

Fonkoze S.A.  
Sèvis Finansye Fonkoze, S.A.  
Annual Report 2015







Sèvis Finansye  
Fonkoze

SÈVIS FINANSYE FONKOZE, S.A.  
119, Ave Christophe, Port-au-Prince, Haïti  
USA or Canada: 1-800-293-0308  
Other International: +509 2816-2050

FOUNDED in 2004, Sèvis Finansye Fonkoze, S.A. (SFF) is Haiti's leading microfinance organization offering a full range of financial services to Haiti's rural poor.

The name 'Fonkoze' is a Kreyòl acronym for Fondasyon Kole Zèpòl which translates as 'Shoulder to Shoulder Foundation.' The Fonkoze Foundation started Fonkoze's microfinance programs and created SFF to expand their work on a sustainable basis.

SFF and the Fonkoze Foundation are proud to stand shoulder to shoulder with our 200,000 plus clients throughout Haiti.

With a renewed focus on our double bottom line, we are taking steps to become a stronger institution and as they say in Haiti, "Lè ou konn kote ou vle ale, ou gentan fe mwaye chemin an" "when you know where you want to go, you have already gone halfway".

As donors, investors and partners, you are part of this journey as well. Your solidarity gives Fonkoze, our employees and especially our clients the strength they need to survive against all odds. I have faith that we will continue to build a stronger, more inclusive Haiti.

Fr. Joseph Philippe, Pè Fondatè, Fonkoze Family

All photos in the report were taken by Darcy Kiefel  
[www.kiefelphotography.com](http://www.kiefelphotography.com)

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# Sèvis Finansye Fonkoze, S.A.

**S**èvis Finansye Fonkoze, S.A. (SFF), the operating subsidiary of Fonkoze S.A., is a Haitian microfinance company with a double bottom line: we aim to lift families and communities in Haiti out of poverty while operating in a financially self-sustaining manner.

Fonkoze S.A. and SFF are part of a family of organizations which are collectively referred to as **Fonkoze**. In addition to Fonkoze S.A. and SFF, the Fonkoze family includes the following organizations:

**Fondasyon Kole Zepòl** (Fonkoze Foundation) — a Haitian non-profit organization founded in 1994 by Fr. Joseph Philippe and a group of grassroots Haitian organizations with the aim of providing access to financial services and technical assistance to grassroots organizations. The Fonkoze Foundation started Fonkoze’s microfinance programs and created SFF in 2004 to expand their work on a sustainable basis. Today, the Foundation provides development services alongside and in partnership with SFF to strengthen the capacity of underserved communities to access and use effectively the financial services they need to improve their livelihoods and create prosperity.

**Fonkoze USA** — a 501(c)(3) U.S. organization founded in 1997 that raises funds (donations, grants and loans) to provide financial resources to SFF, the Fonkoze Foundation and other Haitian partners. They also raise awareness of the work of their partners and lead communication efforts for the Fonkoze family.

The Fonkoze family of organizations share the following vision and mission:

**Vision:** Fonkoze’s vision is a Haiti where people, standing together, shoulder to shoulder, have pulled themselves out of poverty.

**Mission:** Fonkoze is a family of organizations that work together to provide financial and non-financial services to empower Haitians – primarily women – to lift their families out of poverty.

The Fonkoze family of organizations, together with other stakeholders and partners, work together offering a holistic approach to alleviating poverty in Haiti.

## CLIENT PROGRESS BY NUMBERS

New Solidarity clients who suffer from food insecurity

**78%**

Number four years later

**24%**

## SFF’S BUSINESS BY NUMBERS

Number of SFF deposit account holders

**201,598**

Number of loan clients

**61,399**

# Messages From our Chairs

Julian Schroeder, Chair, Fonkoze S.A.

Dear Friends of Fonkoze,

I am delighted to welcome you to this annual report as Chair of Fonkoze S.A., the holding company of SFF; my first year in this role. Fr. Joseph Philippe had been Chair of Fonkoze S.A. since its inception but at the 2015 annual meeting he stepped down and asked me to assume the responsibilities. With his unique combination of spiritual discipline and commitment to the poor of Haiti, Fr. Joseph has been an exceptional leader of Fonkoze S.A. and the entire Fonkoze family of organizations. I consider him a friend and mentor and am honored to follow in his footsteps. Fortunately, Fr. Joseph remains active as both a board member of Fonkoze S.A. and SFF and the Chair of the Fonkoze Foundation so we will continue to benefit from his counsel.



We accomplished a great deal in the past year and exceeded both our operational and financial targets. I would like to take the opportunity to thank Matthew Brown, the CEO of SFF, and Damian Blackburn, the Board Chair of SFF, as well as all of the staff and management for their hard work in making this happen. I am pleased that this annual report lets us show our stakeholders these results. But I would also like to highlight some of the changes to the governance of Fonkoze which will help ensure the long term strength of the institution.

