

**GCPF
ANNUAL
REPORT
2018**

2018



**GLOBAL CLIMATE
PARTNERSHIP FUND**
managed by responsAbility

»» CONTENTS

GCPF ANNUAL REPORT 2018

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“In 2018, GCPF continued to strengthen its position as a leader in climate financing by further improving its outreach, diversification and risk-return profile.”

Claudia Arce,
Chairperson of the Board



2018 was an outstanding year for the Global Climate Partnership Fund for a whole series of reasons:

IMPACT: With climate change mitigation as its key objective, CO₂ emission reduction is one of the Fund's key performance indicators. Projects financed in 2018 alone accounted for 2.8 million t of expected lifetime CO₂ emission reduction bringing the total to 12.8 million t, a 27% increase compared to 2017.

SCALE: The Fund's invested portfolio passed the USD 500 million threshold, ending the year at USD 504 million. On the funding side, GCPF kept on building a healthy base with commitments that increased by USD 51 million to a total of USD 667 million.

OUTREACH: Since inception, partner institutions have disbursed a cumulative amount of USD 599 million through more than 74,200 sub-loans, a 28% increase over 2017.

DIVERSIFICATION: While growing, GCPF further diversified its portfolio in terms of geography, asset classes and loan currencies. 7 new partner institutions and 3 new countries were added to the portfolio, which now includes 34 counterparties in 25 markets.

OFFERING: Responding to partner institutions' demand for local currency funding, the Fund for the first time disbursed loans in currencies other than USD, hedging all transactions against currency risk.

KNOW-HOW TRANSFER: Adding value through Technical Assistance is one of GCPF's main differentiators. In 2018, the Fund's Technical Assistance Facility launched a record 52 new projects to support partner institutions with know-how and technical support, thus continuing to develop and strengthen relationships with partner institutions.

All of this demonstrates the Fund's ability to adapt to the demands of the market and its responsiveness to changing environments.

THE GLOBAL CLIMATE PARTNERSHIP FUND

» 2018



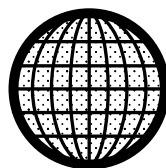
12.8 m t

Total expected lifetime
CO₂ emission reduction for
projects financed since
inception of the Fund



USD 504 m

invested capital



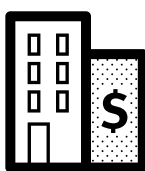
25

investment
countries



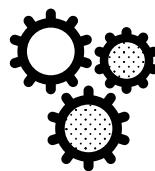
74,251

sub-loans disbursed
by partner
institutions since
inception



34

partner institutions



52

Technical Assistance
projects initiated

HIGHLIGHTS

»» 2018

12.8 million t of lifetime CO₂ emission reduction

The total expected lifetime CO₂ emission reduction for all projects financed by the Fund since inception reached 12.8 million t. This is more than the annual emissions of a country like Georgia (11 million t CO₂/year). 107 MW of new renewable energy capacity was added, generating energy equivalent to the consumption of more than 50,000 European homes.

More than USD 100 m disbursed

The Fund disbursed USD 111 million to new or existing partners. The portfolio grew from USD 482 million at the end of 2017 to USD 504 million at the end of 2018.

Increased diversification

The fund added seven new partner institutions to the portfolio: LOLC in Cambodia, Acceso Crediticio in Peru, BasisBank in Georgia, Nam A Bank in Vietnam, Hodson Renewable in India, Solar Now in Uganda and Redavia in Ghana. By adding three new markets, the Fund continued to increase its geographical reach.

Local currency financing

2018 was the first year in which the Fund disbursed several loans in currencies other than USD. The Fund has disbursed loans in euro, Peruvian nuevo sol, Indian rupee and Ugandan shilling. While these local currency

loans represent a small portion of the portfolio (4%), they help partner institutions to reduce the currency risk on their balance sheet. All local currency loans are fully hedged against the USD.

Healthy funding base

Two new private investors - Heilsarmee Schweiz and Sparkasse Bremen - purchased Notes issued by the Fund for a total of USD 9 million. Moreover, two existing investors increased their funding commitments: the Austrian Development Bank (OeEB) committed an additional USD 14 million into A Shares and USD 6 million into B Shares, and the UK's Department for Business, Energy & Industrial Strategy (BEIS) increased its commitment into C Shares by USD 23 million.

A record year for Technical Assistance

With USD 4.2 million approved and 52 new TA projects initiated, 2018 was a record year for the GCPF TA Facility. Technical Assistance was strategically leveraged to further build industry knowledge and support financial institutions in identifying market opportunities, as well as to consolidate and expand the worldwide green lending community.

