Investing in individuals. Improving our world.
The year 2012 was one of remarkable achievements. With a focused strategy, major investments and professional expertise, we made major progress in our mission: giving people the financial tools they need to improve their lives.
First, we are helping to build the next generation of top-tier microfinance institutions.

We went to the Philippines to launch Bridge, a $24-million fund to strengthen rural finance in a country where almost half of the 95 million residents live on less than $2 a day.

We invested in microfinance institutions including new partner CrediConfía, serving east-central Mexico, and our longtime partners in Bolivia (BancoSol) and Colombia (Finamérica) to help them continue to grow.

We formed a bold alliance in China with our partner Sagamore Investments and are working with others to invest as much as U.S. $60–70 million to expand microfinance across the country.

First, we are helping to build the next generation of top-tier microfinance institutions.
We launched Avanza, a new initiative in Colombia that promises to significantly reduce the time it takes to disburse a loan – from days to hours – and improves client service and protection.

We proved that socially responsible investing works through the landmark sale of Accion Investments in Microfinance, which earned a 15.6 percent return over its life and helped provide financial services to more than a million poor borrowers and savers.

We were recognized by others for our innovative and pioneering work in China and Nigeria; Philanthropedia named Accion one of the most effective nonprofits in the field of microfinance.

We continue to explore new partnerships in Côte d’Ivoire, the Democratic Republic of Congo, Kenya, Mozambique and Myanmar to help bring financial access to those underserved countries.
ImpactAssets 50 recognized Frontier Investments Group in its 2012 list of top impact-investing fund managers. IA50 is the first public database of impact-investment fund managers identified for their ability to deliver both social and financial returns.

We expanded Frontier Investments Group’s portfolio, making early-stage investments in companies that provide innovative services and channels to the poor in Africa, India and Latin America.

Second, we are pushing the frontiers of financial inclusion beyond microfinance institutions through impact investing.

We launched the $10-million Venture Lab to support start-ups at the seed stage that are beginning to market innovative ideas in financial services to people living at the bottom of the economic pyramid.
We launched Financial Inclusion 2020, an audacious project that brings together partners such as Citi, Visa, MasterCard, Western Union and the Bill & Melinda Gates Foundation to help draw roadmaps to full financial inclusion by 2020.

We initiated Smart Campaign Certification, a program to promote and engrain client protection principles in microfinance institutions worldwide.

We joined forces with microfinance leaders from around the world to launch the ‘Global Appeal for Responsible Microfinance’ and to work collectively on adopting universal standards for social-performance management.

Last, we are helping to build a strong industry with high standards.
But the investments we’re most proud of are the millions of lives we impact every day by helping to provide critical financial services.
Like many Ecuadorian microentrepreneurs, Beatriz Molina was able to expand her business and increase her income with loans from Accion partner CREDIFE. CREDIFE was once a small microfinance institution launched by Ecuador’s leading commercial bank, Banco Pichincha; today it serves hundreds of thousands of clients throughout the country, both urban and rural.

Leonarda Torres learned condiment-making more than 30 years ago in her hometown of Matagalpa, Nicaragua. But her income barely supported her six children, so she sought a loan from Accion partner Financiera FAMA to purchase materials in bulk and hire help. Many years and loans later, Leonarda has built a thriving business with several employees and a large workshop. She still makes all the strategic decisions, but her oldest son manages the daily operations so that she has some free time to enjoy what she treasures the most: her grandchildren.
Industrial designer Maria Boustead started out with two key ingredients: a unique idea for a fashionable cyclist’s bag and a strong support network. The idea for Po Campo came to her five years ago, and with business training and a loan from Accion Chicago, Maria built a solid foundation on which her company can expand. “When I was talking to Accion, they wanted to listen to problems and offer solutions,” she says. “It felt so good to go to a financial institution and find that they wanted to help.”

