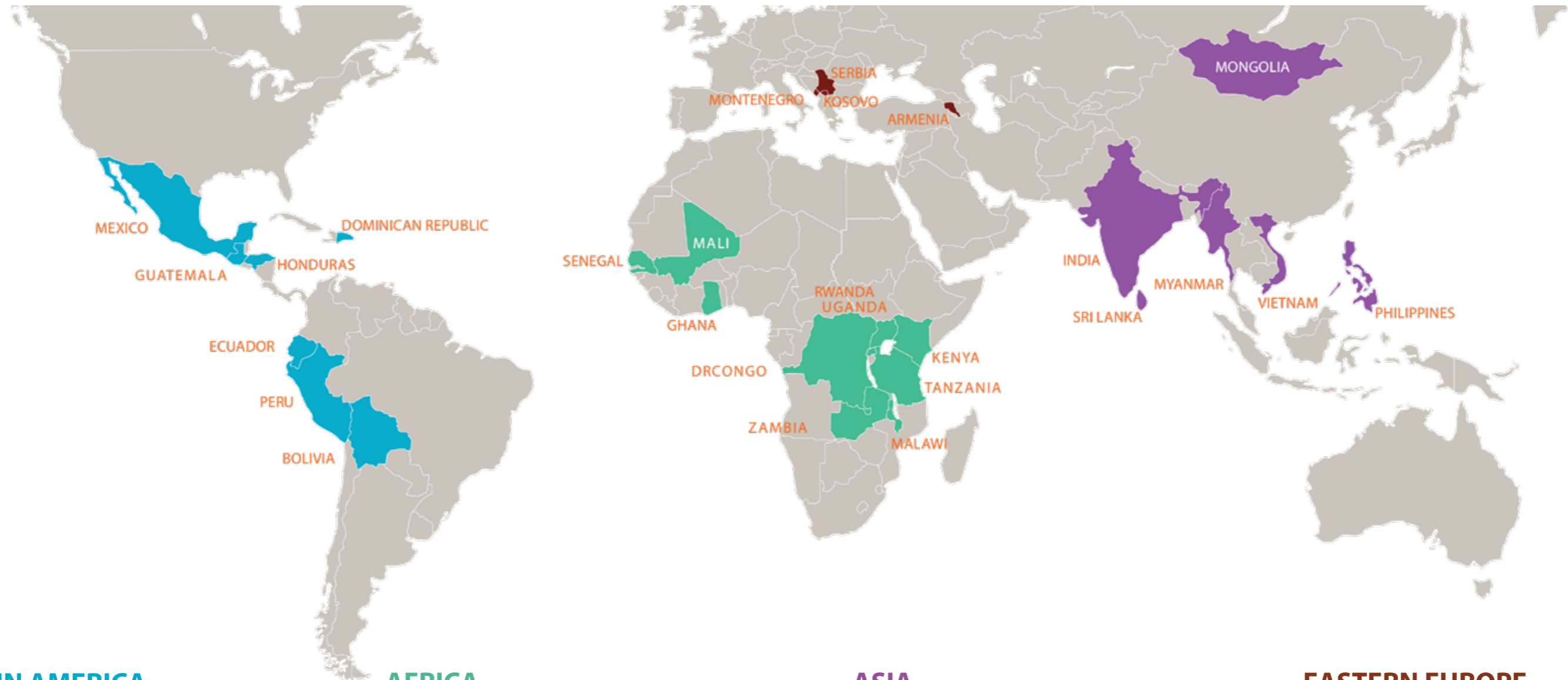


**NUMBER OF LOANS DISBURSED**  
**1.1 million**

Africa 598,000  
Asia 268,000  
Eastern Europe 16,000  
Latin America 231,000

[Read Doan's Story](#)

# Our 2021 highlights



## LATIN AMERICA

- VisionFund Guatemala provided a training programme for client care focused on the principles of customer protection, expanding our portfolio of services and care through Recovery Loans.
- VisionFund Peru (Credivision), in partnership with World Vision Peru and USAID, designed a credit product supporting Venezuelan migrant medical professionals to revalidate their professional licenses and practices in Peru.
- VisionFund Mexico, Ecuador and Guatemala implemented a cash insurance product that offers financial compensation in case of hospitalisation.

