



We finance,
We care

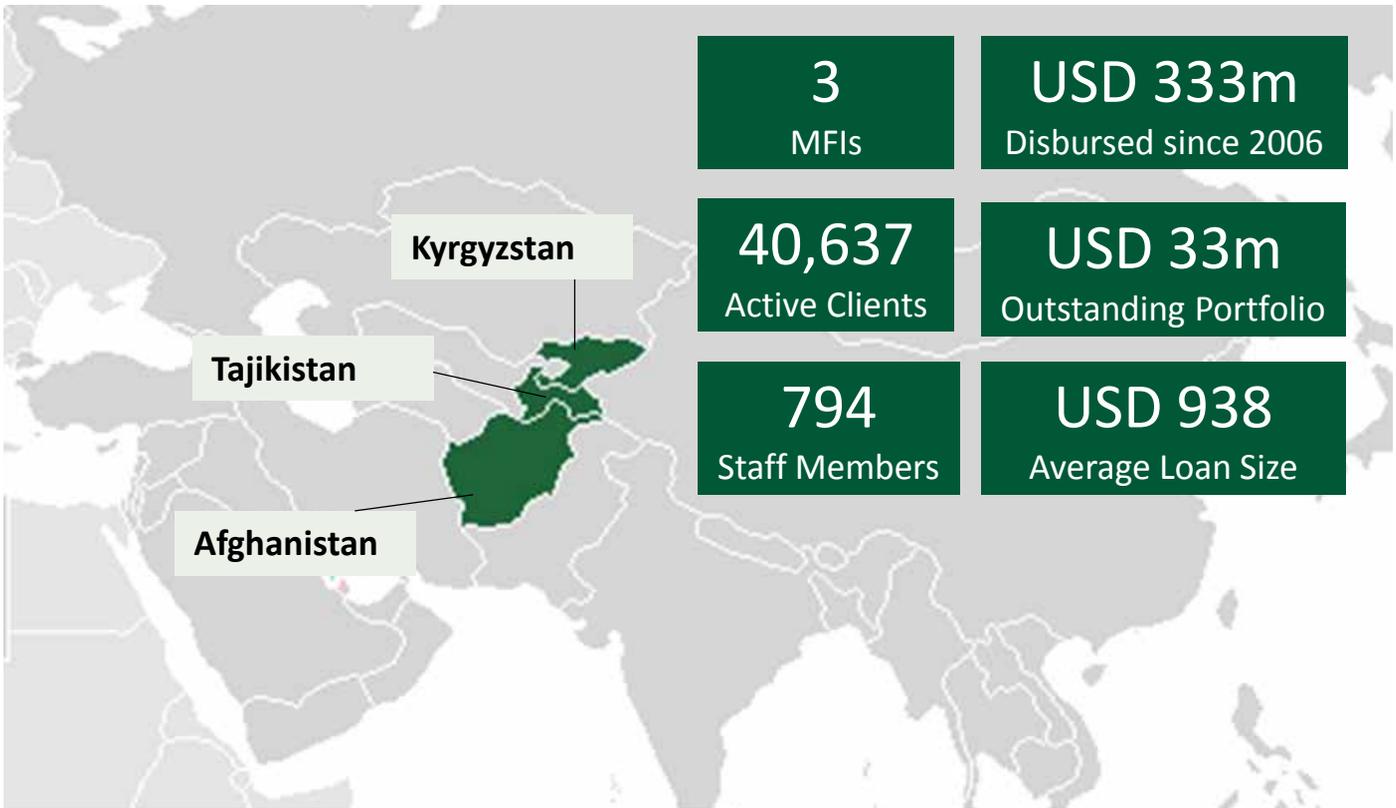


OXUS

Activity Report

May 2017

Key figures*, vision & mission



OXUS Kyrgyzstan

5,359 active clients
 USD 4.7m in portfolio
 86 staff members
 8 points of sale

OXUS Afghanistan

22,262 active clients
 USD 13m in portfolio
 435 staff members
 21 points of sale

OXUS Tajikistan

13,016 active clients
 USD 14.5m in portfolio
 273 staff members
 37 points of sale

* as of March 2017

OUR VISION

Providing sustainable livelihoods for our clients with the objective to be the microfinance organization of reference everywhere we are present.

OUR MISSION

OXUS is a transparent and responsible enterprise engaged in providing financial services to the working poor and the underbanked worldwide. OXUS is dedicated to creating and offering the most efficient microfinance services and providing sustainable livelihoods to its beneficiaries.

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OXUS is a leading European microfinance network in post-crisis countries

A message from Priscilla de Moustier, Chairwoman of the Board of Directors

“2016 was a year of difficulties for the affiliates in Central Asia, mainly influenced by the Russian economic slowdown. Relying heavily on the Russian economy, the Central Asian countries faced decreasing remittances from Russia and further devaluation of the local currencies.

Likewise, operations in the Democratic Republic of the Congo were affected by political difficulties. Taking into account the heavy investments necessary to make OXUS DRC sustainable and the difficult political context, OXUS began in 2016 a process of negotiations regarding the sale of its African subsidiary which was concluded in 2017.



However, OXUS has made major strides towards higher profitability in the past year and is returning to its growth path. The last year has been a year of developments and product diversification. The good positioning of OXUS in the three countries of operation in Central Asia let us believe that OXUS will continue to grow in the future and overcome the difficulties experienced in some of the MFIs.”

A message from Sébastien Duquet, CEO of OXUS Development Network



“After the sale of OXUS D.R. Congo to Microcred, OXUS group strategy is to concentrate its development in Central Asia where OXUS affiliates could accelerate their development. Thanks to innovations in operations such as the introduction of alternative delivery channels or the implementation of a new core banking system, efficiency and profitability will be increased in all countries.

In 2016, OXUS Afghanistan and OXUS Kyrgyzstan have both considerably increased their portfolio by more than 20 % each and reached profitability. Both affiliates pursue a continuing growth path and are eager to expand their operations as well as broaden their client base.

Due to the Russian recession and a strong correlation between the Tajikistan Somoni and Russian Ruble, OXUS Tajikistan and its clients suffered from exchange rate volatility and the credit risks substantially increased in the organization in 2016. Thanks to a close monitoring of the exchange rate development and market situation, to the introduction of the core banking system and a strong client focus (with a more than 80 % presence in rural areas), OXUS Tajikistan is expected to reach breakeven by end of 2017 and become profitable again in 2018.”