Badru Kabirat worked in the bustling Garri Market in Lagos, Nigeria, for years before deciding to sell building supplies to local construction workers. After 15 years and numerous loans from Accion Microfinance Bank, Badru has significantly improved her profits and put her three children through school – something she never had the opportunity to experience herself. While she hopes they’ll follow their own professional aspirations, Badru is teaching them the tricks of the trade. “You never know what life will throw your way,” she says. “So you work hard while you can.”
A blacksmith and mother of 12, Kanthabai Salunke lives in a makeshift vinyl tent behind a building in Mhaswad, India, seven hours east of Mumbai – home to Accion partner Mann Deshi Bank. With no steady employment or identification, Kanthabai had few places to turn when she sought a 10,000-rupee (U.S. $180) loan for her oldest daughter’s wedding. Yet Mann Deshi, which pilots Accion’s Dialogue on Business program and which was created for clients just like Kanthabai, made that loan. She has since borrowed from the bank three additional times – all successfully, and all to ensure that her children were married properly.

Shaoyun Wang (with her son Mo Yi), owner of One Sheep, a mutton restaurant in Pingzhuang, Chifeng Prefecture, Inner Mongolia, reports that business is good! She attributes customer loyalty to her unique headline menu item, barbequed mutton ribs, but it’s obvious that her warmth and great customer service go a long way, too. She and her husband used their Accion Microcredit China loans, the most recent for 50,000 RMB (U.S. $8,000), to purchase the restaurant and outfit the kitchen. Persistence, she observes, can really pay off in business: “Once you start something, no matter how difficult it is, you have to see it through.”
## Key Statistics

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Global Impact</strong></td>
<td></td>
</tr>
<tr>
<td>MFIs since 1961</td>
<td>63</td>
</tr>
<tr>
<td>Active borrowers in 2012,</td>
<td>6</td>
</tr>
<tr>
<td>Microfinance institutions in 32</td>
<td>7.1 billion</td>
</tr>
<tr>
<td>countries on four continents since 1961</td>
<td>6 million</td>
</tr>
<tr>
<td>Impact</td>
<td></td>
</tr>
<tr>
<td>active savers in 2012,</td>
<td>2.3 million</td>
</tr>
<tr>
<td>Active borrowers in 2012,</td>
<td>15.8 million</td>
</tr>
<tr>
<td>impacting the lives of 30 million</td>
<td></td>
</tr>
<tr>
<td>family members and employees</td>
<td></td>
</tr>
<tr>
<td>Active savers in 2012,</td>
<td></td>
</tr>
<tr>
<td>Loan repayment rate over time,</td>
<td>97 percent</td>
</tr>
<tr>
<td>worldwide</td>
<td></td>
</tr>
<tr>
<td>Active loan portfolio,</td>
<td></td>
</tr>
<tr>
<td>in dollars in 2012, made</td>
<td></td>
</tr>
<tr>
<td>through partners</td>
<td></td>
</tr>
<tr>
<td>People served in the past decade</td>
<td></td>
</tr>
<tr>
<td>through 66.6 million microloans,</td>
<td></td>
</tr>
<tr>
<td>totaling $56.8 billion lent</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** All monetary statistics in U.S. $
Dear friends,

At the end of last year, we committed to investing $100 million over three years to help build financial inclusion for the world’s poor. In 2012 alone, we invested no less than $67 million in pursuit of our strategic goals: to build the next generation of top-tier microfinance institutions (MFIs), to push the frontiers of financial inclusion beyond MFIs, and to help build a stronger industry. With your support, we have made significant progress in all three areas.

Among our most notable milestones in 2012 was the successful closing of Accion Investments in Microfinance, a for-profit equity fund launched in 2003 to provide commercial capital to MFIs working in markets where such funding was typically unavailable. The fund proved that a double-bottom-line approach – delivering both financial and social returns – really is possible. Over its life, it generated more than 15 percent returns to shareholders. More importantly, it helped fund access to financial services for more than a million clients in Latin America and Africa.

We also committed our capital and professional expertise to strengthen MFIs in Bolivia, China, Colombia, Mexico and the Philippines – countries where financial inclusion remains elusive for millions of people living in poverty.