## AFRICA

- Africa FAST – Finance Accelerating Savings Group Transformation – was implemented in DR Congo, Ghana, Malawi, Rwanda, Tanzania, Uganda and Zambia providing loans to 3,583 savings groups impacting 85,889 members.
- VisionFund Kenya’s research found that 92% of those surveyed said they could not find a good alternative to VisionFund’s Recovery Loans; 91% of clients reported that the loan improved the quality of their lives.
- VisionFund Malawi and Tanzania implemented health/hospitalisation insurance products for their borrowers. This product was also piloted with World Vision beneficiaries in Ghana and Malawi.

## ASIA

- VisionFund Vietnam worked with local authorities to identify the Most Vulnerable Families in the communities. These families were targeted with loans at subsidised rates enabling them to increase their disposable income.
- VisionFund Mongolia and Sri Lanka rolled out ‘Top-up’ loans, prioritising clients with good repayment behaviour who needed further funding to grow their businesses.
- Despite external challenges, VisionFund Myanmar continued to support clients and their families. Over 55,000 loans totalling 28 million were disbursed between February 2021 to September 2021 providing much needed support and liquidity to farmers and businesses.

## EASTERN EUROPE

- VisionFund Armenia (SEF International) put tremendous efforts to address social and economic consequences of the war that devastated the economies and lives of 140 client families. A range of remedies, from loan forgiveness to recovery lending and restructuring, was delivered by SEF to give relief to families facing challenges.

# Our Livelhoods Promise

Impact the lives of  
**30 million children by 2030**



[Learn About Our Livelhoods Promise](#)

# Our strategy: Our Livelhoods Promise

Seeking to **eliminate intergenerational poverty and impact the lives of 30 million children by 2030** requires VisionFund to think differently, innovate and create more sustainable ways to support our clients so that together we witness evidence of positive change. We believe the following 2030 strategic initiatives provide the framework for financial inclusion for the most vulnerable:



## CHANNELS

Delivery channels are expanded beyond our MFIs by partnering with our World Vision Field Offices and other external partners to empower more vulnerable women and men and their communities with financial services. Goal: 70% VisionFund MFIs, 20% World Vision and 10% partners.



## CLIENT MIX

Serving the most vulnerable with the full suite of microfinance services, we increase our client base by providing microloans and increasing FAST, insurance and savings offerings. Goal: 30% credit, 20% FAST, 25% insurance only and 25% savings only.



## DIGITAL

Our digital solutions provide sustainable financial services to the rural poor through adoption of technology platforms that improve client engagement, create efficiency, empower VisionFund staff with the right tools and enable us to gather evidence of change. Goal: 90% cashless and 90% paperless.



## EMPOWERED WORLDVIEW

Empowered Worldview seeks to shift mindsets of both VisionFund staff and clients from scarcity and limitation towards abundance and a vision for a better future as God intended. Goal: 100% VisionFund staff and clients trained.



## IMPACT

Throughout the network, VisionFund uses evidence of change in the lives of our clients to drive local and global decisions that maximise the impact we have on our clients, children and communities. Goal: 100% MFIs produce evidence of impact.



## REACH

Serving 10 million clients and their children requires the full commitment of VisionFund and World Vision to maximise all opportunities to engage and enable clients to move out of poverty. Goal: 10 million clients.

# Our focus: **Impact**

As part of **Our Livelihoods Promise**, VisionFund’s impact goal is for all microfinance institutions to use impact data and evidence to drive local and global decisions that maximise impact and enable clients to achieve their personal goals.

In Kenya and Guatemala, studies recorded the experiences and changes to clients’ lives as a result of their relationship with VisionFund and the impact of the [Recovery Lending programme](#).