In particular, I would like to highlight the newly formed Fonkoze Family Council (FFC), which is helping coordinate more effective delivery of programs for the poor by the Fonkoze family. The major success of the FFC in 2015 was the agreement of a fifteen year program for the orderly repayment of an intercompany debt. This will strengthen the financial position of the Foundation and removes a significant uncertainty affecting SFF. I thank the leadership of all Fonkoze family members for flexibly considering alternatives and working collaboratively to reach a consensus. I also thank the leadership of Fonkoze USA for its willingness to take on additional burdens to resolve this issue.

For many years, we have planned to hire a Haitian firm to audit our financial accounts; and this year we retained Mérové-Pierre - Cabinet d'Experts-Comptables (MPA) to audit our financial accounts. We are very pleased with the professional standards reflected in MPA’s audit and look forward to our continued work together.

In a world that seems, at times, to be dissolving in chaos and violence, Fonkoze is a beacon for creating a more just society in a peaceful way. I believe that what the world needs is many more organizations like Fonkoze that in a quiet and modest way work every day to serve the poor. We can all be proud of our association with this unique organization.

Thank you for your continued support.



# Messages From our Chairs

Damian Blackburn, Chair, Sèvis Finansye Fonkoze, S.A.

Over the course of 2015, SFF continued to deliver on its social bottom line but now on a more financially sustainable basis. I am very pleased to report that for the first time in its history SFF recorded operating profits. I would like to congratulate our CEO, COO and management team for their exceptional leadership and our dedicated staff in developing a more financially sustainable SFF that will continue to serve the poor of Haiti.



A key accomplishment of 2015 has been the changes made to SFF's Board. This year, we welcomed five new Haitian Board members each of whom have already made important contributions to the Company. Combined with a new committee structure to improve and focus oversight on specific areas, we now have much more effective governance which will ensure the long-term sustainability of SFF.

It is exciting to see this progress which puts SFF on a path to serving more Haitians with the financial services they need than ever before. We believe that in doing so we are playing an important role in the social and economic advancement of Haiti. In the end though it is our clients who can say best what SFF means to them and in this report we have tried to give space to our clients to do just that.

# A Message from our Executives

Matthew Brown, CEO & Dominique Boyer, COO, Sèvis Finansye Fonkoze, S.A.



Since taking on the roles of CEO and COO in 2013, we have had the pleasure of leading SFF's remarkable transformation in becoming a much more sustainable organization. Year after year, we have seen strong growth in our loan portfolio and operating revenues and consistent improvements in the quality of our portfolio while staying true to our mission. Fiscal year 2015 was no exception. Once again, we exceeded our performance targets for the year. We are particularly grateful to our staff for their trust in our leadership and to our Boards for their support and guidance.

The progress made over the last few years has been more than just financial. We have also made significant progress in improving our management and systems. In 2015, we upgraded our market-leading core banking systems and continued to strengthen our credit, financial and operational risk management practices. These improvements provide the critical foundations that will allow SFF to grow and serve more clients in the future on a sustainable basis.

Looking ahead, we are very excited for what the future holds for SFF. In 2016, we will release our new 5-year business plan. Our core targets are to expand to over 260,000 clients including 100,000 active borrowers by 2020. The targets we set for ourselves are ambitious but our progress over the last three years shows both the exceptional resilience and the great potential of our humble organization especially with the continued support of our many loyal investors, funders, partners, staff and clients.



# Serving our Clients

In fiscal year 2015 (ending September 30), SFF outperformed its business plan and delivered profits on an operating basis for the first time. The Company continues to offer a full suite of financial services in our 45 branches nationwide, achieving the following results:

**LOANS:** With nearly 61,400 active loan clients (99% women), loans range in size and duration in accordance with client needs and capacity.  
 ⇒ \$12.1 million loan portfolio  
 ⇒ \$28.5 million disbursed  
 ⇒ 123,602 loans disbursed

**SAVINGS:** SFF's savings clients range from individuals who have never had a savings account before to formal busi-

nesses, schools, churches and NGOs.

- ⇒ 201,599 savings accounts
- ⇒ \$23.4 million in savings
- ⇒ 6,060 daily transactions

**MONEY TRANSFERS:** With remittances making up 23% of Haiti's Gross Domestic Product SFF's facilitation of international money transfers — provided through CAM and MoneyGram — is an essential contribution towards the Haitian economy. SFF also facilitates "Mon Cash," a mobile phone-based domestic money transfer service utilized by our clients.