The second pillar of our strategy is to invest in innovative new companies with compelling new products and services created specifically for those living in poverty. We are doing that through two vehicles: Accion’s Frontier Investments Group and our $10-million Venture Lab. The following pages detail the exciting work these two groups are doing, including support for affordable housing and private-school financing for the poor in India, ‘nano-loans’ delivered by cell phone in Chile, and mining ‘big data’ to assess character for unsecured lending.

Third, we continue to invest in building a strong industry with high standards. Leading this charge is the Center for Financial Inclusion at Accion, whose Smart Campaign for consumer protection already boasts more than 3,600 endorsers in 135 countries, representing more than 1,200 MFIs that collectively serve no fewer than 60 million clients.

The Center is also leading the campaign for Financial Inclusion 2020. With sponsors and partners such as Citi, Visa, MasterCard, Western Union, Moody’s, Deutsche Bank, CGAP, IFC and the Bill & Melinda Gates Foundation, the audacious FI2020 project dares to envision a financially inclusive world – and to chart the course for turning that vision into reality.

It was a very good year, and we have terrific momentum – and with your continued support, we will keep it going.

Thank you.
Moving Toward Full Financial Inclusion

Accion invests in human resolve – our clients’ unwavering determination to succeed. We champion microfinance and financial inclusion and empower people with the tools, partnerships and support they need to build better lives, better prospects and stronger communities.

BUILDING TOP-TIER MICROFINANCE INSTITUTIONS

At Accion, we refer to 2012 as “the year of investments.” Not only did we make significant investments of equity and human capital in new and ongoing projects worldwide, but we also successfully closed Accion Investments in Microfinance, certainly among the most effective socially responsible impact funds in history. Over its 10 years of groundbreaking work, Accion Investments helped provide financial access for a million clients in Africa and Latin America, all while returning 15.62 percent, or more than $2 for every dollar invested, to shareholders. And it proved that MFI funding could attract private capital, which we believe is critical if financial inclusion is to scale to meet true demand.

We also invested, or partnered to draw in, investment in MIFs all over the world. In Bolivia and Colombia, we recapitalized our longtime partners BancoSol and Finamérica, respectively, so that they can better serve people in need. In China, we are raising more than $60 million to replicate Accion Microcredit China’s unique model throughout China. We are doing this in partnership with Sagamore Investments, which has committed up to $22 million, and with a number of other investors. In Mexico, we invested nearly $2 million in CrediConfía, a young MFI serving microentrepreneurs and low-income families in the rural and semi-urban areas of the eastern and central regions of the country. And in the Philippines, we helped launch Bridge, a holding operating company that will invest $24 million and help build capacity in provincial banks in underserved areas.

To help improve the labor-intensive process of microlending, we also launched a dynamic pilot program in Colombia called Avanza, which holds the promise of making microloans a much more cost-effective service for clients and institutions alike. Working with Finamérica, Avanza uses mobile teams of loan officers and a risk-adjusted approach to reach, enroll and process loan applications from new and existing clients. The program has already reduced loan disbursement time from an average of five days to as little as 18 hours. We hope that by year’s end, a client could meet with a loan officer in the morning and receive a loan by late that afternoon. To date (Q2, 2013), more than 3,000 clients have benefitted from Avanza.

Our work in China was recognized for its innovation and pioneering, while our work in Nigeria was also recognized for its excellence. Philanthropedia named Accion among the most effective nonprofits in the field of microfinance. (Philanthropedia is a division of GuideStar, a leader in nonprofit analysis that tracks almost two million organizations.)

Because financial tools are put to best use by those with the knowledge to wield them, we continue to build our Dialogue on Business skills training and financial literacy programs. In Latin America we have helped train nearly three quarters of a million entrepreneurs; we are now accelerating these programs in India, where Accion has partnered with Muthoot Pappachan Group, Mann Deshi Bank, the Aga Khan Foundation, Citi Foundation and Friends of Women’s World Banking. To date, Accion in India and its partners have brought financial literacy and business skills, in five different languages, to more than 50,000 Indian women.

We continue to explore new opportunities for partnerships in Côte d’Ivoire, the Democratic Republic of Congo, Kenya, Mozambique, Myanmar and elsewhere, where we believe that our experience can help open the door of financial inclusion to millions more people.