EUROPE/ASIA

Mongolia

XacBank

Ukraine

Ukreximbank

Georgia

TBC Bank

BasisBank

Armenia

Ameriabank

Turkey

Şekerbank

Bangladesh

The City Bank

Southeast Bank

India

RBL Bank

SREI Infrastructure Finance

Hodson Renewable

Sri Lanka

Hatton National Bank

Pan Asia Bank

Vietnam

Nam A Bank

Cambodia

Prasac

LOLC Cambodia

Singapore*

Cleantech Solar

AFRICA

Ghana

Redavia

Uganda

SolarNow

Kenya

Chase Bank

Tanzania

Mobisol

Off Grid Electric

Namibia

Aloe / RMB

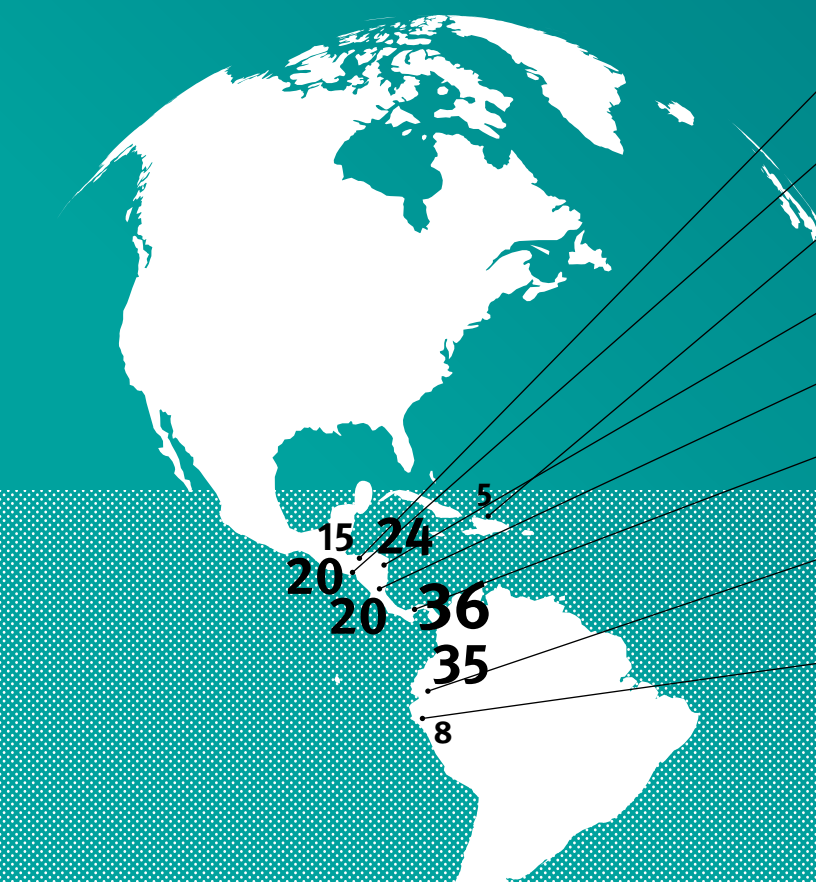
South Africa

Cronimet



INVESTMENT UNIVERSE

»» USD 504 M
INVESTED IN
25 COUNTRIES
GLOBALLY



LATIN AMERICA

Honduras

Banco Atlantida

El Salvador

Banco Davivienda

Dominican Republic

Banco Promerica DR

Nicaragua

Banpro

Costa Rica

Banco Promerica CR

Panama

CiFi
Global Bank

Ecuador

Banco Pichincha
Banco ProCredit

Peru

Acceso Crediticio

* Corporate loan to a Singapore holding company. Most of the underlying projects are in Cambodia, the Philippines, Malaysia, and Thailand

Figures in USD m

INVESTMENT PORTFOLIO

Disbursed investments by partner institution Outstanding amount (USD m)

Şekerbank	30	Chase Bank	20	Acceso Crediticio	8
SREI Infrastructure Finance	30	RBL Bank	20	Mobisol	6
The City Bank	30	SouthEast Bank	20	Banco Promerica DR	5
UkreximBank	30	Cleantech Solar*	19	BasisBank	5
Pan Asia Bank	27	Banco Atlantida	15	LOLC Cambodia	5
TBC Bank	25	Banco Pichincha	15	Nam A Bank	5
BanPro	24	Prasac	15	Off Grid Electric	3
CiFi	23	XacBank	15	Hodson Renewable	2
Banco Davivienda	20	Aloe / RMB	13	Cronimet	1
Banco ProCredit	20	Global Bank	13	SolarNow	1
Banco Promerica CR	20	Ameriabank	10	Redavia	0
		Hatton National Bank	10		
Total USD m				504**	

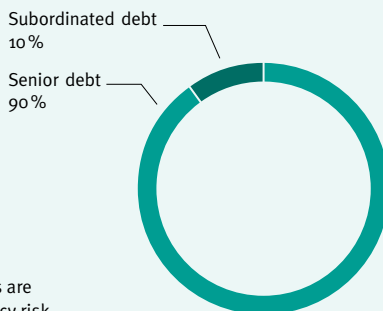
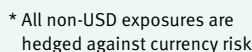
Disbursed investments by country Outstanding amount (USD m)

India	52	Singapore	19
Bangladesh	50	Honduras	15
Sri Lanka	37	Mongolia	15
Panama	36	Namibia	13
Ecuador	35	Armenia	10
Ukraine	30	Tanzania	9
Turkey	30	Peru	8
Georgia	30	Dominican Republic	5
Nicaragua	24	Vietnam	5
Cambodia	20	Uganda	1
Kenya	20	South Africa	1
El Salvador	20	Ghana	0
Costa Rica	20		
Total USD m		504**	

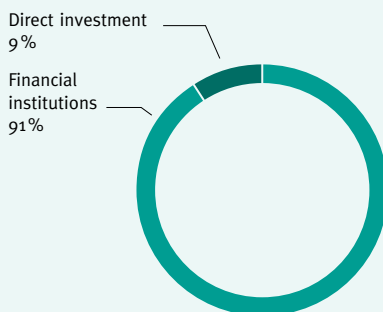
* Corporate loan to a Singapore holding company. Most of the underlying projects are in Cambodia, the Philippines, Malaysia, and Thailand

** All figures are rounded

GCPF's invested volume grew by USD 22 million to USD 504 million in 2018. Contributing to this were USD 26 million and USD 85 million of disbursements to new and existing counterparties. This includes two conversions with existing counterparties from senior to subordinated debt. The difference between the amounts disbursed, the conversions and the growth in invested volume is repayments. The investment portfolio was further diversified geographically and now covers 25 countries across 4 regions.