From the telephone interviews with 493 clients in Kenya and Guatemala, key findings emerged:

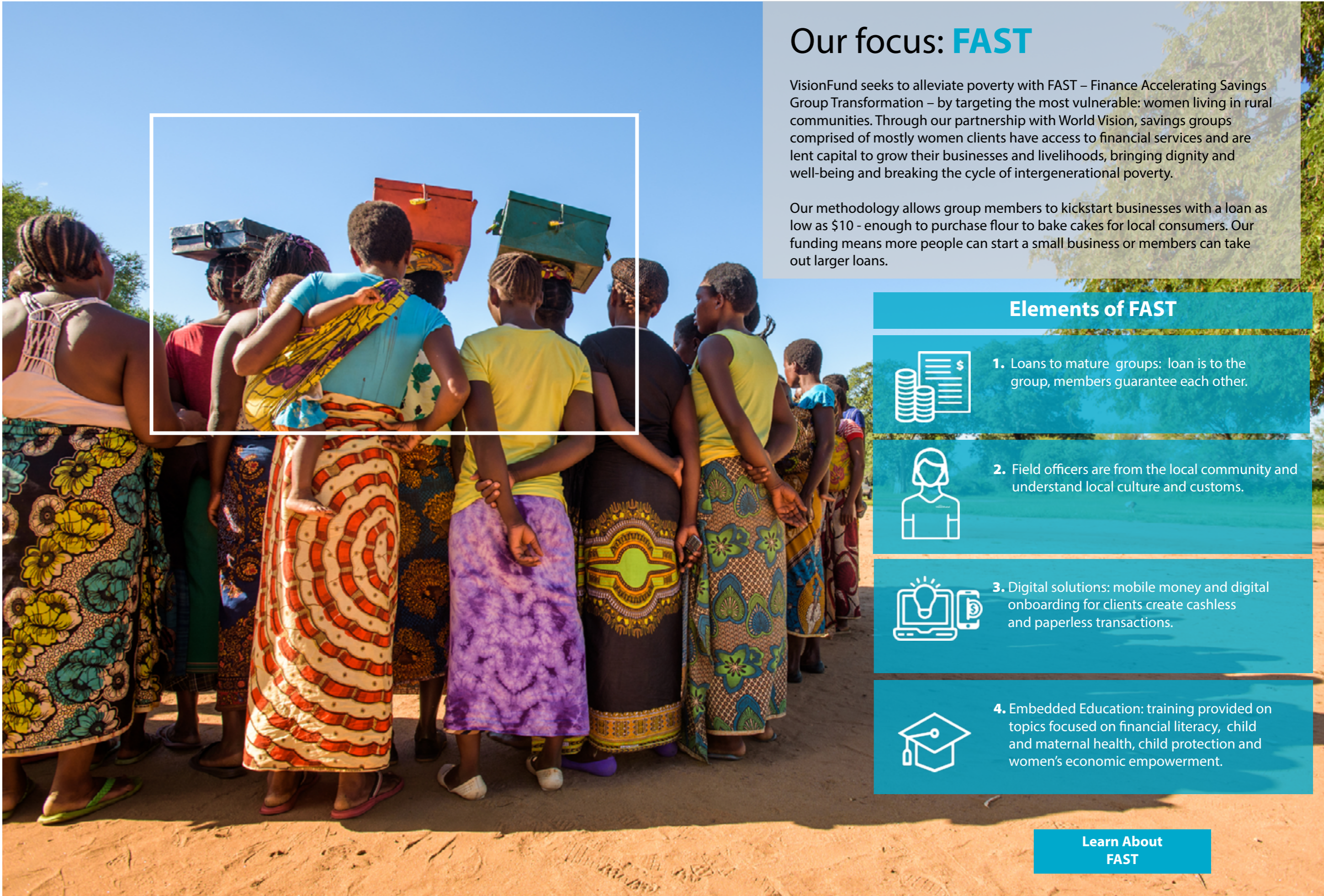
- **VisionFund was the only source of credit for them.** In Guatemala, 81% said they could not find a good alternative to VisionFund and in Kenya, 92% said they could not. When lockdowns and other restrictions occurred in Kenya, preventing people from pursuing their livelihoods, financial institutions curtailed and even withdrew their services, while VisionFund, ready with Recovery Loans, reached out to clients when their need for financial support was greatest.
- **Loan helped achieve goals.** In Guatemala, 90% said the loan increased their ability to achieve their goals.
- **Impact on children.** In Kenya, education tops the list with 8 out of 10 respondents saying they were better able to pay for their children’s education. Regarding quality of life, 9 out of 10 respondents said the loan had a positive impact on their quality of life. With the main improvements related to education, household expenses and food.