A message from a family, clients at OXUS Kyrgyzstan

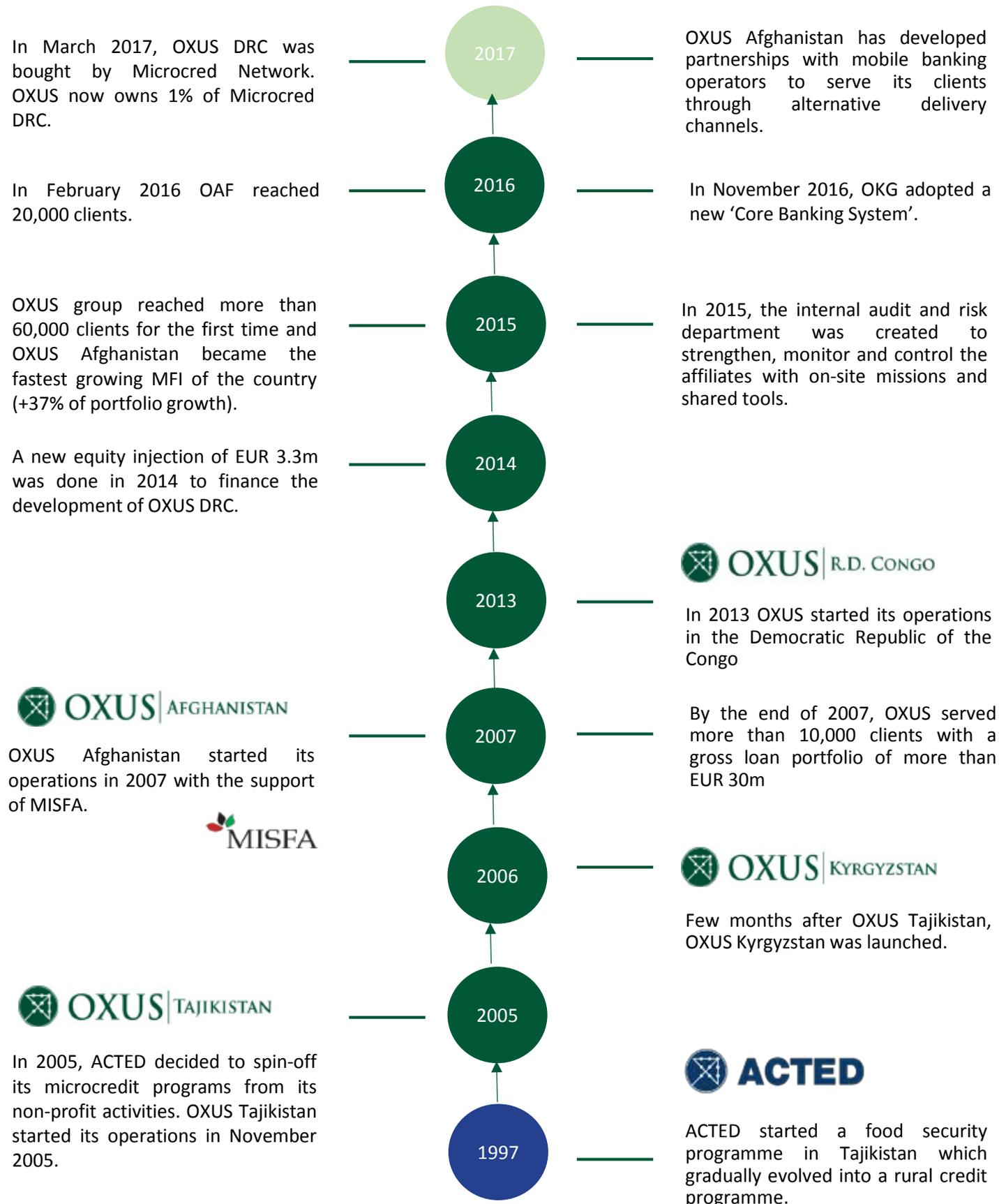
Muratbek Emetbaev’s wife Bektenova Nuriypa (51) is a client of OXUS. She took all her loans for her husband’s businesses at OXUS Bishkek branch.

“We have been clients of OXUS since November 2008. My close friend informed me about OXUS Kyrgyzstan. Our loan officer Indira was a very nice person and it was a pleasure to work with her. We recently took our 8th loan at OXUS.

I have been working as a driver of a mini bus since 2001. With my first loan I bought my personal mini bus and became independent. It is better for me to take a loan for my own businesses than asking someone to lend me money. I repaid my loans within due dates. All my credits helped me to convert my business into sustainable one not only financially but also morally. The fixed schedule helped me to develop a work habit and gave stimuli for further development.”



OXUS has more than 10 years of experience in microfinance operations



A very lean organisation: OXUS Holding is the only shareholder of OXUS MFIs

OXUS Board of Directors



Priscilla De Moustier,
Chairwoman of the board

Priscilla De Moustier has more than 30 years of experience in private equity investments at Wendel and is the Chairwoman of the board of OXUS Holding since 2007.