- ⇒ \$75.0 million in transfers
- ⇒ 249,164 transactions

**CURRENCY EXCHANGE:** Both US Dollars and Haitian Gourdes

are accepted and used widely in Haiti. SFF provides valuable currency exchange services for our clients.  
 ⇒ \$101.9 million in total transactions

**PAYROLL MANAGEMENT:** SFF supports organizations — including those based overseas — to complete regular payroll cycles. For example, a charitable institution in the United States that sponsors a school in Haiti will send a lump sum to SFF that is deposited directly in their employees' savings accounts. In fiscal year 2015, SFF provided payroll services to 28 such organizations.





**ADRIENNE DOSSOU**  
SOLIDARITY CLIENT

“I work with SFF because I know they will be there for me when I need them.”

Adrienne Dossou  
Marigo, Sud-Est

Adrienne has been a Solidarity client of SFF for over 10 years. Through loans of around HTG 5,000 (USD 95) delivered through a credit center close to her home Adrienne is able to buy the flour she needs to make bread to sell in her local market. With the profits she makes she is able to invest in developing her own food production and provide for her family.

Adrienne pictured at a Center meeting



**ILIAMÈNE JOSEPH**  
KREDI INDIVIDYEL NAN SANT

“Without Fonkoze I would not be where I am today.”

Iliamène Joseph  
Marigo, Sud-Est

Iliamène has been with Fonkoze since 1996 when she took out her first loan of HTG 1,500 (USD 28). Through multiple loan cycles as a Solidarity Group member she was able to grow a strong business selling food staples and second hand clothing.

Iliamène is now benefiting from SFF’s new center based individual lending program, Kredi Individyel Nan Sant. This has allowed her to grow to manage a HTG 75,000 (USD 1,440) loan and expand her business.



Iliamène Joseph (in pink) with fellow Solidarity client, Italia Benjamin



**CLAUDE DEBROSSE**  
BUSINESS DEVELOPMENT CLIENT

“I want to continue growing my business with SFF.”

Claude Debrosse  
Gantye, Ouest

Through a HTG 500,000 loan (USD 9,615) Claude's concrete block making business has been able to buy the vital equipment it needs to increase production. In just four short months he has increased block production by nearly 45%.

SFF's loan program for Haiti's concrete block makers is carried out in partnership with REZO, a network of accredited construction sector companies co-ordinated by Build Change, an international NGO. Through this program SFF is supporting the development of a business led solution to Haiti's post-earthquake reconstruction.



Claude (first from right) with employees at his concrete block factory





**LORANIE BALTAHAZAR**  
SAVINGS CLIENT

“I know I can count on SFF.”

Loriane Balthazar  
Marigo, Sud-Est

In recent years when Loriane’s home and business were damaged by heavy rain and flooding she did not lose hope. Instead she went to her local Fonkoze branch to withdraw funds from her savings account to get her through those tough times.

Loriane is one of SFF’s over 200,000 savings clients. For many rural women like Loriane having a safe place to keep their savings can be a lifesaver if disaster strikes. While most banks in Haiti are located in urban areas, particularly the capital, many of SFF’s branches operate in areas where we are the only provider of this vital service.

Loriane pictured at SFF’s Marigo branch



# Serving Our Clients

## FULL SERVICE MICROFINANCE INSTITUTION INDIVIDUAL AND BUSINESS SERVICES



SFF offers a full suite of microfinance services throughout its network of 45 branches. No other institution in Haiti offers as wide a range of services in as many locations.

Through SFF's range of lending products SFF is able to reach the poorest of the economically active poor in the most rural areas.

### Center Based Microcredit

The core of SFF's business is its microcredit delivered through a network of over 2,000 credit centers. In each center, 6 to 10 groups of 5 women meet in their local area and make loan repayments. Through the group women receive the support they need to grow their business and make loan repayments. SFF of-

fers three levels of center-based credit with increasing loan sizes: (1) Ti Kredi; (2) Solidarity Group and; (3) Kredi Individyèl Nan Sant.

**Ti Kredi:** This loan product offers women a small initial loan of just HTG 2,000 (USD 33), shorter repayment periods and additional support from their loan officer including education

and skills training. Once they have finished paying off the first loan they are given a second loan of HTG 3,000 (USD 58). Women who have an active business, a savings account and have repaid both loans are eligible to graduate to Solidarity Group Credit. During FY2015, more than 6,798 women entered the Ti Kredi loan program and by the end of that year 9,378 of SFF's active loan clients were graduates of Ti Kredi.

**Solidarity Group Credit** is SFF's core program. Groups of five women organize themselves into solidarity groups that borrow jointly.

Starting with three-month loans of HTG 3,000 (USD 58), women can grow within the program until they are borrowing sums as

large as HTG 60,000 (USD 1,154) for six months. The groups meet twice a month for literacy, business and other educational trainings and to repay loans. In FY2015, a total of 108,213 Solidarity loans were disbursed totaling HTG 1.05 billion (USD 20.1 million).