[Read Guatemala Report](#)

[Read Kenya Report](#)

[Learn About Impact](#)





# Our focus: **FAST**

VisionFund seeks to alleviate poverty with FAST – Finance Accelerating Savings Group Transformation – by targeting the most vulnerable: women living in rural communities. Through our partnership with World Vision, savings groups comprised of mostly women clients have access to financial services and are lent capital to grow their businesses and livelihoods, bringing dignity and well-being and breaking the cycle of intergenerational poverty.

Our methodology allows group members to kickstart businesses with a loan as low as \$10 - enough to purchase flour to bake cakes for local consumers. Our funding means more people can start a small business or members can take out larger loans.

## Elements of **FAST**



1. Loans to mature groups: loan is to the group, members guarantee each other.



2. Field officers are from the local community and understand local culture and customs.



3. Digital solutions: mobile money and digital onboarding for clients create cashless and paperless transactions.



4. Embedded Education: training provided on topics focused on financial literacy, child and maternal health, child protection and women's economic empowerment.

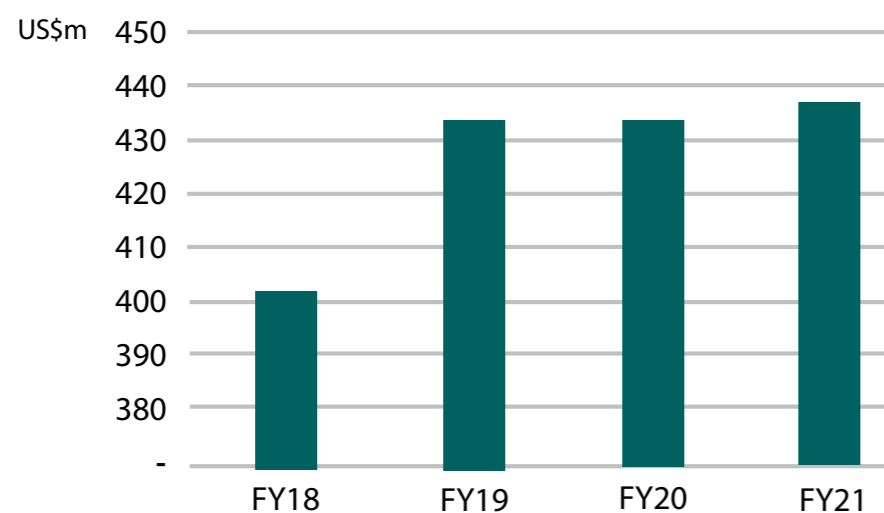
[Learn About FAST](#)





## Our financial performance

**Gross Loan Portfolio**



## Our financial summary

We look back with thankfulness for FY21 in which 15 out of 28 MFIs were profitable (up from 8 in the prior fiscal year). It is perhaps significant that the number of sustainable MFIs in FY21 is equal to the number achieved in FY19 – before the pandemic. Our gross loan portfolio experienced a modest growth of \$4m to \$438m, though offset by a deterioration in quality (portfolio at risk > 30 days) from 7% to 12% which was predominantly driven by localised political issues in one MFI. The value of loans disbursed has increased by 6% compared to last year, amounting to \$613m.

In the face of the continuous challenges brought by government restrictions in reaction to the pandemic and the resulting instability in some of the MFIs, the VisionFund Network continues to find ways to reach the most vulnerable children. By the end of FY21, we served 1 million borrowers, and impacted the lives of 4.3 million children. Operating expenses were 5% lower than last fiscal year. Overall, VisionFund's global financial position remains stable with liquidity at 19% as a percentage of total assets.