Frédéric Roussel,
ACTED Founder

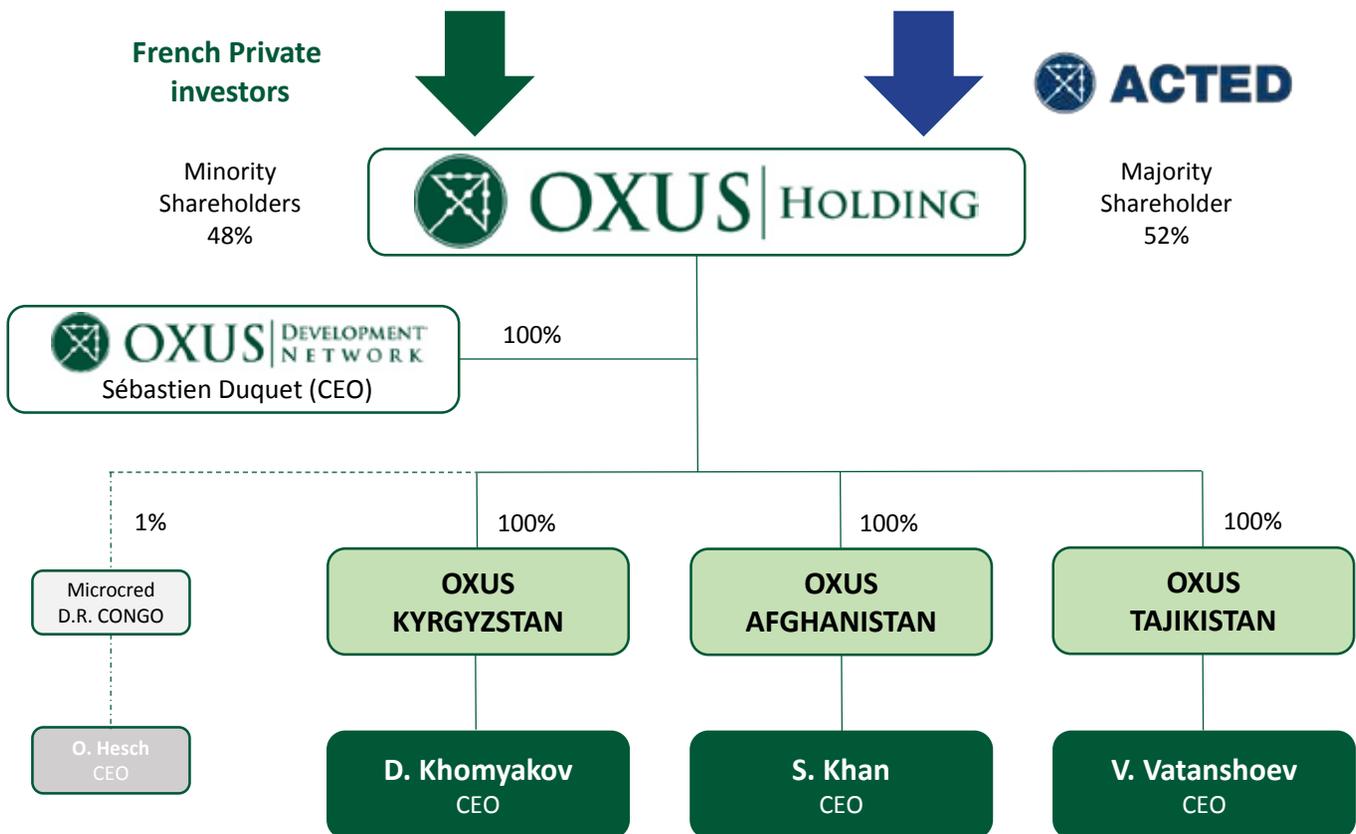
Frédéric Roussel created ACTED in 1993 in Afghanistan and led the institution to become the second largest French NGO.



Patrice Lucas
Directeur Général de Akuo Energy

Patrice Lucas has more than 15 years of experience developing complex, large-scale projects in the Utilities and Energy sector, and has held several positions in Japan, China, Continental Europe and the UK.

The Supervisory board offers an interesting mix of profiles and skills. It is composed of representatives of French private companies, family businesses and retail investors (Nanzenji, Proxis, 2MMF, CEOoffice, Tiaré Group) who own 48% of OXUS Holding's shares. They operate in sectors as diverse as energy, real estate, wealth management and chemicals. ACTED remains OXUS majority shareholder.



OXUS DRC (which was created in 2013 and sold to Microcred in March 2017) does not belong to the OXUS network anymore

OXUS Development Network drives the strategy and monitors the affiliates

At OXUS we believe that local teams are the most capable to understand market dynamics, clients' needs and develop innovation that could match local culture. Thus, in comparison to other networks our objective is not to send expatriates to the key management position of the organization but to enhance, support and also control our local teams. We successfully conceptualized this collaboration between local teams and the network in a "controlled delegation" model.

This mix of control and support particularly focuses on 4 main areas that are keys for guaranteeing a sustainable long term development of our affiliates:

1. Governance and strategy

The CEO of the network is helping and challenging the local management teams on their strategy, development plan and business plan. Every month, operational and financial results of the affiliates are thoroughly discussed and corrective actions are implemented, if needed. The CEO of the network is deeply involved and actively participates, together with the local team, in the implementation of key strategic decisions (such as the sale of OXUS DRC to Microcred Network in 2016).

The board of directors of each affiliate gathers frequently and at least once per quarter. Composed of a mixed network team, ACTED country experts and independent board members, the board provides valuable guidance, based on in-depth knowledge about our countries of operation as well as international industry practices and trends. As the chairman of the Board of Directors of each affiliate, the CEO of the network is in close contact with the MFIs, helps monitoring local CEOs and identifies new market potentials.

3. Innovation / product development/ social performance

Focusing on improving efficiency and productivity within the group, OXUS Network operations team supports its affiliates in the development of innovative products and services. For instance, based in Kyrgyzstan, Caroline Thieulin, supported the local team in the implementation of a new Core Banking System, and is now focusing on the migration of OXUS Tajikistan to the new software. Other operations experts such as Lucile Brachet and Miryam Nouri, are supporting the local operations department in the ongoing process of developing shop-in-shop solutions in Afghanistan and are preparing the migration of OXUS Afghanistan to the new software by the end of 2017.

One of the key elements of OXUS strategy is social performance management. Social performance guidelines and principles are defined at group level and implemented locally with the supervision of ad hoc SPM committee.

2. Audit and risk monitoring

OXUS group objective is to develop a strong risk management system, with zero tolerance in case of incomplete respect of procedures. Each of OXUS affiliates has its own internal audit and risk department. Supervising and guiding the affiliates in the development of their internal control and risk management systems, OXUS Network, through a dedicated senior audit manager at the group level, guarantees the harmonization of affiliates' best practices; facilitates the sharing of tools and approaches across the network; and provides risk management information to OXUS shareholders.

Regular audit and risk committees (with the participation of the network management and independent board members) control the quality and efficiency of the local audit and risk department. OXUS selects best in class external auditors. The selection is done at the audit committee level, with a strong participation of the group audit in the process. Frequent contacts with local auditors are established.

4. Finance, Budget and financial risk monitoring

In close collaboration with local teams, OXUS group CFO Xavier Chantraine is closely monitoring the affiliates' financial management and performance. In collaboration with local CFOs and the OXUS audit and risk function, market and institutional risks are evaluated and considered in the process of budget development and supervision for each affiliate. This is done mainly through local asset-liability committees (ALCO) that meet frequently. Using up to date, relevant and accurate tools to compute data enables OXUS to properly follow performance, efficiency, productivity, portfolio limits and funding needs.