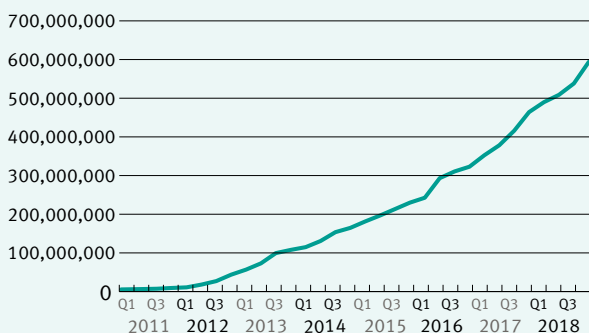


In 2018, the Fund disbursed several local currency loans and now has exposure to currencies such as the Peruvian nuevo sol (PEN), the Indian rupee (INR) and the Ugandan shilling (UGX). With 98%, the majority of the portfolio remains in hard currencies. All non-USD exposures are fully hedged against currency risk. Financial institutions account for 91% of the portfolio. This reflects a small increase in the share of direct investments from 8% to 9% in the course of 2018.



ENERGY AND CO₂ EMISSION REDUCTION

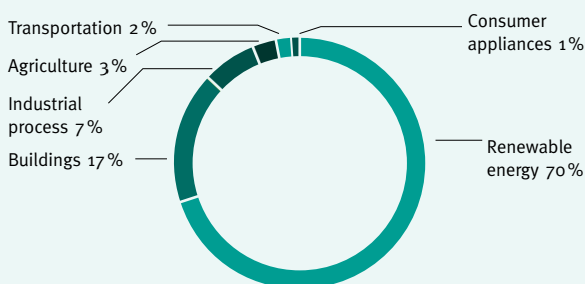
Cumulative value of disbursed sub-loans, since inception (USD)



In 2018, more than 20,000 new sub-loans with a value of over USD 131 million were disbursed by GCPF's partner institutions. The total number of sub-loans disbursed since inception of the Fund reached 74,251 with a cumulative total value of USD 599 million.

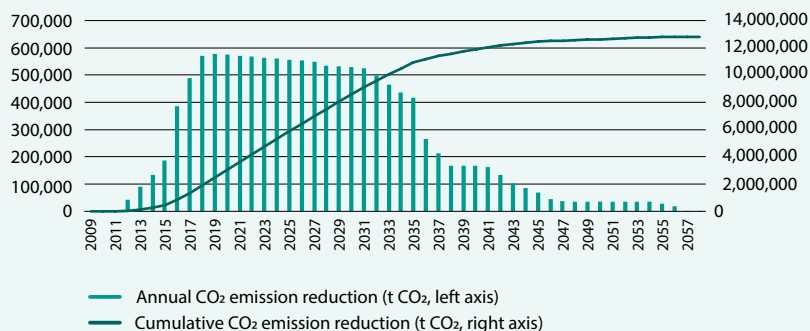
The total installed capacity of renewable energy generation of projects financed by the Fund reached 339 MW. This 107 MW increase was mainly driven by solar PV projects and biomass electricity generation projects. At the end of 2018, the total annual renewable energy production amounted to more than 1,000 GWh.

Annual CO₂ emission reduction by technology since inception*

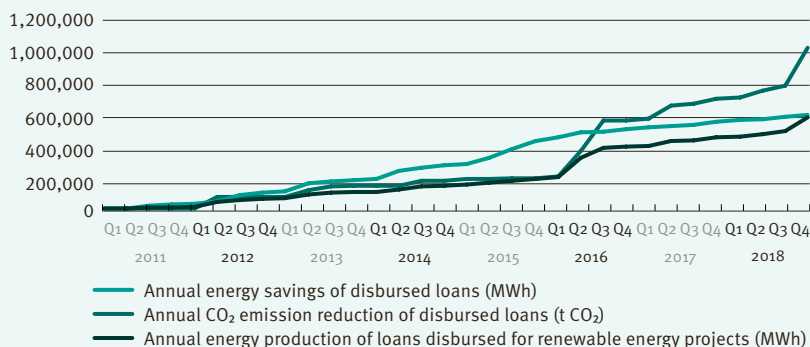


New energy efficiency projects financed by the Fund are expected to save more than 44 GWh annually, compared to 72 GWh in 2017. This decrease is due to increased financing of light-duty vehicles and some energy efficiency projects in SMEs which have lower investment efficiencies.

Projected lifetime CO₂ emission reduction of financed assets



Annual energy savings, renewable energy production and CO₂ emission reduction of portfolio*



As per the end of 2018, the total expected lifetime CO₂ emission reduction for all projects financed by the Fund since inception amounts to over 12.8 million t of CO₂. Thanks to an increase in renewable energy production, projects financed in 2018 contributed with more than 2.8 million t.

GCPF continuously supports its partner institutions in the reporting process. User-friendly tools and procedures facilitate data collection while ensuring the quality of the data reported.

