

Media release

Zurich, 4 May 2010

responsAbility publishes its Social Performance Report 2009

In 2009, responsAbility recorded a positive financial and social return on its investments in microfinance, SME financing, fair trade, and independent media. As at the end of December 2009, the volume of social investments managed by responsAbility stood at approximately USD 900 million, 27% higher than in the previous year. Globally, 11.4 million micro-entrepreneurs now benefit from the business activities of the microfinance institutions in which responsAbility invests via its investment products.

At a media event in the Restaurant Au Premier, responsAbility Social Investments AG (responsAbility) today published its Social Performance Report 2009. The company reported an increase in assets to USD 900 million, which has enabled it to reach even more people. responsAbility considers this an especially successful result against the backdrop of the financial crisis. Around the world, micro-entrepreneurs, SME employees, fair trade farmers, and media users in 60 developing countries and emerging markets benefit from the financial services of the 260 institutions in which responsAbility invests via its investment products.

Hans Ramm, financial sector development expert at the Swiss Agency for Development and Cooperation (SDC), stated at today's media event: "Social investments mobilize additional funding and expertise for development-related topics and, in so doing, are a vital complement to public development aid in the battle against poverty."

Transparent reporting

In its Social Performance Report 2009, responsAbility reports for the fifth time on the social and development performance of its investment activity.

Microfinance

In its main investment area of microfinance, responsAbility reached an increased total of 550,000 microfinance clients as at end-2009. Microfinance enables borrowers to engage in entrepreneurial activity and in so doing improve their living conditions. 54% of all borrowers are women, while 48% of microfinance clients live in rural areas. Clients are increasingly benefiting from the expanded financial services provided by local microfinance institutions. If they satisfy the necessary regulatory requirements, many institutions also offer savings products as well as loans. Approximately 33% of the institutions financed by responsAbility manage the savings of 6.3 million clients totaling USD 6.6 billion.

SME financing

As elsewhere, SMEs in developing countries and emerging markets create valuable jobs and as such are regarded as the backbone of the economy. responsAbility has stepped up its contribution to boosting economic development by investing USD 24.7 million in SME risk capital funds and funds with holdings in microfinance.

Fair trade

responsAbility provided harvest and export financing for 12 fair trade cooperatives in 2009, thereby reaching some 34,000 fair trade farmers. In addition to the coffee and cocoa cooperatives financed in previous years, in 2009 responsAbility extended its support for the first time to a honey-producing cooperative, approving funding to finance its export activities in 2010.

responsAbility

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Independent media

In 2009, the loans provided by responsAbility to the Media Development Loan Fund supplied financing for independent media, providing 3.5 million people in developing democracies with access to objective reporting.

Podium discussion with Katarina Deuber, cash TV

In addition to comprehensive reporting on its four investment themes, responsAbility also attaches great importance to tackling critical issues. The two focus topics of the report – the bridge between financial market and development cooperation, and countering the risk of overindebtedness – were examined in detail during a podium discussion featuring Hans Ramm of the SDC and representatives of responsAbility. Klaus Tischhauser, Managing Director of responsAbility, explained: "In developing countries, increasing competition is broadening the range of options available to borrowers. The downside is the growing risk of overindebtedness. The economic crisis has highlighted this problem and made the microfinance industry more aware of it. responsAbility actively incorporates criteria on reducing this risk into its analysis of institutions, markets and operating conditions."

Positive financial return in 2009

Despite the tangible effects of the global financial and economic crisis, microfinance remained a robust and highly popular sector for investors in 2009. As in previous years, all of responsAbility's investment products posted a positive return for the year.

Information on the social and development performance of responsAbility's investment activities can be found at www.responsAbility.com/spr/en. The current report also includes details of all the indicators examined, as well as the new guiding principles.

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About responsAbility

Founded in 2003, responsAbility Social Investments AG is one of the world's leading social investments companies. With its investment products, responsAbility enables people in developing countries and emerging markets to have access to markets, information and other services important for their development in sectors such as microfinance, SME financing, fair trade and independent media. Private and institutional investors can thus contribute to positive social development and at the same time aim for a financial return in a professional manner.

responsAbility is committed to transparent reporting and international dialogue on promoting social performance management approaches. Through a range of initiatives (UN PRI, Eurosif, Social Performance Task Force, The Rating Initiative, The Smart Campaign), we work with interest groups to encourage responsible investing and the further development of standards for measuring social impact.

responsAbility is backed by well-established Swiss financial institutions and a social venture capital company as founders and shareholders. These include Baumann & Cie, Banquiers, Credit Suisse, Raiffeisen Schweiz, Swiss Re, Bank Vontobel AG as well as George Avenue. responsAbility currently manages USD 870 million in 268 institutions in over 60 countries. (as of March 31st, 2010)