A message from Ulugbek Khusanov, independent board member of OXUS Kyrgyzstan (and member of the Audit committee)

"During the frequent board of directors and the quarterly audit committee meetings of OXUS Kyrgyzstan, independent boards members (as Mr. Jean Deullin and myself) have the opportunity to comment and influence the strategy and the development of the organization. Our points of view are clearly taken into account. The board of directors meets frequently and concentrate really on strategic issues. The OXUS Group is a unique network that sets a strong focus on the three key pillars of control, support, and monitoring while at the same time encouraging the development of the affiliates. Through close supervision and consulting services, OXUS Development Network has had great success in guiding the reinforcement of OXUS Kyrgyzstan operations in the past years. Furthermore, standardized procedures, products and methods ensure a coherent framework of operations and guarantee lean financial management."

OXUS Credit Methodology ensures both risk management and social impact

Any individual with an income generating activity, satisfying the institution’s eligibility criteria and in line with OXUS mission, can access a loan

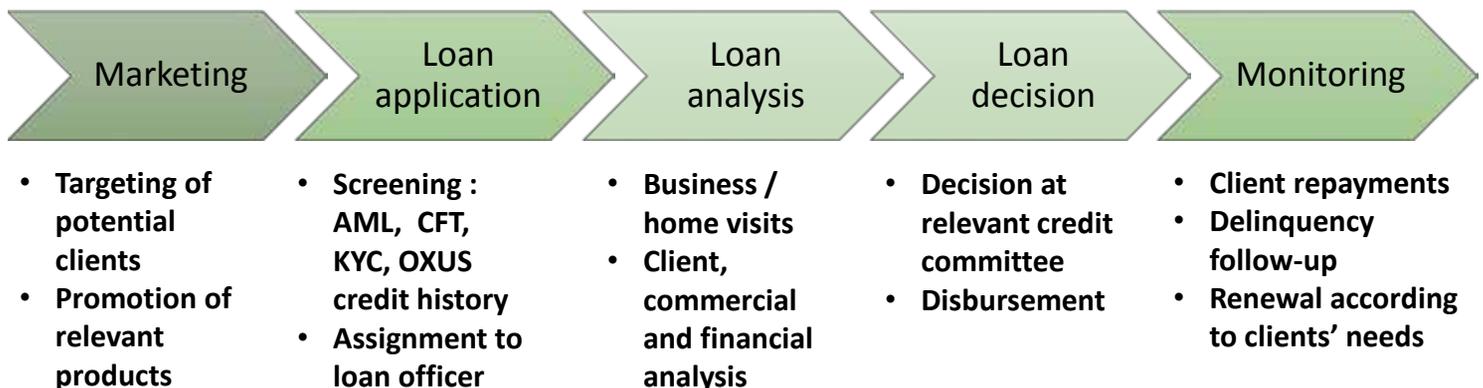
The OXUS Group’s MFIs in different countries seek to adapt their methodology to the specific context in which they operate. Nonetheless, the lending policy applied by OXUS MFIs is consistent with a set of commercial and ethical principles.

Even though OXUS MFIs have recently been developing their activities in urban areas where small businesses grow more rapidly, the OXUS Group remains strongly attached to its development mission, and plans to stay well implanted in less accessible, rural regions.

OXUS operates on the principles of integrity, transparency, credibility towards its customers, based on their economic interests and capabilities, and subject to the requirements of the legislation regarding the commercial and banking secrecy. Therefore, OXUS does not take advantage of information asymmetry, and is engaged in offering prospects or current clients the most adequate products or services, as per the principle of the SMART Campaign signed by OXUS in 2015.

Credit decisions are made based on objective criteria and independently from the loan officer assigned to a client. Furthermore, the first loan is probationary to understand the business activity and the needs of the client.

Loan applications have to be assessed in reasonable deadlines. Proper procedures (close monitoring of the clients, special monitoring of delinquent loans, internal credit rating...) enable OXUS to analyse and monitor its activity to ensure a high portfolio quality.



Social Performance is a key driver of our operations

What is SPTF and the SP14?

The Social Performance Task Force (SPTF) is a membership organization with more than 2,600 members from all over the world, comprising every stakeholder group in inclusive finance. SPTF engages to develop and promote standards and good practices for social performance management and reporting.

In 2012, SPTF released the Universal Standards for Social Performance Management (Universal Standards), a comprehensive manual of best practices, including all of the Client Protection Principles (CPP) developed by the Smart Campaign.

The SP14 is a social performance assessment tool for microfinance institutions to help them evaluate their level of implementation of the Universal Standards. The SP14 offers users with a specific mission focus – green, poverty, rural, gender – to assess their practices using operational indicators that reflect the latest industry thinking in these areas.

Source: SPTF

Our social performance policy

Social performance management (SPM) is a key element of the OXUS strategy. It ensures that the company works to create value for its stakeholders, with a specific focus on its clients through adequate products and services, as well as on its employees, with the respect of the environment in mind.

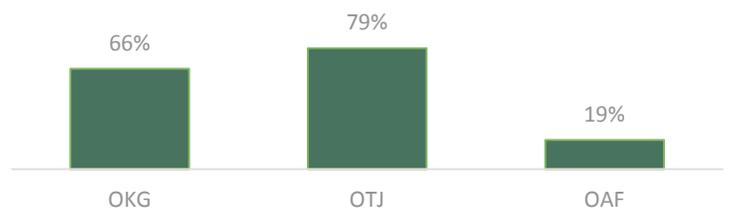
50 social indicators have thus been developed for all OXUS affiliates, based on the Group vision and mission statements. Each affiliate sets its actions according to its environment, strategy and requirements.

Achievements

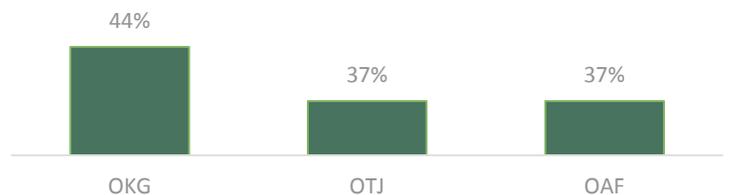
All our affiliates have conducted an internal self-assessment with the SPI4 methodology developed by the service provider Cerise, taking into consideration the SPTF indicators. Moreover, clients' protection and use of data policy was reviewed for the whole group. OXUS Kyrgyzstan has started evaluating the environmental impact of its bigger clients and of its overall portfolio. As of today, all our affiliates have a SPM Committee that reports to the Board of Directors of each affiliate.



Rural clients as % of total clients *



Female clients as % of total clients *



* As of March 2017

Development perspectives: OXUS expects to reach 71,000 active clients in 2020

1. In 2018, all OXUS affiliates, strongly positioned on their market, will be profitable

Following the stabilization of oil prices and the recovery of the Russian economy, 2016 saw an acceleration of growth in Central Asia to an estimated 1.2%. Strengthening activity in Russia and Kazakhstan will support other economies in the region.