VisionFund International Network	FY21	FY20
Gross loan portfolio	US\$m <b>438</b>	434
Total assets	<b>523</b>	579
Notes payable	<b>285</b>	262
Client deposits (savings)	<b>63</b>	57
Total equity	<b>127</b>	228
Financial revenue	<b>141</b>	146
Financial expense	<b>37</b>	28
Financial income	<b>104</b>	118
Operating expense	<b>95</b>	107
Net income after tax and before donations	<b>(21)</b>	(16)
Value of loans disbursed	<b>613</b>	576
Portfolio yield	<b>31%</b>	33%
Operational sustainability	<b>87%</b>	93%
Operating expense ratio	<b>22%</b>	22%
Loan delinquencies (portfolio at risk >30 days)	<b>12.4%</b>	7.4%
Loan loss rate	<b>2.7%</b>	2.1%

Data in USD and millions except as otherwise indicated.

# Our governance

The VisionFund International Board is the ultimate governing body of the VisionFund network. At the country level, each microfinance institution has a board of directors who are appointed by the VisionFund International Board. The microfinance institutions' boards adopt all the governance policies developed by VisionFund International. Such policies are adapted to the local context to comply with local laws and regulations.

**Jim Bere, USA**

Board Chair  
Chairman & CEO  
Alta Resources

**Petronella Dhitima, Zimbabwe**  
Managing Director  
Mustard Seed Advisory

**Tiffany T. F. Huang, Taiwan**  
Senior Partner & Practices Head  
Baker & McKenzie

**Stephen Lockley, UK**  
Chief Financial Officer  
World Vision International

**Andrew Morley, UK**  
President & CEO  
World Vision International

**Chris Glynn, USA**  
SVP, Transformational Engagement  
World Vision US

**Dr. Jean Baptiste Kamate, UK**  
Partnership Leader - Global Field Ops  
World Vision International

**Edgar Martinez, USA**  
President & CEO  
VisionFund International

**Emma Osborne, UK**  
Formerly Chief Investment Officer  
The Chubb Corporation

**Luis Hermosa, Ecuador**  
Financial Consultant  
Independent

**Kate Lam, USA**  
Managing Director  
Ideanomics

**Suanne Miedema, Canada**  
Board Deputy Chair, President  
Miedema's Board Consulting Inc.

**Dennis Weibling, USA**  
Managing Director  
Rally Capital LLC

# Our locations

VisionFund International headquarters is located and registered in California, USA. Our microfinance institutions are located in the following countries:

**Africa**

DR Congo  
Ethiopia\*  
Ghana  
Kenya  
Malawi  
Mali\*  
Rwanda  
Senegal  
Tanzania  
Uganda  
Zambia

**Asia**

India\*  
Mongolia  
Myanmar  
Philippines\*  
Sri Lanka  
Vietnam\*

**Eastern Europe**

Armenia  
Kosovo\*  
Montenegro  
Serbia

**Latin America**

Bolivia\*  
Dominican Republic  
Ecuador  
Guatemala  
Honduras  
Mexico  
Peru

\* Affiliated and controlled, all others are owned and consolidated.



## A Brighter Future for Precious

Ten-year-old Precious is very proud of her mother, Cynthia, and describes her as a wonderful businesswoman. Cynthia sells second-hand clothing at Duayaw Nkwanta, in Ghana.

When restrictions to movement were imposed on their town, business came to a halt for Cynthia, and put her husband out of work. With both parents' sources of income impacted, it became difficult for the family to meet their basic daily needs. "Sometimes, we ate only once a day," says Precious.

When business activities started to resume in their area, Cynthia obtained a Recovery Loan of GHC 10,000 (US \$1,525) from VisionFund, which helped her restock and restart her clothing business. She also bought a car for her husband to work as a taxi driver.

Precious is happy to report that things are improving for her family. Cynthia has been able to provide both Precious and her brother the supplies they need for school. "I am the only girl in my class with a nice school bag and lunch box," says Precious.

With the support of Recovery Loans, many VisionFund clients have revived businesses or started new ones to meet local market demands created by the pandemic.

[Watch Precious' Story](#)



# Unlocking Economic Potential

[Read Madam Dauda's Story](#)



[VisionFund.org](https://www.visionfund.org)

 VisionFund

 World Vision