* Only includes financed assets still generating savings

PARTNER INSTITUTIONS

Institution facts

Partner institution	Country	Type of projects funded	Disbursements to GCPF-funded eligible projects since inception (USD m) ¹
Acceso Crediticio	Peru	Natural gas vehicles predominantly for taxi services	17.9
Aloe/RMB	Namibia	Grid-connected solar PV installations	12.5
Ameriabank	Armenia	Energy efficiency upgrades for industrial and agricultural processes	13.6
Banco Atlantida	Honduras	Small hydropower projects	20.3
Banco Davivienda	El Salvador	Renewable energy projects, predominantly solar PV	14.9
Banco Pichincha	Ecuador	Energy-efficient household appliances such as washing machines and fridges	79.4
Banco ProCredit	Ecuador	Equipment replacement for SMEs ranging from bakery ovens to work-shop machinery, plotters, tractors or taxis	16.4
Banco Promerica CR	Costa Rica	Renewable energy projects including solar PV and hydropower and bus fleet replacements	20.7
Banco Promerica DR	Dominican Republic	Energy-efficient appliances including washing machines, refrigerators, air conditioning systems etc.	3.3
BanPro	Nicaragua	Projects across all sectors, ranging from commercial AC replacement projects, industrial process upgrades, car replacement projects and solar PV projects up to 1MW scale	26.3
BasisBank	Georgia	Looking into various sectors i.e. buildings, industrial process etc.	–
Chase Bank	Kenya	The bank has not reported any loans given the receivership situation	–
CiFi	Panama	Renewable energy projects, mainly biomass and solar PV	14.5
Cleantech Solar	Singapore	Rooftop solar projects in various countries in South-East Asia	20
Cronimet	South Africa	Off-grid solar PV installation for a chromium mine in South Africa to substitute diesel-generated electricity	2.83
Global Bank	Panama	The bank's new LEED-certified Headquarters building and small solar PV	10.7
Hatton National Bank	Sri Lanka	Solar PV	6.7

¹ Only partner institutions with outstanding amounts as of 31/12/2018 are listed. GCPF has other projects with partner institutions that have repaid their loans. These projects are still operational and create impact

² Compliance with GCPF's social and environmental exclusion list and maintenance of social and environmental management system: last check

³ World Bank figures for 2017

⁴ Gross domestic product per capita based on purchasing power parity (PPP), World Bank, figures for 2017

Country facts

Compliance confirmed ²	Population (m) ³	GDP (USD m) ⁴	GDP growth ⁵	Total CO ₂ emissions (t) ⁶	CO ₂ emissions per capita (t) ⁷
December 2018	32.2	13,434	2.53 %	51,500,000	1.6
March 2019	2.5	10,448	-0.95 %	4,100,000	1.6
March 2019	2.9	9,647	7.50 %	5,000,000	1.7
March 2019	9.3	4,986	4.79 %	9,300,000	1.0
March 2019	6.4	8,006	2.32 %	7,000,000	1.1
March 2019	16.6	11,587	2.37 %	34,900,000	2.1
March 2019	16.6	11,587	2.37 %	34,900,000	2.1
March 2019	4.9	17,073	3.28 %	7,400,000	1.5
March 2019	10.8	16,029	4.55 %	22,600,000	2.1
March 2019	6.2	5,842	4.86 %	5,600,000	0.9
December 2018	3.7	10,683	4.83 %	8,900,000	2.4
–	49.7	3,285	4.87 %	14,900,000	0.3
March 2019	4.1	24,468	5.32 %	10,200,000	2.5
March 2019	5.6	93,905	3.62 %	45,500,000	8.1
March 2019	56.7	13,497	1.32 %	419,700,000	7.4
March 2019	4.1	24,468	5.32 %	10,200,000	2.5
March 2019	21.4	12,835	3.31 %	21,400,000	1.0

⁵ Gross domestic product at market prices based on constant local currency, World Bank, figures for 2017

⁶ OECD air and GHG emissions, 2016 figures

⁷ OECD air and GHG emissions, 2016 figures





Institution facts

Partner institution	Country	Type of projects funded	Disbursements to GCPF-funded eligible projects since inception (USD m) ¹
Hodson Renewable	India	Solar rooftop projects for industrial and commercial clients	2.03
LOLC Cambodia	Cambodia	Looking into vehicle financing to replace commercial tuk-tuks by three-wheelers	–
Mobisol	Tanzania	Solar home systems and energy-efficient household appliances	6
Nam A Bank	Vietnam	Looking into financing energy-efficient household appliances and two-wheeled vehicles	–
Off Grid Electric	Tanzania	Off-grid solar home system and energy-efficient appliances	4.22
Pan Asia Bank	Sri Lanka	Hybrid cars	26.6
Prasac	Cambodia	Energy-efficient farming equipment, solar home systems and energy-efficient consumer appliances	15
RBL Bank	India	Energy-efficient pumps, drip irrigation systems and solar home systems for smallholder farmers	21.9
Redavia	Ghana	Solar rooftop projects for industrial and commercial clients	0.21
Şekerbank	Turkey	Building insulation projects, energy-efficient tractors and solar thermal installations for agricultural clients	68.5
SolarNow	Uganda	Off-grid solar home system and energy-efficient appliances	1
SouthEast Bank	Bangladesh	Energy efficiency projects in the ready-made garment sector, financing equipment such as label weaving machines, dryers, irons and washing machines	13.4
SREI Infrastructure Finance	India	One large 50 MW wind power plant	30
TBC Bank	Georgia	Renewable energy projects with a focus on small-scale hydropower plants	16.4
The City Bank	Bangladesh	Energy efficiency projects in the ready-made garment sector, financing equipment such as label weaving machines, dryers, irons and washing machines	29.1
UkreximBank	Ukraine	Renewable energy projects for solar PV generation and industrial processes	30
XacBank	Mongolia	Projects linked to the building sector – insulation and windows, mortgages for energy-efficient housing, and boiler replacement – as well as hybrid cars	21.7

¹ Only partner institutions with outstanding amounts as of 31/12/2018 are listed. GCPF has other projects with partner institutions that have repaid their loans. These projects are still operational and create impact.