The return to growth of Central Asian countries in 2017 will allow OXUS to increase its portfolio and outreach of its MFIs, all of which are well positioned on their market.

OAF, already profitable in 2016 with a positive net result of USD 200K, will increase its profitability in the coming years.

USD 46m
Gross Loan Portfolio

57,000
Active clients

USD 6.2m
Equity

USD 388k
Net income

2. In 2018, OXUS will offer a full range of financial services, from credit to savings, and will serve its clients through Alternative Delivery Channels

The implementation of a new « Core Banking System » in Kyrgyzstan in November 2016 was the first step towards its implementation in all affiliates by end 2017. This information system will allow OXUS to gain in efficiency and offer savings products to its clients in 2018 and the years after.

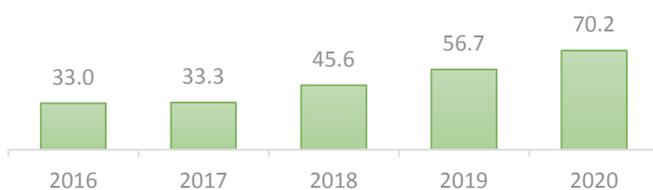
After the successful implementation in Afghanistan, mobile banking services and Alternative Delivery Channels will be introduced in all affiliates to increase our outreach in a cost-effective way. Partnerships with local actors with a significant network of shops will be instrumental in implementing shop-in-shops and improving the services proposed to our clients.

Launch of savings products in 2018

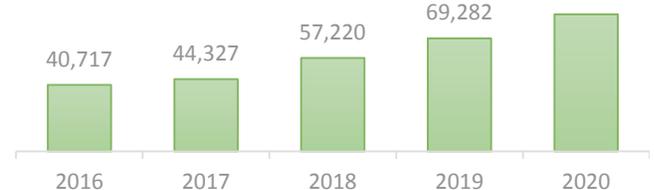
Mobile banking, Alternative Delivery Channels and shop-in-shop services

3. In 2020, OXUS group will reach 84,000 clients and achieve a net result of over USD 1.8 million *

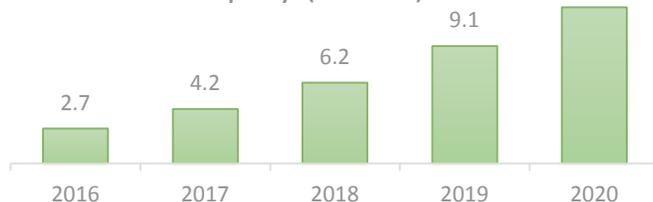
Outstanding loan balance (MUSD)



Number of borrowers



Equity (MUSD) **



Net result (KUSD)



* Graphs show cumulated group results excluding DRC

** excluding quasi equity

Our Network of MFIs

OXUS Tajikistan



A message from Vatansho Vatanshoev CEO OXUS Tajikistan

“OXUS Tajikistan has made great strides during the past 11 years, having provided over 100,000 loans to its clients between 2006 and 2016 and currently serving 13,000 clients with its adaptive and competitive financial services.

Despite the Russian crises and a high devaluation of the local currency, OXUS Tajikistan managed to keep disbursing loans to its clients in rural as well as urban areas. This was made possible mainly due to the strong expertise and motivation of the local team as well as due to the support of the headquarter in Paris.

OXUS Tajikistan is closely monitoring developments in the region and is expected to grow again in the coming years.”

The Asian Development Bank is expecting growth rates of 5.5% by 2018

Despite sustainable growth, Tajikistan is still one of the poorest countries in Central Asia. Being closely correlated to the Russian economy, Tajikistan was affected by economic sanctions on Russia, a depreciating Ruble and falling oil prices in the past years. The stagnant Russian economy entailed currency devaluations in most Central Asian economies.

Growth is projected to fall to 4.8% in 2017 mainly due to continuously weak remittances and troubled banks before it will recover in 2018. The Asian Development Bank predicts the economy to grow by 5.5% in 2018 as the Russian Economy is expected to recover.

Since independence, Tajikistan has made great strides in the reduction of poverty and managed to decrease the share of people living below the national poverty line to 32% in 2016 (WB, ADB).

Tajikistan is a natural target for MFIs

Weak financial inclusion and the current standards of living in Tajikistan make the country a natural target for MFIs. Created in 2005, OXUS Tajikistan quickly became one of the leading institutions in the market, targeting especially the rural population consistent with its social mission. OXUS became the 5th biggest MFI of the country in 2016.

OXUS Tajikistan was profitable between 2005 and 2014 before it was deeply affected by a depreciation of the local currency causing losses for the institution. These losses, however, can be attributed to the economic developments in the country and are shared with other major competitors in the market (HUMO, Arvand, IMON, FINCA).

The responsiveness of OXUS allowed the institution to overcome the crisis thanks to the improvement of its open currency position, the stabilization of its portfolio, and the funds which secure the financial needs until end of 2017. In order to circumvent liquidity issues, OXUS foresees an equity increase of USD 500 K for OXUS Tajikistan in 2017, which will be distributed in two tranches.

13,016 active clients

273 staff members

37 points of sale

USD 14.5m gross loan portfolio

28.8 % yield on portfolio (YTD)

80 % operational self sufficiency (YTD)



Market potential and outlook

Long-term prospects are very attractive

Despite the challenges faced by the organization, long-term prospects are very attractive. OXUS is strongly positioned in the market and benefits from the support of the main microfinance investment vehicles.

Thanks to the consolidating strategy the institution will benefit from the coming growth once the Tajik economy will emerge from its slump. The market potential is large as domestic credit to private sector (% of GDP) in Tajikistan remains low at 22.72 % in 2015, according to the World Bank.

OXUS Tajikistan will be the second institution among the OXUS Group to migrate to the new core banking system, which will allow the institution to improve its productivity, increase revenues and launch deposits.



Ermat's success story

Ermat Ahatov is 49 years old, married and has four sons. He lives in Asht. Ermat has been engaged in breeding cattle since 2006.

In 2006, Ermat started to gather information by consulting a credit expert from OXUS who introduced him to group lending. Therefore, he created a group with some of his neighbors to receive a credit of USD 125.