The Power of the Double Bottom Line

15.62% RETURN REALIZED

in the sale of Accion Investments in Microfinance fund, while helping to serve more than one million clients over its 10-year history.

In 2009, the Center for Financial Inclusion at Accion, whose founding sponsor is Credit Suisse, launched the Smart Campaign – the industry’s first-ever consumer protection campaign. The campaign’s goal is to ensure that the microfinance industry remains both financially sound and socially focused. Already, more than 3,600 MFIs and individuals in 135 countries, covering more than 60 million clients, have signed on to its Consumer Protection Principles. We’re thrilled that the campaign has gathered such momentum in so short a time.

The Campaign recently launched its certification program, an independent, third-party evaluation designed to publicly recognize financial institutions that meet appropriate standards of care in how they treat clients.
Moving Toward Full Financial Inclusion

CONTINUED

Certification will enable microfinance institutions to demonstrate their commitment to client protection. Early in 2013, the Center for Financial Inclusion launched Financial Inclusion 2020 (FII2020) – an unprecedented collaboration involving sponsors Citi, Visa, MasterCard, Western Union, Bill & Melinda Gates Foundation, Moody’s and Deutsche Bank, as well as 50 other partners such as CGAP and the IFC who are involved in various working groups. FII2020 is a global movement to engage the world’s key players – governments, corporations and NGOs – who can help make financial inclusion a reality by the end of the decade.

FII2020 is comprised of two distinct projects. ‘Mapping the Invisible Market’ is researching how changing demographics and income in developing countries will shape demographics and income in the future. Market’ is researching how changing demographics and income in developing countries will shape demographics and income in the country. Since 1991, member organizations in the Accion U.S. Network have provided more than 46,000 loans totaling more than $360 million. In 2012 alone, they lent more than $36 million to businesses nationwide. The work of the Network, established in 2011, multiplies the opportunity it creates for small business owners nationwide.

A key part of our commitment to strengthening the microfinance industry and expanding financial inclusion is training microfinance professionals around the globe. We help them prepare to become managers and leaders in the field through specialized training programs, workshops and exposure visits. In 2012, more than 3,800 microfinance professionals were trained through our programs.

Today, the microfinance industry reaches about 200 million clients. That’s an impressive number – but when we consider the 2.5 billion people who live in poverty and still lack access to financial services, it’s clear that we have much more work to do. By building the next generation of top-tier microfinance institutions, by investing in innovative new companies, and by strengthening an industry through higher standards, we can move significantly closer to our vision of a financially inclusive world.

Small businesses flourish, people find job opportunities and communities thrive when entrepreneurs in the United States can access affordable capital. The Accion U.S. Network increases access by scaling innovation, building partnerships and focusing on rigorous impact evaluation and research.

To strengthen the industry, we also continued to improve collaboration through the Microfinance CEO Working Group, which comprises the heads of Accion, FINCA, Freedom from Hunger, Grameen Foundation, Opportunity International, Pro Mujer, Vision Fund and Women’s World Banking. The Group has reaffirmed its commitment to the Social Performance Task Force, which released its Universal Standards for Social Performance Management and reported on how a group of select MFIs tested adherence to those standards. We believe that the standards are a critical step forward for microfinance, and we hope other institutions will take on the challenge of assessing themselves and implementing them.

In 2012, the Social Performance Task Force released its Universal Standards for Social Performance Management and reported on how a group of select MFIs tested adherence to those standards. We believe that the standards are a critical step forward for microfinance, and we hope other institutions will take on the challenge of assessing themselves and implementing them. The standards are a critical step forward for microfinance, and we hope other institutions will take on the challenge of assessing themselves and implementing them.

A key part of our commitment to strengthening the microfinance industry and expanding financial inclusion is training microfinance professionals around the globe. We help them prepare to become managers and leaders in the field through specialized training programs, workshops and exposure visits. In 2012, more than 3,800 microfinance professionals were trained through our programs.

Today, the microfinance industry reaches about 200 million clients. That’s an impressive number – but when we consider the 2.5 billion people who live in poverty and still lack access to financial services, it’s clear that we have much more work to do. By building the next generation of top-tier microfinance institutions, by investing in innovative new companies, and by strengthening an industry through higher standards, we can move significantly closer to our vision of a financially inclusive world.