**Kredi Individual Nan Sant** is an individual loan product that is also delivered to women within a credit center. Introduced in 2015, it allows women to take larger individual loans but still benefit from the support of the community structure provided in the credit center. Many clients graduate to this product from a group loan. We also offer the flexibility for clients with larger businesses to start directly with this product. Loans start at HTG 15,000 and reach up to HTG 100,000.

The expansion of this loan product with larger loan amounts will result in an increase in average outstanding loan sizes (including Solidarity) from HTG 11,286 at FY2015 to HTG 16,866 by FY2020.

### MICROCREDIT

#### BY THE NUMBERS

Microcredit loans  
disbursed in FY2015

**122,266**

Average loan size

**HTG 10,140**

Write-off ratio

**2.5%**

SFF Solidarity clients pictured at a center meeting near Marigo





**Business Development Loans** are our larger individual loans which provide terms up to 12-months and start at HTG 45,000 (USD 750). Some clients borrow HTG 1 million (USD 16,700) or more. These larger loans are currently delivered and administered in 33 branches. The program helps clients become part of the formal economy and creates jobs in rural areas where there is limited employment. Business development loans are provided to both women and men. Typically loans are used for working capital purposes for commerce businesses in a range of sectors including basic food-stuffs, construction materials, drinks and clothing. In FY2015, a total of 1,245 Business Development loans were disbursed totaling HTG 120.5 million (USD 2.3 million).

**Small and Medium Enterprise:** (SME) loans are our largest individual lending product. Loans start at HTG 500,000 (USD 8,300) and can reach up to HTG 9.0 million (USD 150,000). SME loans are managed through a specialized department based in Port-au-Prince. SFF has gradually increased its lending to SMEs including to successful entrepreneurs that have expanded businesses with requirements that exceed maximum Solidarity Loan sizes; Madam Saras, women who import goods and sell, in part, to

*Ti Machann* (merchants who make up the majority of our Solidarity clientele); clients purchasing agricultural goods for distribution to schools in Haiti; artisans who are scaling up exports to retailers in the United States and other countries; and light manufacturers.

**INDIVIDUAL CREDIT BY THE NUMBERS**

Loan Portfolio Sept 2015  
**HTG 163.9 M**

Disbursed Loans FY2015  
**HTG 248.0 M**

<b>HISTORICAL DATA ON SAVINGS</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>
<b>Passbook Savings</b>				
USD	11,030,629	11,276,089	10,150,123	9,734,705
HTG	572,551,529	650,503,652	639,998,984	680,784,940
Total Savings in HTG	1,039,392,025	1,143,752,450	1,102,415,259	1,188,368,995
<b>Term Deposits</b>				
USD	424,402	158,590	192,005	161,232
HTG	40,531,278	38,877,084	23,104,837	25,734,445
Total Term Deposits in HTG	58,492,924	45,814,289	31,852,143	34,150,355
<b>Total all Deposits in HTG</b>	<b>1,097,884,949</b>	<b>1,189,566,739</b>	<b>1,134,267,402</b>	<b>1,222,519,350</b>

**Savings Services:** SFF offers two types of deposit products. *Passbook Savings:* Passbook savings accounts function as normal demand deposit accounts. Clients can access their savings at any one of SFF's 45 branches at any time. Clients are given a paper Passbook that is used to record account transactions and acts as a form of identification for other SFF interactions. In a country where there is a low level of trust in financial institutions, the passbook offers a physical reassurance of clients' assets. *Term Deposits:* Term Deposits behave like certificates of deposit. Clients deposit amounts of money in HTG or USD into blocked accounts that yield a fixed rate over a specified amount of time (between 3 and 18 months). Term Deposits appeal to clients who want to earn a greater return on their deposits

and are able to give up immediate access to liquidity to do so. Clients use Term Deposits as a form of forced savings, e.g. using Term Deposits that mature just before the school year in order to ensure they have access to cash for school fees and uniforms. Term Deposits are also used by organizations that receive project funding upfront and know they will not need to access the full amount until later in the project cycle.

# Our Leadership

## Boards of Directors

### Fonkoze S.A.

Julian Schroeder, Chair (06/15—Present)  
Brian Kearney-Grieves, Vice-Chair  
Daniel Robinson, Secretary  
Deanna Durban, Director  
Chantal Hudicourt-Ewald (2007—06/15)  
Guy Paraison, Director  
Fr. Joseph Philippe, Director (Chair 10/14 – 06/15)

### Sèvis Finansye Fonkoze, S.A.

Damian Blackburn, Chair (03/15 – Present)  
Brian Kearney-Grieves, Vice-Chair  
Mary-Joe Sentner, Secretary  
Matthew Brown, Director  
Daniel Dorsainvil, Director  
Michèle Duvivier Pierre-Louis, Director  
Fabienne Jolivert, Director  
Geneviève Michel, Director  
Guy Paraison, Director  
Fr. Joseph Philippe, Director (Chair 10/14 – 03/15)  
Daniel Robinson, Director  
Ben Simmes, Director