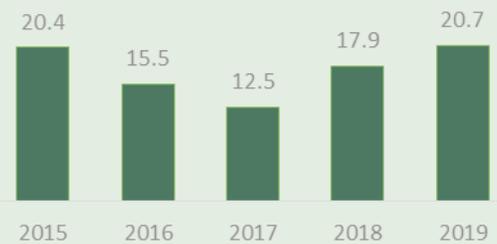
When the credit term expired, since he had repaid the credit within due dates, and because he had noticed the benefits of the first loan, he was able to receive a second loan of USD 210.

He contracted a third loan for USD 330 and bought more cattle and a land of 4 hectares. There he produced wheat, alfalfa and corn, broadening his business as well as his skills. Today he has his own production of hay and a large land for the pasture of his cattle.

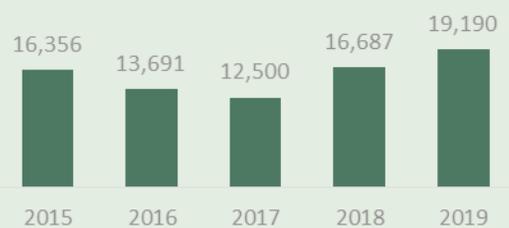
OXUS Tajikistan was therefore a strong support for the development of his activity, his income, and the daily situation of his family of six. Indeed, he was able to buy a car and help his son build a house of his own.

Portfolio and active clients

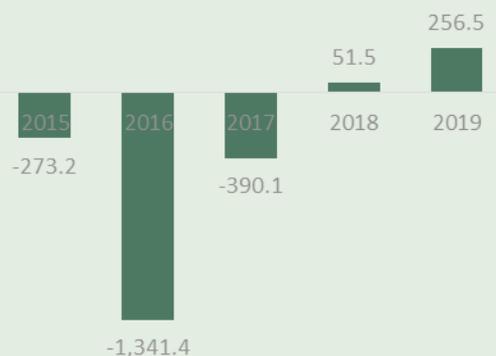
Gross loan portfolio (MUSD)



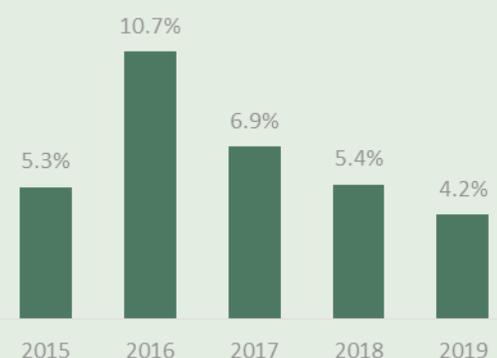
Active clients



Net result (K USD)



PAR 30 (%)



OXUS Afghanistan

A message from Salim Khan CEO OXUS Afghanistan



“The value created by OXUS Afghanistan extends far beyond our array of products and services, the technologies we use to streamline transactions, or the tools we introduce to make microfinance easy, flexible and responsive to changing needs in a post conflict country. The many aspects of what we offer our customers all reflect a fundamental understanding of why we are in microfinance. As we collaborate with all of our stakeholders, we know that success ultimately depends on how well our own teams work together.

Based on the strong team, good strategy and implementation, OXUS Afghanistan managed to increase its client base by 117% and its portfolio amount by 65% between 2014 and 2016. The non-performing loans have decreased from 3.1% to 1.3% thanks to an increased branch network, reinforcement of internal controls and internal audit staff together with strong team work. We are proud to have reached profitability and are currently expanding our portfolio. The coming years will be marked by an increase in outreach, both through broadening operation in our branches as well as through introducing new operation channels and partnering with new stakeholders.”

Country overview

Afghanistan’s economy is recovering from decades of conflict. According to the World Bank, growth is expected to increase to 2.4% in 2017 and to reach 3.1% by 2019, provided political stability and absence of further deterioration in the security environment. Contrary to Tajikistan and Kyrgyzstan, the economic wellbeing is not correlated to that of Russia.

High scope for further expansion of the microfinance sector

Being a post-crisis country where few banks operate outside Kabul and provincial capitals, Afghanistan leaves high scope for expansion of operations of microfinance institutions. OXUS Afghanistan was created in 2007 with the support of MISFA, an organization established as a vehicle through which the Afghan Government and international donors could channel technical assistance and funding to build Afghanistan’s microfinance sector. OXUS Afghanistan was the first MFI of the country to breakeven in 2013. Its portfolio keeps growing (+19% in 2016) and the institution has reached 11% of the market share. As the 3rd biggest MFI of the country, OXUS Afghanistan opened 5 new branches in 2016 and 2017.



The President of Afghanistan, Mohammad Ashraf Ghani, visits a stall of OXUS in Badambagh Kabul in October 2016

22,262 active clients

435 staff members

21 points of sale

USD 13m gross loan portfolio

34.1 % yield on portfolio (YTD)

108.6 % operational self sufficiency (YTD)

Market potential and outlook

OXUS Afghanistan expects growth of 30% per year

OXUS Afghanistan’s objective is to become the leader of the microfinance market. Growth prospects of 30% per year until 2020 can already be viewed as an example for the development of financial services in difficult countries.

A new program was also launched in 2016 to redesign and develop OXUS Afghanistan loan products for Small and Medium Enterprises (SME). Furthermore, new «shop-in-shop» distribution models have been developed in partnership with a local transfer agent, which is already fueling the affiliate’s growth. The new distribution model aims at accelerating OXUS portfolio growth to reach a USD 19.7m portfolio by 2018. Next year OXUS Afghanistan plans to launch deposits and to implement a new service of money transfer.



Marzia’s success story

Marzia acquired sewing skills in Iran. When she came back to Afghanistan after the collapse of the Taliban regime, she wanted to work in order “not to be a burden” for her family.

She quickly applied to her first loan, of AFN 40,000 (equivalent to USD 570), which enabled her to rent her own working place. With the subsequent loans, Marzia purchased sewing machines and other raw materials to expand her business. Today, she is repaying in installments her fourth loan worth AFN 50,000 (equivalent to USD 715). Since she opened her shop, she learned to manage her business’ seasonality, during which her net income exceeds AFN 25,000 (equivalent to USD 360).