Small loans incite sustainable change, and Accion is uniquely positioned to bring this change to a meaningful scale in the United States. Five Accion member organizations headquartered in cities throughout the United States form the largest micro- and small business-lending network in the country.

Since 1991, member organizations in the Accion U.S. Network have provided more than 46,000 loans totaling more than $360 million. In 2012 alone, they lent more than $36 million to businesses nationwide. The work of the Network, established in 2011, multiplies the opportunity it creates for small business owners nationwide.

In 2008, network member Accion East and Online launched the Brewing the American Dream program, a partnership with the Boston Beer Company in Massachusetts. In 2012, the program expanded nationally to provide funds and training opportunities to low-to-moderate-income entrepreneurs in the food and beverage industry, disbursing $827,000 in loans to more than 80 entrepreneurs; in addition, more than 700 individuals received on-one coaching at Boston Beer’s signature ‘speed coaching’ events, where entrepreneurs meet with a series of experts on topics such as packaging, marketing and distribution.

Additionally, Accion launched ‘The Big StartUp’ in 2012, a nationwide jobs growth initiative in partnership with the New York Stock Exchange (NYSE). In addition to a $1.5 million contribution from the NYSE, the initiative also gave birth to ‘the Small Business Connections’ event series. The series brought marketing and business financing training opportunities to entrepreneurs in many U.S. cities.

IMPACT EVALUATION AND RESEARCH

Accion is pushing microfinance to a higher standard in the U.S. by focusing on rigorous impact evaluation, portfolio analysis and creating network-wide performance standards. Accion’s 2012 MicroTracker study, conducted by four members of the U.S. Network in partnership with the Aspen Institute, provided deep insight into microloan outcomes for job creation, business sustainability and income generation. The results demonstrate that Accion loan recipients are key contributors to local economies, with each loan recipient reporting employees creating or retaining 5.6 jobs on average; that 97 percent of Accion loan recipients are still in business one year post-loan; and that 32 percent of loan recipients report an increase in business revenue.

Additionally, network members have established a set of financial standards for loan portfolios and organizational health. We are also working with CARS™, an independent ratings organization, to develop a new assessment tool for micro lenders to track performance against standards, define best practices and evaluate capacity to grow.
2013 MEMBER HIGHLIGHTS

- **Accion Chicago** expanded lending by launching the Chicago Microlending Institute – a public-private partnership designed to increase microloan access to small business owners within the city.

- **Accion East and Online** helped more than 70 small businesses with over $1 million after Hurricane Sandy through its Sandy Recovery Business Loan Program.

- **Accion New Mexico • Arizona • Colorado** disbursed a record $5.6 million in new loans and received the national Access to Capital Award from the U.S. Department of Commerce’s Minority Business Development Agency.

- **Accion San Diego** saw a record year in lending, disbursing $2.1 million in loans – an 82 percent increase from the year before – and increasing its loan portfolio to over $3 million.

- **Accion Texas** continued its successful expansion in the Delta region, investing $1.4 million in new offices in Birmingham and Memphis and expanding small business education programs.

### Loans – Accion U.S. Network

Loans totaling $360 million made by the Accion U.S. Network since its inception in 1991