### FONKOZE LEADERSHIP BY THE NUMBERS

Female Board Members (across Boards)

**39%**

Female Senior Management Team

**55%**

### Board Committee Lay Members

Leigh Carter, Capital Committee  
Therese Feng, Capital Committee  
Florence Dejean, Audit Committee  
Marie-Helene Perron, Audit Committee

## Management Team

### Key Staff

Matthew Brown, Chief Executive Officer  
Dominique Boyer, Chief Operating Officer

Lissa Petit-De, Finance Director  
Marlise Voltaire, Zonal Director  
Alexandre Hector, Zonal Director  
Pelex Flereme, Legal & Compliance Director

Esthèbe Charles, Internal Control Manager  
Yveline Morgan, Human Resources Manager  
Marie-Claire Dorcely, Training Manager  
Jean Jackson Platel, IT Manager  
Christian Telisma, Internal Audit Coordinator

### SFF STAFF BY THE NUMBERS

Number of full time staff members

**746**

Branch Staff

**670**

Of which Loan Officers

**243**

Jocelyne Jacquet, Solidarity Client, Aken





## PAULENE ULYSSE

LOAN OFFICER

“I’ve always dreamed of working with people in need.”

Paulene Ulysse  
Milo, Nord

For the past 4 years Paulene has been working as a loan officer in SFF’s Milo branch. Accompanying her 403 clients through thick and thin she has seen and helped their businesses grow, guiding them along the way.

Paulene is just one valuable member of SFF’s team of 746 employees including 243 loan officers who work everyday on the field to impact client lives.



Paulene (on motorcycle) with Solidarity client Lumane Thurin



# Financial Statements

FONKOZE S.A. and subsidiary Sèvis Finansye Fonkoze, S.A.

Consolidated Balance Sheets

September 30, 2015 and 2014

(Expressed in Haitian Gourdes)

	2015	2014
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	G 267,894,318	298,145,190
Term deposits	61,812,996	53,198,891
Loans	632,884,965	498,975,121
Impairment provision	<u>(14,623,728)</u>	<u>(14,437,655)</u>
Net loans	618,261,237	484,537,466
<b>OTHER CURRENT ASSETS</b>		
Interest receivable on loans	21,758,980	16,859,218
Accounts receivable	35,666,957	41,936,971
Prepaid expenses and supplies	<u>16,995,116</u>	<u>11,293,679</u>
	74,421,053	70,089,868
Total current assets	G 1,022,389,604	905,971,415
<b>NON - CURRENT ASSETS</b>		
Equity investments	4,174,334	23,307,485
Fixed assets, at cost	280,913,307	252,700,232
Accumulated depreciation	<u>(112,762,259)</u>	<u>(99,221,785)</u>
Fixed assets, net	168,151,048	153,478,447
Note receivable – Related party	161,068,253	165,744,323
Other assets	37,669,023	39,820,860
<b>TOTAL ASSETS</b>	G 1,393,452,262	1,288,322,530
<b>CURRENT LIABILITIES</b>		
Deposits	G 1,222,519,351	1,134,267,402
Bank line of credit	19,911,464	-
Subordinated notes- current portion	8,436,527	3,271,043
Other notes payable	86,564,375	86,792,940
Other current liabilities	<u>55,969,932</u>	<u>69,181,214</u>
Total current liabilities	1,393,401,649	1,293,512,599
<b>NON-CURRENT LIABILITIES</b>		
Other notes payable	108,686,773	99,419,125
Long-term subordinated notes	3,775,059	9,904,244
Other non-current liabilities	<u>10,082,689</u>	<u>455,577</u>
Total non-current liabilities	122,544,521	109,778,946
<b>TOTAL LIABILITIES</b>	G 1,515,946,170	1,403,291,545
Authorized Shares & Capital Surplus	359,578,991	358,625,516
Accumulated deficit	(484,880,940)	(477,416,296)
Accumulated other comprehensive income	<u>2,808,041</u>	<u>3,821,765</u>
	(482,072,899)	(473,594,531)
<b>Total Shareholders' equity</b>	(122,493,908)	(114,969,015)
<b>TOTAL LIABILITIES AND EQUITY</b>	G 1,393,452,262	1,288,322,530

The financial statements presented herein are summaries of the Fonkoze S.A. consolidated financial statements and footnotes thereto for FY2015 available to shareholders upon written request.

FONKOZE S.A. and subsidiary Sèvis Finansye Fonkoze, S.A.