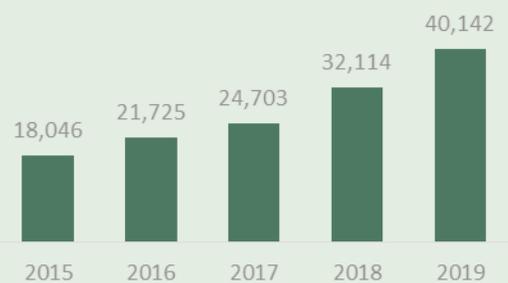
Today, all her staff is of female gender, and she is providing training to about 20 young girls so they can become skilled tailors and dress makers. Moreover, Marzia has been able to support her daughter’s education.. She is planning on opening a second tailoring shop using the OXUS Afghanistan loans, as some of her students now have the required skills. As she said: “It is my way of giving back.”

Portfolio and active clients

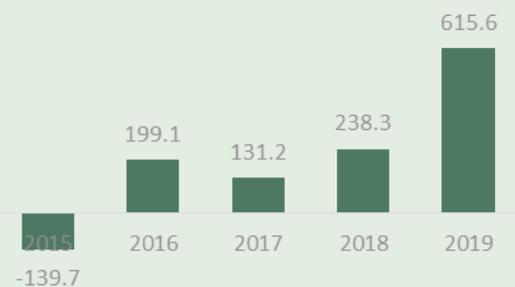
Gross loan portfolio (MUSD)



Active clients



Net result (K USD)



PAR 30 (%)



- The higher level of PAR30 is linked with the development of SME loans

OXUS Kyrgyzstan



**A message from Denis Khomyakov
CEO OXUS Kyrgyzstan**

“OXUS Kyrgyzstan has established a strategic plan to take advantages of all its potential in 2017 by increasing profitability. This will be achieved by increasing the efficiency of loan officers, stabilizing costs of management and decreasing network management fees, and reducing the portfolio at risk.

As the first affiliate to have introduced the new core banking system we have made great strides towards better satisfying our clients’ needs.

With an increase of loan disbursements of more than 10% in the last 12 month, we are optimistically looking into the future.”

Kyrgyzstan is expected to grow

The Kyrgyz Republic is a vibrant democracy that adopted a parliamentary system in 2011. With a population of 6 million, Kyrgyzstan is one of the few lower-middle-income countries in the Europe and Central Asia region (GNI per capita of USD 1,170 in 2015). Improved governance at the national and local levels as well as reduced corruption were the basis for the country’s economic and social development (World Bank).

Due to its high dependency on the Ruble and the Kazak Tenge, Kyrgyzstan was strongly affected by the Russian crisis. In 2016, economic activity was slowed down after the decrease in gold production. Natural resources, however, represent a huge potential for the growth of the country.

Despite difficulties in the past, the economy of Kyrgyzstan is expected to grow in the long term. According to the Asian Development Bank, GDP growth is projected to slow down to 3.0% in 2017 before recovering to 3.5% in 2018 with faster regional growth. The country ranks high in World Bank rankings on the transparency and the ease of doing business.

Tighter regulation after the introduction of an interest rate cap benefitted the microfinance market

Microfinance in the Kyrgyz Republic started when the country was established as an independent state following the collapse of the Soviet Union. The microfinance sector grew rapidly until mid-2012 when the National Bank of the Kyrgyz Republic took action to regulate the boom in micro-lending. An interest rate cap was introduced to lower the level of over-indebtedness, and additional provisions for parallel lending helped to cool down the market. Consequently, the microfinance market benefitted from stronger regulation, which led to the improvement in lending practices, a decrease in parallel lending, and the closing of several institutions charging outrageous interest rates.

Most microfinance institutions have a strong focus in the capital city of Bishkek and other urban areas.

5,359 active clients

86 staff members

8 points of sale

USD 4.7m gross loan portfolio

40.1 % yield on portfolio (YTD)

104.8 % operational self sufficiency (YTD)



Market potential and outlook

OXUS Kyrgyzstan has successfully increased the size of its portfolio by 15% in 2016, while the microfinance market dropped by 2%

Founded in 2006, OXUS Kyrgyzstan was the second MFI of OXUS. Despite high competition, especially in urban areas, OXUS Kyrgyzstan has managed to position itself strongly in the market by focusing primarily on the rural population. After a consolidation phase, which included a change in management between 2014 and 2015, as well as the migration to the new Core Banking System in 2016, OXUS Kyrgyzstan started growing again thanks to new opportunities. In spite of the difficulties on the exchange market between 2015 and 2016, OXUS has successfully increased the size of its portfolio by 15% in 2016, while the microfinance market dropped by 2%.

Despite the economic crisis, the institution has a low level of risk. Efficient control processes ensured a PAR30 of 1.8% at the end of 2015, and 3.1% at the end of 2016 (2.0% for PAR30-180).

With the newly introduced core banking system, OXUS Kyrgyzstan benefits from better operational efficiency, which will ensure its profitability. The system allows to develop customer relationships management to encourage customers loyalty, to improve the follow-up of loans to better respond to clients' needs, to facilitate the implementation of new partnerships to develop the Alternative Delivery Channel and offer new products, and to launch the digitalization of operations on the field.



Yris' success story

Yris, 44 years old, works as a seamstress in a clothing factory in Bishkek. She wants to increase her level of life. That is why she decided to take a loan from OXUS Kyrgyzstan to buy her own sewing machines and to be able to work at home.

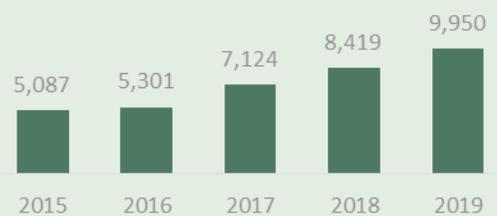
With the KGS 70,000 (USD 1,000) she got from OXUS in October 2016, she bought two sewing machines – one special for hems. This allowed her to become self-employed and increase the income for the family.