² Compliance with GCPF's social and environmental exclusion list and maintenance of social and environmental management system: last check

³ World Bank figures for 2017

⁴ Gross domestic product per capita based on purchasing power parity (PPP), World Bank, figures for 2017

Compliance confirmed ²	Country facts				
	Population (m) ³	GDP (USD m) ⁴	GDP growth ⁵	Total CO ₂ emissions (t) ⁶	CO ₂ emissions per capita (t) ⁷
March 2019	1,339	7,059	6.68 %	2,142,700,000	1.6
December 2018	16.0	4,009	7.10 %	9,600,000	0.6
March 2019	57.3	2,945	7.10 %	11,500,000	0.2
November 2018	95.5	6,775	6.81 %	191,100,000	2.0
March 2019	57.3	2,945	7.10 %	11,500,000	0.2
March 2019	21.4	12,835	3.31 %	21,400,000	1.0
March 2019	16.0	4,009	7.10 %	9,600,000	0.6
March 2019	1,339.2	7,059	6.68 %	2,142,700,000	1.6
November 2018	28.8	4,492	8.14 %	14,400,000	0.5
March 2019	80.7	26,518	7.44 %	347,200,000	4.3
December 2018	42.9	1,864	3.86 %	N/A	N/A
April 2019	164.7	3,868	7.28 %	82,300,000	0.5
March 2019	1,339	7,059	6.68 %	2,142,700,000	1.6
March 2019	3.7	10,683	4.83 %	8,900,000	2.4
March 2019	164.7	3,868	7.28 %	82,300,000	0.5
March 2019	44.8	8,666	2.52 %	197,300,000	4.4
March 2019	3.1	12,918	5.30 %	18,100,000	5.9

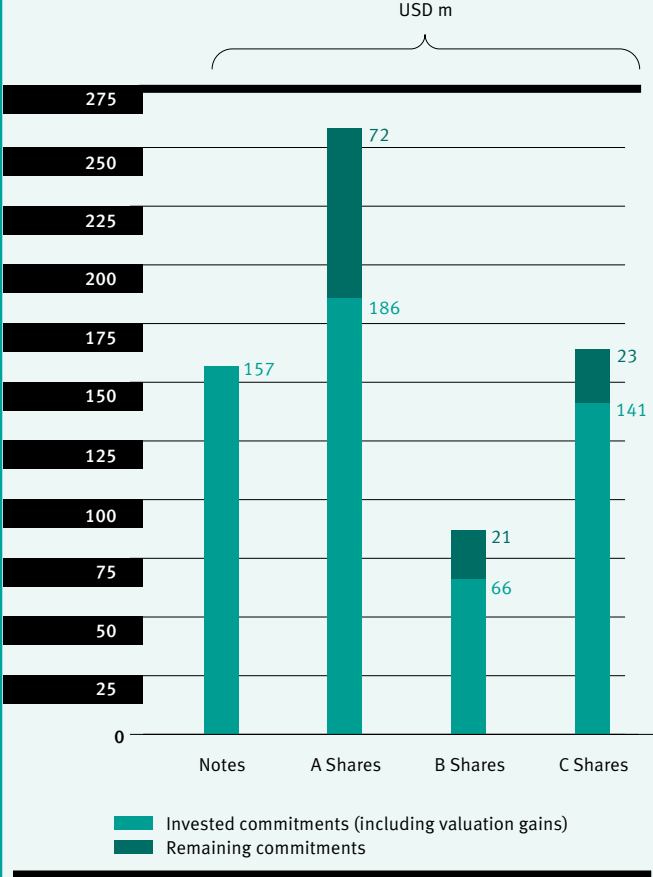
⁵ Gross domestic product at market prices based on constant local currency, World Bank, figures for 2017

⁶ OECD air and GHG emissions, 016 figures

⁷ OECD air and GHG emissions, 2016 figures

FUNDING SITUATION

Split of commitments and subscriptions according to Share class/Notes

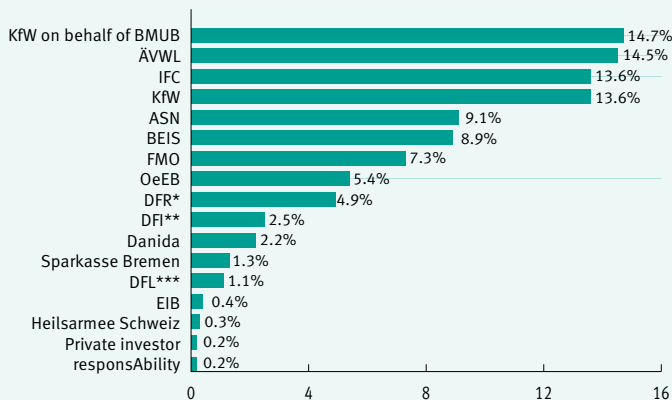


NB: Figures are rounded.

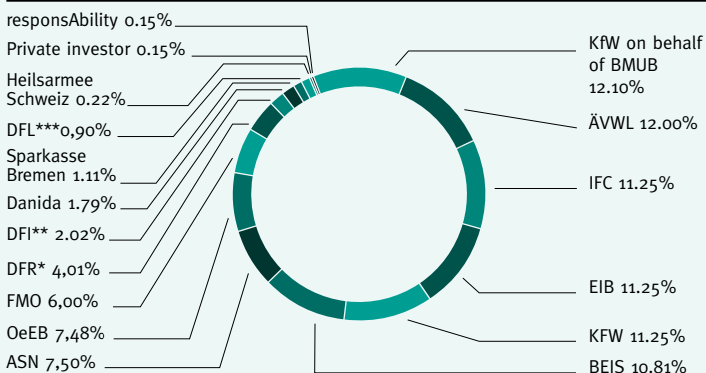
As of the end of 2018, funding commitments to GCPF totalled USD 667 million, an increase of USD 51 million when compared to 2017. Out of the total commitments, USD 550 million were subscribed. In the course of the year, the Fund raised Notes from new private investors (Sparkasse Bremen and Heilsarmee) as well as additional Class A and Class B Shares from OeEB and Class C Shares from BEIS.