Consolidated Statements of Operations

September 30, 2015 and 2014

(Expressed in Haitian Gourdes)

	2015	2014
<b>INTEREST INCOME</b>		
Loans	G 313,520,839	247,808,935
Other	892,234	363,189
Total interest income	314,413,073	248,172,124
<b>INTEREST EXPENSES</b>		
Deposits	3,896,071	4,522,371
Debt	9,887,212	7,129,441
Total interest expense	13,783,283	11,651,812
<b>NET INTEREST INCOME</b>	300,629,790	236,520,312
Provision for loan losses	(22,859,040)	(23,239,158)
Net interest income after provision for loan losses	277,770,750	213,281,154
<b>OTHER OPERATING INCOME</b>		
Income from foreign exchange - Trading	64,613,950	28,454,941
Income from remittance services	15,883,699	20,750,269
Savings accounts fees	15,315,820	17,800,920
Recoveries of loans written off	3,793,294	9,551,724
Membership dues	-	3,454,970
Other	<u>4,339,112</u>	<u>6,848,727</u>
	103,945,875	86,861,551
<b>Net interest and other income</b>	G 381,716,625	300,142,705
<b>OPERATING EXPENSES</b>		
Personnel expenses	222,826,514	205,436,842
Premises and equipment expenses	29,735,775	28,708,927
Depreciation and amortization	17,751,463	17,967,014
Other expenses	92,919,107	89,907,333
Total operating expenses	363,232,859	342,020,116
<b>NET PROFIT (LOSS) FROM OPERATIONS BEFORE OTHER INCOME (EXPENSES) AND INCOME TAXES</b>	G 18,483,766	(41,877,411)
<b>OTHER INCOME (EXPENSES)</b>		
Unrealized loss on foreign exchange	(57,502,696)	(9,825,916)
Catastrophe insurance premium	(9,256,246)	(17,780,526)
Loss on liquidation/revaluation of MICRO investment	(204,893)	(44,559,696)
Grants	35,770,139	45,608,313
Other non-operating income	6,295,954	4,432,235
Credit life micro insurance	-	(4,331,077)
Kore W catastrophe insurance expense	-	(80,920)
Total other expenses	(24,897,742)	(26,537,587)
<b>Net operating profit (loss) before income taxes</b>	G (6,413,976)	(68,414,998)
Provision for income taxes	-	(2,910,000)
<b>NET PROFIT (LOSS)</b>	G (6,413,976)	(71,324,998)
<b>Net profit (loss) per share</b>	G (1.22)	(13.49)



# Financial Statements

FONKOZE S.A. and subsidiary Sèvis Finansye Fonkoze, S.A.

Consolidated Balance Sheets

September 30, 2015 and 2014

(Expressed in USD)

	2015	2014
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 5,137,813	\$5,717,980
Term deposits	1,185,481	1,020,275
Loans	12,137,789	9,569,598
Impairment provision	<u>(280,461)</u>	<u>(276,893)</u>
Net loans	11,857,328	9,292,706
<b>OTHER CURRENT ASSETS</b>		
Interest receivable on loans	417,305	323,335
Accounts receivable	684,039	804,289
Prepaid expenses and supplies	<u>325,941</u>	<u>216,596</u>
	1,427,285	1,344,219
Total current assets	\$ 19,607,907	17,375,180
<b>NON - CURRENT ASSETS</b>		
Equity investments	80,058	447,003
Fixed assets, at cost	5,387,498	4,846,413
Accumulated depreciation	<u>(2,162,612)</u>	<u>(1,902,926)</u>
Fixed assets, net	3,224,886	2,943,488
Note receivable – Related party	3,089,049	3,178,729
Other assets	722,435	763,705
<b>TOTAL ASSETS</b>	\$ 26,724,335	24,708,104
<b>CURRENT LIABILITIES</b>		
Deposits	\$ 23,446,097	21,753,556
Bank line of credit	381,872	-
Subordinated notes- current portion	161,800	62,733
Other notes payable	1,660,176	1,664,559
Other current liabilities	<u>1,073,421</u>	<u>1,326,792</u>
Total current liabilities	26,723,366	24,807,641
<b>NON-CURRENT LIABILITIES</b>		
Other notes payable	2,084,450	1,906,710
Long-term subordinated notes	72,400	189,949
Other non-current liabilities	<u>193,370</u>	<u>87,737</u>
Total non-current liabilities	2,350,220	2,105,396
<b>TOTAL LIABILITIES</b>	\$ 29,073,586	26,913,038
Authorized Shares & Capital Surplus	6,896,188	6,877,902
Accumulated deficit	(9,299,293)	(9,156,132)
Accumulated other comprehensive income	<u>53,854</u>	<u>73,296</u>
	(9,245,439)	(9,082,836)
<b>Total Shareholders' equity</b>	<b>(2,349,251)</b>	<b>(2,204,934)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 26,724,335</b>	<b>24,708,104</b>

FONKOZE S.A. and subsidiary Sèvis Finansye Fonkoze, S.A.