Portfolio and active clients

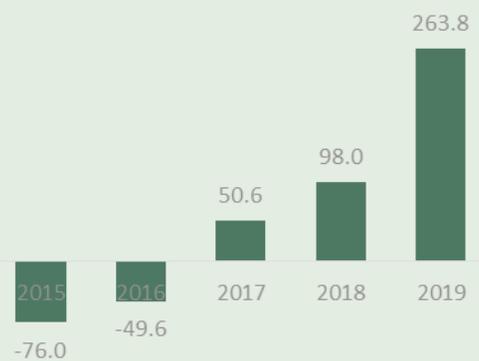
Gross loan portfolio (MUSD)



Active clients



Net result (K USD)



PAR 30 (%)



Consolidated figures

Key figures (USD)	Dec-15 *	Dec-16 *	Mar-17
General			
# countries of intervention	4	4	3
# active borrowers	60,329	56,846	40,637
# branches/PoS	66	72	66
# total staff	956	1,018	794
# loan officers	440	482	381
Productivity / Efficiency			
# Loans Disbursed (YTD)	67,349	55,640	9,870
Amount of Loans Disbursed (YTD)	56,029,456	49,997,513	9,471,970
Average disbursed loan size	767	871	861
Annualized OPEX ratio	23.1%	28.7%	21.4%
Sustainability / Profitability			
Annualized ROA	-2.9%	-6.1%	-2.5%
Annualized ROE	-21.8%	-53.9%	-35.2%
Operational self-sufficiency (YTD)	93.4%	71.5%	94.5%
Asset / Liability Management			
Gross loan portfolio	40,658,753	38,432,801	33,255,444
Annualised yield on GLP	33%	35%	30%
GLP growth	-5.5%	-5.5%	-13.5%
Share of portfolio in local currency **	78%	79%	79%
Portfolio quality			
PAR 30 (%)	4.0%	6.9%	6.8%
Net Income (YTD)			
Net Income (YTD)	-1,677,471	-3,400,825	-208,474
Net Income without OXUS DRC (YTD)	-619,299	-1,191,865	-208,474

	OXH	OAF	OKG	OTJ
# independent board members	2	1	2	1
# staff in local audit departments	1	6	2	5

* With OXUS DRC

** 100% for OAF and OKG

The OXUS Group (through ACTED) is financed by leading French financial institutions

Highly involved in the innovation in the fundraising process for solidarity-based organizations, ACTED has been one of the first NGOs to issue sustainable bonds. This fundraising is done by OXUS main shareholder. Bonds are issued by ACTED, subscribed by leading French organizations and ultimately lend by ACTED to OXUS.



OXUS Group is financed by local and global banks and development agencies



OXUS is financed by the global leading Microfinance Investment Vehicles



A message from Eric Campos, Managing Director of Grameen Crédit Agricole Foundation

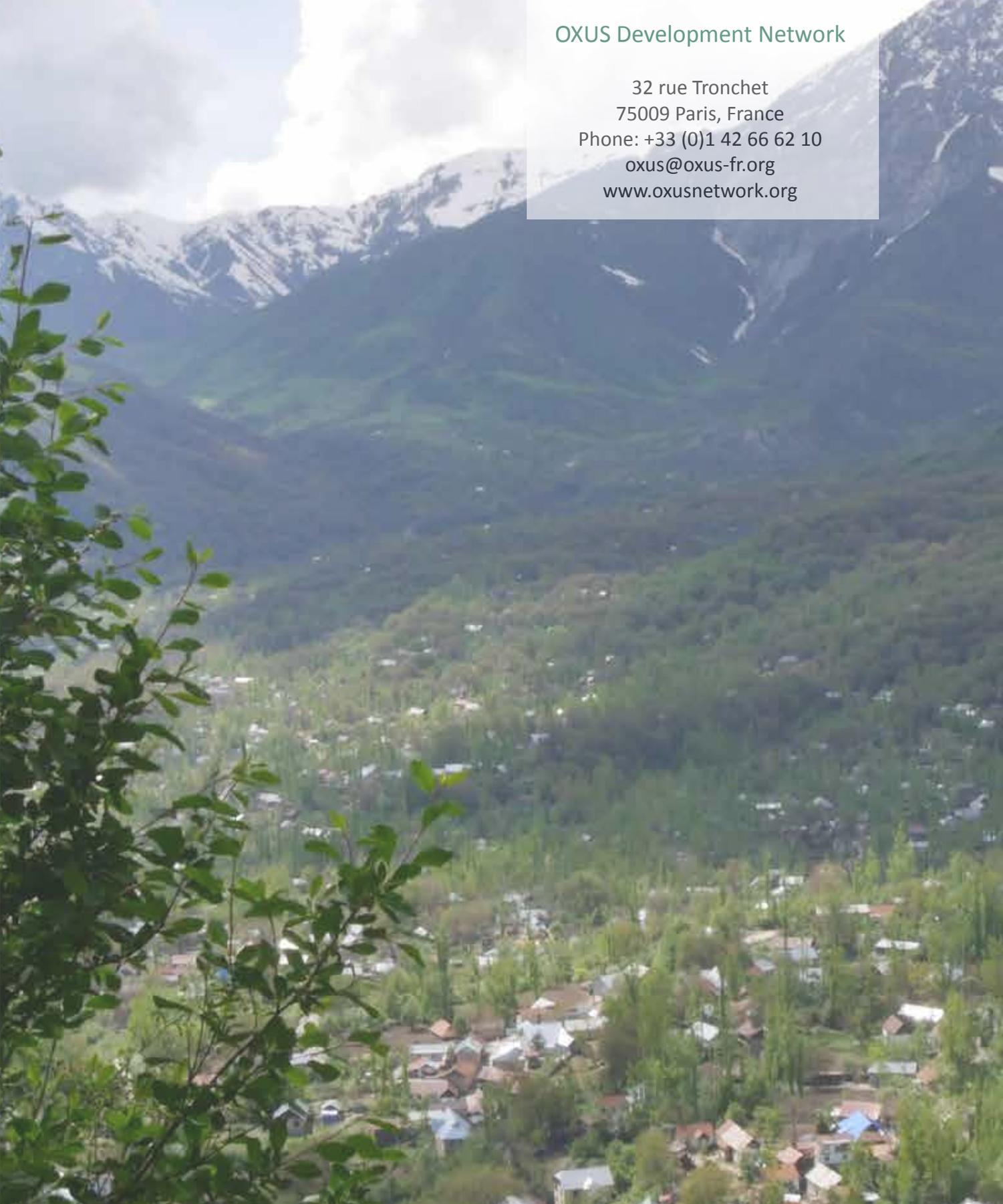
Aiming to participate in efforts to fight against poverty by committing to sustainable development of an inclusive financial sector, Grameen Credit Agricole Foundation has been pleased to start collaboration with OXUS Kyrgyzstan last summer, after a long collaboration with OXUS network in Tajikistan and later in DRC.

Due to its strong social mission and impact on the final micro entrepreneurs (particularly farmers in rural areas of South Kirghizstan), we are convinced that OXUS will continue having a great impact on the lives of the poor and are looking forward to future collaboration.

Our successful cooperation with OXUS in the last months has already incited us to increase our commitment in Kyrgyzstan at the start of 2017.

Credits

Editors: Mareike Nelle, Sébastien Duquet
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 OXUS, ACTED



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