Subscribed capital by investor (%)

Note: In percentage of total drawn amount plus Notes at nominal



Split of investments committed to GCPF



Shareholder structure based on voting rights



* responsAbility Micro and SME Finance Fund

** responsAbility SICAV (Lux) Mikro- und KMU Finanz Fonds

*** responsAbility SICAV (Lux) Micro and SME Finance Leaders

TECHNICAL ASSISTANCE

TAILORED SUPPORT FOR PARTNER INSTITUTIONS

2018 was a record year for the GCPF Technical Assistance Facility, with 52 new projects approved totalling USD 4.2 million, almost twice the amount approved in 2017.

The bulk of GCPF's efforts in 2018 was focused on expanding the worldwide green lending community by facilitating peer exchange on challenges and success factors when building green lending strategies.

With this objective in mind, GCPF organised a series of three regional workshops in Costa Rica, Singapore and Switzerland to raise awareness and build the capacity of partner financial institutions regarding environmental and social risk management. These workshops proved to be of great interest to financial institutions and triggered several follow-up projects. As a result, Technical Assistance was leveraged for the development of an environmental and social assessment tool that will be

THE GCPF TECHNICAL ASSISTANCE FACILITY

The GCPF Technical Assistance Facility is key to the success of improved energy efficiency and the growth of renewable energy markets in the target countries. The GCPF Technical Assistance Facility helps bridge knowledge gaps and supports GCPF in fulfilling its role as a market enabler.

The Technical Assistance Facility is set up independently from the Fund. Its activities are overseen by the TA Committee (*see p. 20*), which acts at arm's length from the Fund.

The Facility is managed by a dedicated team within the investment manager responsAbility Investments. It initiates projects in close cooperation with GCPF partner institutions. Consultancy services are implemented by third-party providers who are selected through a tender process.

GCPF Technical Assistance Facility: key figures for 2018

Projects managed (ongoing and completed)	82
Projects approved	52
Funds disbursed	USD 1.6 m
Funding approved	USD 4.2 m
Partner institutions supported	41

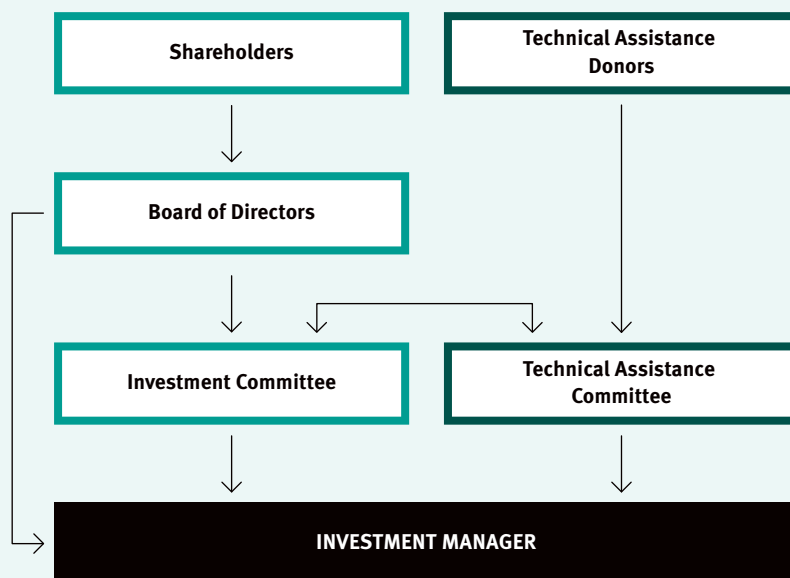
made available to all partner institutions; the design of training material on environmental and social risks for partner banks' relationship managers; and tailored support enabling selected institutions to design and implement an internal environmental and social management system.

In early 2018, a new online platform was launched with the objective to further enhance the knowledge exchange between the network's green lending practitioners. The Green Lending Forum features a series of success stories, interviews, webinars and publications as well as tools like the Green Lending guide designed to inspire financial institutions and provide them with practical guidance to tap the green lending potential in their target markets.

To recognise outstanding performance and impact of its partner institutions in establishing or scaling up green lending activities, the Global Climate Partnership Award was launched in February. From a number of impressive entries, Bangladesh's The City Bank was chosen as the winner for its efforts in promoting the concept of energy efficiency and renewable energy financing in the Bangladeshi market since 2012. Two of the bank's representatives received the award during a ceremony held in Zurich in May.

In September, GCPF organised its second "Academy", a global peer learning and networking event that brought together representatives from 27 financial institutions as well as practitioners and experts from emerging economies. Over the four-day event held in Switzerland, participants discussed emerging issues and exchanged ideas on how to successfully build green lending strategies.

FUND GOVERNANCE



Board of Directors

Appointed by the GCPF shareholders, the Board of Directors has an oversight role and is responsible for defining GCPF's strategic direction. It has sole power to administer and manage the Fund.