Consolidated Statements of Operations

September 30, 2015 and 2014

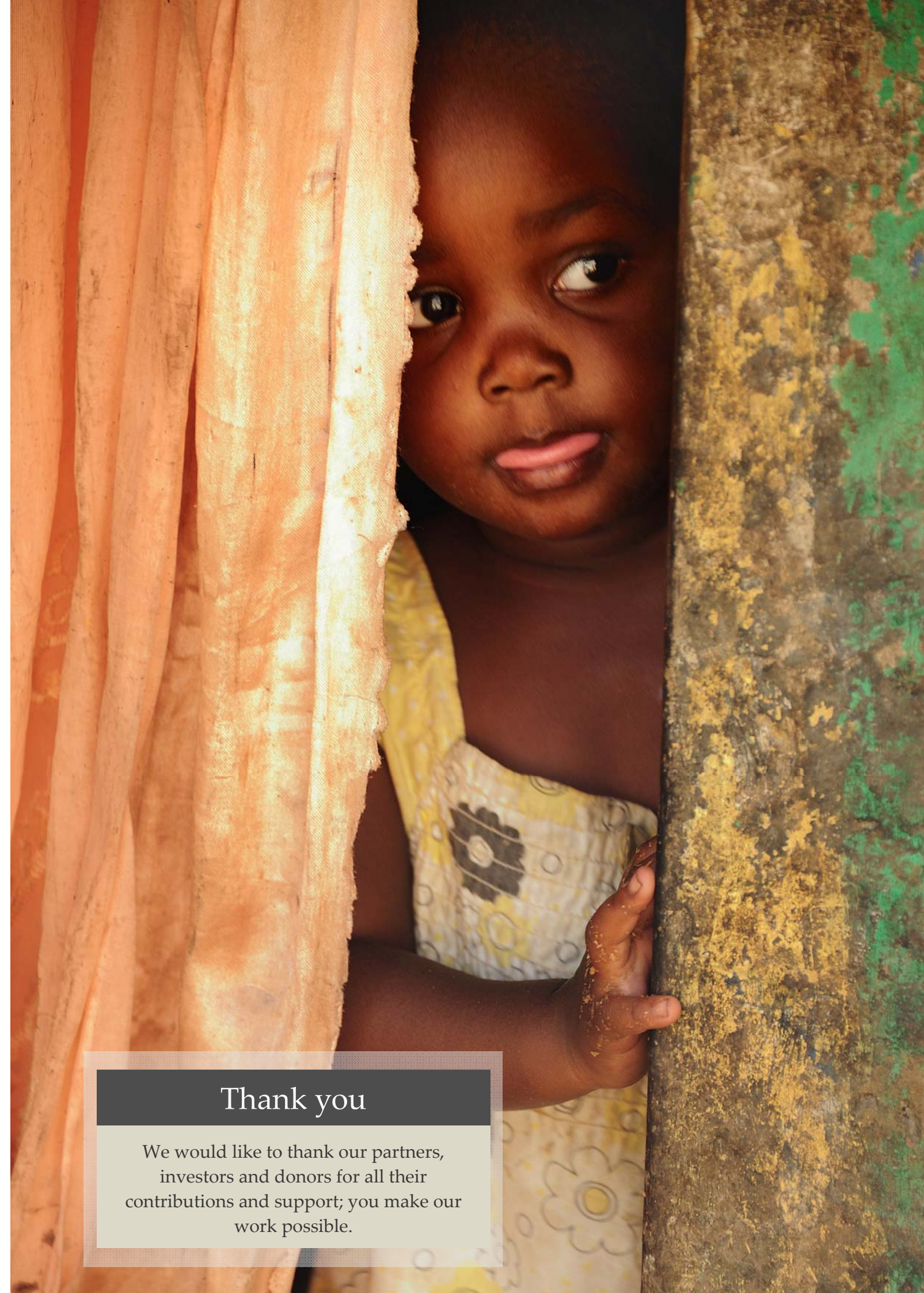
(Expressed in USD)