### THE AMERICAS

<table>
<thead>
<tr>
<th>Country</th>
<th>Institution</th>
<th>Active Borrowers</th>
<th>Amount Loaned</th>
<th>Active Portfolio</th>
<th>Average First Loan</th>
<th>Active Saver</th>
<th>Savings Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bolivia</td>
<td>BancoSol</td>
<td>193,208</td>
<td>597,847</td>
<td>738,304</td>
<td>3,328</td>
<td>547,222</td>
<td>698,347</td>
</tr>
<tr>
<td>Brazil</td>
<td>CrediAmigo</td>
<td>1,960,170</td>
<td>2,191,426</td>
<td>809,255</td>
<td>463</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Brazil</td>
<td>Santander Microcrédito</td>
<td>118,232</td>
<td>219,334</td>
<td>115,508</td>
<td>914</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Brazil</td>
<td>Accion Microfinanzas</td>
<td>1,963</td>
<td>2,641</td>
<td>1,553</td>
<td>956</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Colombia</td>
<td>Finamérica</td>
<td>89,964</td>
<td>232,699</td>
<td>299,960</td>
<td>3,030</td>
<td>207,878</td>
<td>254,243</td>
</tr>
<tr>
<td>Colombia</td>
<td>Fundación Mario</td>
<td>5,253</td>
<td>5,637</td>
<td>8,378</td>
<td>1,078</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>Banco Ademi</td>
<td>142,329</td>
<td>202,874</td>
<td>225,109</td>
<td>1,568</td>
<td>179,555</td>
<td>169,653</td>
</tr>
<tr>
<td>El Salvador</td>
<td>Apoyo Integral</td>
<td>30,844</td>
<td>43,445</td>
<td>64,249</td>
<td>1,583</td>
<td>9,461</td>
<td>8,221</td>
</tr>
<tr>
<td>Ecuador</td>
<td>Banco Solidario</td>
<td>199,635</td>
<td>336,750</td>
<td>346,363</td>
<td>2,038</td>
<td>44,901</td>
<td>216,993</td>
</tr>
<tr>
<td>Ecuador</td>
<td>CREDEF</td>
<td>247,774</td>
<td>704,500</td>
<td>680,787</td>
<td>2,676</td>
<td>361,639</td>
<td>172,364</td>
</tr>
<tr>
<td>Guatemala</td>
<td>Génesis Empresarial</td>
<td>169,494</td>
<td>112,737</td>
<td>94,400</td>
<td>457</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Haiti</td>
<td>SOGESOL</td>
<td>28,347</td>
<td>39,734</td>
<td>19,785</td>
<td>470</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Honduras</td>
<td>Banco Popular</td>
<td>20,670</td>
<td>44,503</td>
<td>49,744</td>
<td>1,749</td>
<td>33,747</td>
<td>19,653</td>
</tr>
<tr>
<td>Honduras</td>
<td>Finsol</td>
<td>9,241</td>
<td>28,793</td>
<td>39,264</td>
<td>3,257</td>
<td>35,037</td>
<td>15,515</td>
</tr>
<tr>
<td>Mexico</td>
<td>Compartamos Banco</td>
<td>1,495,028</td>
<td>4,582,757</td>
<td>1,148,174</td>
<td>678</td>
<td>62,681</td>
<td>1,314</td>
</tr>
<tr>
<td>Mexico</td>
<td>CrediConfía</td>
<td>24,224</td>
<td>29,998</td>
<td>8,720</td>
<td>420</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>Financiera FAMA</td>
<td>42,049</td>
<td>46,086</td>
<td>26,291</td>
<td>573</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Panama</td>
<td>Banco Delta</td>
<td>16,590</td>
<td>65,335</td>
<td>114,151</td>
<td>8,311</td>
<td>7,059</td>
<td>131,461</td>
</tr>
<tr>
<td>Paraguay</td>
<td>Financiera El Comercio</td>
<td>92,931</td>
<td>146,500</td>
<td>126,910</td>
<td>1,018</td>
<td>33,782</td>
<td>104,806</td>
</tr>
<tr>
<td>Paraguay</td>
<td>Fundación Paraguay</td>
<td>53,945</td>
<td>46,635</td>
<td>23,304</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Peru</td>
<td>Mibanco</td>
<td>504,549</td>
<td>1,577,092</td>
<td>1,855,730</td>
<td>2,098</td>
<td>342,541</td>
<td>1,308,038</td>
</tr>
<tr>
<td>Venezuela</td>
<td>BanGente</td>
<td>49,699</td>
<td>263,647</td>
<td>181,256</td>
<td>4,534</td>
<td>103,751</td>
<td>183,391</td>
</tr>
<tr>
<td><strong>TOTAL - AMERICAS</strong></td>
<td></td>
<td>5,836,119</td>
<td>11,522,959</td>
<td>9,677,176</td>
<td>1,015</td>
<td>1,969,654</td>
<td>2,838,940</td>
</tr>
</tbody>
</table>