- Claudia Arce, Chairperson
- Sharmila Hardi
- Constanze Kreiss (until 2018)
- Ulrike Lassmann (from 2019)
- James McEwen
- Cornelis van Aerssen
- Adalisa Vladacenco (from 2019)

Investment Committee

The Investment Committee is appointed by the Board of Directors. Its main function is to approve the investment decisions proposed by the investment manager and to monitor its other activities.

- Jürgen Welschhof, Chairperson
- Juan Alario, PhD
- Judith Brandsma
- Claudia Loy, PhD

Technical Assistance Committee

Appointed by facility donors, the Technical Assistance Committee ensures that the Technical Assistance provided by GCPF supports the Fund's objectives and activities.

- Constanze Kreiss (until 2018)
- Ulrike Lassmann (from 2019)
- Ritu Kumar

Claudia Arce

is Director for Digitalisation at KfW Development Bank and has ample experience in climate change and energy efficiency financing through public-private partnerships.

Juan Alario, PhD

is an independent project advisor in energy matters with 30 years of experience in project evaluation and financing for the European Investment Bank.

Judith Brandsma

has been a member of GCPF's Investment Committee since 2015. She has more than 20 years of experience in financial sector development, at the World Bank and as an independent advisor to international development finance institutions.

Sharmila Hardi

is the Global Head of IFC's Banking, Small and Medium Enterprise business line, SME Finance Forum and the Banking on Women product and has had 25 years of experience in financing with IFC.

Constanze Kreiss

is a qualified banker with ample experience in development finance who has been with KfW since 2008 and specialises in financial sector development.

Ritu Kumar

is Director of Environmental and Social Responsibility at the UK development finance institution CDC Group with over 25 years of experience in managing environmental and social issues in emerging markets.

Ulrike Lassmann

is Regional Manager of East and South East Asia at KfW Development Bank. She has extensive experience across geographies, specialising in structured microfinance funds, guarantee funds as well as green financing via the banking sector.

Claudia Loy, PhD

is KfW's Sustainability Officer and heads the bank's centre of competence for environmental and social sustainability.

James McEwen

is Finance Director of the Legal Aid Agency, which is part of the UK's Justice Department. At the former Department of Energy & Climate Change, he served as Head of Financial Strategy and as a Director for Energy Efficiency and Fuel Poverty.

Cornelis van Aerssen

is Senior Investment Officer at FMO and arranges syndicated loans for financial institutions in Africa, Asia, Europe and Latin America. He has ample experience in funding financial institutions in Eastern Europe and Central Asia.

Adalisa Vladacenco

is a senior investment manager at the European Investment Bank (EIB). She has over 10 years of experience in infrastructure and in mobilising capital to unlock public and private sector investments related to infrastructure and climate action.

Jürgen Welschhof

is Head of KfW's Energy South Asia Division and has over 22 years of experience in development finance. He has held various positions at KfW and has broad expertise in energy efficiency and renewable energy projects.

GCPF's clear governance structures underscore its commitment to transparency and accountability.

AN EXPERT INVESTMENT TEAM

responsAbility Investments AG, a globally leading asset manager in the field of development investments, is responsible for running GCPF's business activities and for managing the Technical Assistance Facility. Headquartered in Zurich, Switzerland, and with local offices across four continents, responsAbility manages 15 investment vehicles.

Extensive networks

As a leading private sector investor in micro and SME finance, responsAbility has developed strong and long-standing working relationships with a broad network of financial institutions in emerging economies. Through 15 years of operations, responsAbility's investment specialists have developed a thorough understanding of the needs and aspirations of these partner institutions.

Interdisciplinary teams

Within responsAbility, GCPF is managed by a core team of 20 experts that combine expertise in investment, energy, technical assistance as well as environmental and social risk management. Working closely with responsAbility specialists across the globe, they ensure that funded projects meet the Fund's objectives as to the reduction of CO₂ emissions and economic viability.

responsAbility

(responsAbility Investments AG)

FOUNDED

2003

ASSETS UNDER MANAGEMENT

USD 3 bn

OFFICES WORLDWIDE

10

EMPLOYEES WORLDWIDE

240

INVESTMENT COUNTRIES

90

HIGH-IMPACT PORTFOLIO COMPANIES

540

FINANCIAL STATEMENTS

BALANCE SHEET

STATEMENT OF FINANCIAL POSITION As at 31 December 2018 (in USD)

	2018	2017
NON-CURRENT ASSETS		
Loans and advances to partner institutions	428,854,983	421,361,786
	428,854,983	421,361,786
CURRENT ASSETS		
Unrealised gains on derivative financial instruments	–	–
Loans and advances to partner institutions	36,621,185	41,217,959
Interest receivable on loans to partner institutions	2,455,990	1,687,123
Other receivables and prepayments	561,464	657,533
Cash and cash equivalents	91,057,119	64,774,120
	130,695,758	108,336,735
Total assets	559,550,741	529,698,521

STATEMENT OF FINANCIAL POSITION
As at 31 December 2018 (in USD)

	2018	2017
CURRENT LIABILITIES		
Distribution payable to holders of Class A Shares and Class B Shares	12,352,603	8,224,043
Accrued investment management fees	2,902,764	2,729,640
Accrued Technical Assistance Facility contribution	488,275	423,900
Direct operating expenses payable	685,988	733,771
Interest on Notes	569,345	470,076
Derivative financial instruments	26,969	9,912
Prepayment of subscription	23,377,858	–
Notes	30,000,000	–
Total current liabilities	70,403,803	12,591,342
NON-CURRENT LIABILITIES		
Net assets attributable to holders of redeemable ordinary Class A Shares	185,675,373	183,675,373
Net assets attributable to holders of redeemable ordinary Class B Shares	65,925,373	57,425,373
Unrealised loss on derivative financial instruments	1,630,765	–
Notes	126,858,000	150,000,000
Total non-current liabilities	380,089,511	391,100,746
TOTAL LIABILITIES	450,493,314	403,692,088
EQUITY		
Share capital	141,324,176	141,324,176
Profit / loss brought forward	(25,720,371)	(812,363)
Profit / loss for the year	(6,546,378)	(14,505,381)
Total equity	109,057,427	126,006,432
Total liabilities and equity	559,550,741	529,698,520