	2015	2014
<b>INTEREST INCOME</b>		
Loans	\$ 6,415,195	4,752,59
Other	<u>18,257</u>	<u>6,965</u>
Total interest income	6,433,452	4,759,571
<b>INTEREST EXPENSES</b>		
Deposits	79,721	86,732
Debt	<u>202,310</u>	<u>136,732</u>
Total interest expense	282,031	223,464
<b>NET INTEREST INCOME</b>	<b>6,151,421</b>	<b>4,536,107</b>
Provision for loan losses	<u>(467,737)</u>	<u>(455,692)</u>
Net interest income after provision for loan losses	5,683,684	4,090,414
<b>OTHER OPERATING INCOME</b>		
Income from foreign exchange - Trading	1,322,117	545,723
Income from remittance services	325,009	397,959
Savings accounts fees	313,389	341,395
Recoveries of loans written off	77,618	183,188
Membership dues	-	66,261
Other	<u>88,786</u>	<u>131,348</u>
	2,126,919	1,665,875
<b>Net interest and other income</b>	<b>\$ 7,825,304</b>	<b>5,756,289</b>
<b>OPERATING EXPENSES</b>		
Personnel expenses	4,559,427	3,939,972
Premises and equipment expenses	608,447	550,594
Depreciation and amortization	363,227	344,581
Other expenses	<u>1,901,291</u>	<u>1,724,288</u>
Total operating expenses	7,432,392	6,559,435
<b>NET PROFIT (LOSS) FROM OPERATIONS BEFORE OTHER INCOME (EXPENSES) AND INCOME TAXES</b>	<b>\$ 378,210</b>	<b>(803,146)</b>
<b>OTHER INCOME (EXPENSES)</b>		
Unrealized loss on foreign exchange	(1,176,608)	(188,446)
Catastrophe insurance premium	(189,399)	(341,004)
Loss on liquidation/revaluation of MICRO investment	(4,192)	(854,588)
Grants	731,921	874,699
Other non-operating income	128,826	85,004
Credit life micro insurance	-	(83,064)
Kore W catastrophe insurance expense	-	(1,552)
Total other expenses	(509,452)	(508,951)
<b>Net operating profit (loss) before income taxes</b>	<b>\$ (131,242)</b>	<b>(1,312,098)</b>
Provision for income taxes	-	(55,809)
<b>NET PROFIT (LOSS)</b>	<b>\$ (131,242)</b>	<b>(1,367,907)</b>
<b>Net profit (loss) per share</b>	<b>\$ (0.02)</b>	<b>(0.26)</b>



# Funders & Partners FY2015

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Sisters of the Holy Cross, Inc  
Sisters of the Holy Names of Jesus and Mary  
Sisters, Servants of the Immaculate Heart of Mary  
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St. Bridget Church, Manchester, CT  
St. Martin de Porres Catholic Worker House  
Susan Metz  
Swiss Re  
Timothy Cimino  
USAID  
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Thank you

We would like to thank our partners, investors and donors for all their contributions and support; you make our work possible.





## Contact Us

### Head Office

119, Avenue Christophe  
Port-au-Prince, Haiti  
+509 2816-2050  
1-800-293-0308

### Artibonite

#### Gonayiv

23, Ri Louvèti

#### Gwomòn

153, Ri Pale

#### Ponsonde

Anfas Mache Piblik

#### Senmichel

Rue Gèrye, Anfas Legliz Siyon

#### Sen Rafayel

Ri Sen Jan

#### Ti Rivye Latibonit

53, Ri Stenyo Vensan

### Centre

#### Beladè

25, Ri Sen Chal

#### Boukan-Kare

Wout Boukankare

#### Ench

73, Ri Jan Jak Desalin

#### Mibale

38, Gran Ri, Jean Jak Desalin

#### Sodo

Anfas Legliz Monkamel

#### Tomonn

Bladelonn, akote Zanmi Lasante

### Grande-Anse

#### Bomon

Gran Ri anfas Komisarya

#### Jeremi

8, Ri Ortensius Mèlè

### Nord

#### Lenbe

133, Wout Nasyonal #1 ak Ri Molen

#### Milo

224, Ri Jefra

#### Okap

72, Ri 12-A

#### Pomago

Ang Ri Magarit ak Solèy

#### Piyon

Lakòs anfas Ayopo Piyon

### Nord-Ouest

#### Janrabel

97, Ri Sen Pyè

#### Podpe

Ri Dimase Estime Plasdam

### Ouest

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Kazo anfas Komisarya

#### Fondwa

Wout Jakmèl, Tonm Gato

#### Gantye

Wout Malpas anfas Komisarya

#### Lagonav

5, Ri Feliks, Zòn Plas Piblik

#### Latwazon

Koniyon nan Mache Latwazon

#### Leyogan

Ri Lakwa pi ba Lopital Ste Croix

#### Potoprens

Ri O, Turgeau

#### Twen

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#### Kabare

Wout Nasyonal #1 bò kote Mache a

### Nippes

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#### Tirivye de Nip

Ri Sen Lorán

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#### Montoganize

Gran Ri Montoganize

#### Twoudino

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#### Wanamant

296, Gran Ri Espanyòl

### Sud

#### Aken

Ri Egalite

#### Fondeblan

Abitasyon Sentòn

#### Okay

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#### Okoto

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Ri Bel-Air

#### Jakmel

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#### Lavale

Anfas Tribinal ak Komisarya

#### Marigo

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#### Tyot

Ri Mak Pelak