INCOME STATEMENT

STATEMENT OF COMPREHENSIVE INCOME For the year from 1 January to 31 December 2018 (in USD)

	2018	2017
INCOME		
Interest income	31,108,654	19,729,241
Other income	1,584,571	1,693,507
Realised foreign exchange gains	–	12,674
Total income	32,693,224	21,435,422
EXPENSES		
Loan loss allowance	(7,400,065)	–
Impairment	(1,000,000)	(16,400,002)
Net fair value movement on loans at fair value through profit or loss	(423,402)	–
Net fair value movement on derivative financial instruments	(832,243)	(20,904)
Investment management fees	(6,959,326)	(6,152,392)
Technical Assistance Facility contribution	(488,275)	(423,900)
Direct operating expenses	(1,501,233)	(1,449,979)
Other operating expenses	(13,589)	(4,724)
Interest on Notes	(6,691,470)	(2,985,568)
Interest on swaps	(1,539,756)	–
Realised foreign exchange losses	(37,641)	(19,886)
Withholding taxes	–	(259,406)
Total expenses	(26,886,999)	(27,716,760)
Total operating profit / loss before taxes and distribution	5,806,225	(6,281,338)
Distribution to holders of redeemable ordinary shares	(12,352,603)	(8,224,043)
Profit / loss for the year	(6,546,378)	(14,505,381)
Other comprehensive income (net of tax)	–	–
Total comprehensive income for the period (net of tax)	(6,546,378)	(14,505,381)

STATEMENT OF CHANGES IN NET ASSETS

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE ORDINARY SHARES AND EQUITY For the year from 1 January to 31 December 2018

	CLASS A SHARES		CLASS B SHARES		CLASS C SHARES		COMBINED NET ASSETS ATTRIBUT- ABLE TO SHARE- HOLDERS
	Net assets attributable to share- holders	Number of shares	Net assets attributable to share- holders	Number of shares	Net assets attributable to share- holders	Number of shares	
As of 31 December 2017 (in USD)	183,675,373	1,224	57,425,373	2,297	126,006,432	2,822	367,107,178
Issue of redeemable ordinary shares	2,000,000	13	8,500,000	340	–	–	10,500,000
Redemption of redeemable ordinary shares	–	–	–	–	–	–	–
Initial loan loss allowance under IFRS 9 effective 1/1/2018	–	–	–	–	(10,402,627)	–	(10,402,627)
Issues of equity	–	–	–	–	–	–	–
Redemption of equity	–	–	–	–	–	–	–
As of 31 December 2018 (in USD)	185,675,373	1,238	65,925,373	2,637	115,603,805	2,822	367,204,551
Increase in net assets attributable to holders of redeema- ble ordinary shares from transactions in shares	–	–	–	–	–	–	–
Decrease in net assets attributable to holders of redeema- ble ordinary shares from transactions in shares	–	–	–	–	–	–	–
Operating gain / loss before tax and distribution	8,291,074	–	4,061,528	–	(6,546,378)	–	5,806,225
Distribution payable to holders of Class A shares and Class B shares	(8,291,074)	–	(4,061,528)	–	–	–	(12,352,603)
As of 31 December 2018 (in USD)	185,675,373	1,238	65,925,373	2,637	109,057,427	2,822	360,658,173

CASH FLOW STATEMENT

STATEMENT OF CASH FLOWS

For the year ended 31 December 2018 (in USD)

	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / loss for the year	(6,546,378)	(14,505,381)
Adjustments to reconcile profit for the year to net cash flows:		
Net fair value movement on derivative financial instruments	1,647,823	52,184
Loans to partner institutions (loss) allowance	(10,402,627)	(16,400,002)
Working capital adjustments:		
Net increase / decrease in other receivable and prepayments	96,068	(644,127)
Net increase / decrease in interest receivable on loans to partner institutions	(768,868)	(1,588,895)
Net increase / decrease in distribution payable to holders of Class A Shares and Class B Shares	4,128,560	2,882,068
Net increase / decrease in interest payable to noteholders	99,269	470,076
Net increase / decrease in investment management fees	173,124	914,719
Net increase / decrease in Technical Assistance Facility contribution	64,376	(203,587)
Net increase / decrease in direct operating expenses payable	(47,783)	(2,633)
Net increase / decrease in subscription receivable	23,377,858	–
Net increase / decrease in structuring fees payable	–	(196,751)
Net cash flows from / (used in) operating activities	11,821,422	(29,222,328)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net increase / decrease in loans to partner institutions	(2,896,423)	(113,355,284)
Net cash flows used in investing activities	(2,896,423)	(113,355,284)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received on Shares issued	10,500,000	56,750,000
Cash received from Notes issued	6,858,000	95,000,000
Net cash flows from financing activities	17,358,000	151,750,000
Net increase / decrease in cash and cash equivalents	26,282,999	9,172,388
Cash and cash equivalents at 1 January	64,774,120	55,601,732
Closing cash and cash equivalents at 31 December	91,057,119	64,774,120

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