### AFRICA

<table>
<thead>
<tr>
<th>Country</th>
<th>Institution</th>
<th>Active Borrowers</th>
<th>Amount Loaned</th>
<th>Active Portfolio</th>
<th>Average First Loan</th>
<th>Active Saver</th>
<th>Savings Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cameroon</td>
<td>EB-Accion Microfinance</td>
<td>5,678</td>
<td>6,890</td>
<td>3,204</td>
<td>509</td>
<td>25,061</td>
<td>4,534</td>
</tr>
<tr>
<td>Ghana</td>
<td>EB-Accion Savings and Loans</td>
<td>9,139</td>
<td>19,675</td>
<td>10,675</td>
<td>1,335</td>
<td>82,466</td>
<td>9,089</td>
</tr>
<tr>
<td>Nigeria</td>
<td>Accion Microfinancie Bank</td>
<td>14,426</td>
<td>30,131</td>
<td>12,193</td>
<td>1,090</td>
<td>95,128</td>
<td>3,499</td>
</tr>
<tr>
<td>Tanzania</td>
<td>Akiba Commercial Bank</td>
<td>27,055</td>
<td>65,609</td>
<td>43,605</td>
<td>1,005</td>
<td>175,428</td>
<td>64,481</td>
</tr>
<tr>
<td><strong>TOTAL - AFRICA</strong></td>
<td></td>
<td>56,298</td>
<td>122,305</td>
<td>69,677</td>
<td>1,021</td>
<td>378,003</td>
<td>81,603</td>
</tr>
</tbody>
</table>

### ASIA

<table>
<thead>
<tr>
<th>Country</th>
<th>Institution</th>
<th>Active Borrowers</th>
<th>Amount Loaned</th>
<th>Active Portfolio</th>
<th>Average First Loan</th>
<th>Active Saver</th>
<th>Savings Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>Accion Microcredit China</td>
<td>1,005</td>
<td>19,084</td>
<td>10,355</td>
<td>13,391</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>India</td>
<td>Sajja</td>
<td>24,779</td>
<td>6,175</td>
<td>4,531</td>
<td>244</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>India</td>
<td>Swadhaar</td>
<td>91,873</td>
<td>19,910</td>
<td>16,493</td>
<td>246</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>TOTAL - ASIA</strong></td>
<td></td>
<td>117,657</td>
<td>45,170</td>
<td>31,378</td>
<td>367</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td></td>
<td>6,010,074</td>
<td>11,690,433</td>
<td>7,078,232</td>
<td>998</td>
<td>2,347,737</td>
<td>3,365,543</td>
</tr>
</tbody>
</table>

Information not based on audited statements but verified by monthly and quarterly reports submitted by institutions

1 U.S. dollars in thousands
2 Amount disbursed during reporting period: Jan 1–Dec 31, 2012
3 Current outstanding loan balance

### 2012 PARTNER RESULTS
**2012 FINANCIAL HIGHLIGHTS**

**REVENUES**
- 34% Contributions and grants: $12,173,159
- 18% Dividend and interest income from program investments: 6,315,261
- 9% Dividend and interest income from short-term investments: 3,337,685
- 31% Management fees: 11,007,515
- 8% Contract revenues and training fees: 3,027,438

**TOTAL REVENUE**: $35,861,058

**FUNCTIONAL EXPENSES**
- 49% Global programs and microfinance institutions: $21,552,891
- 19% Global investments: 8,433,929
- 9% Center for Financial Inclusion: 4,031,672
- 4% Communications: 1,856,366
- 12% General and administrative: 5,308,137
- 7% Fundraising: 3,012,122

**TOTAL FUNCTIONAL EXPENSES**: $44,195,117

**CONSOLIDATED STATEMENTS OF ACTIVITIES**

**YEAR ENDED DECEMBER 31**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions and grants</td>
<td>$12,173,159</td>
<td>$9,348,129</td>
</tr>
<tr>
<td>Dividend and interest income from program investments</td>
<td>6,315,261</td>
<td>5,085,148</td>
</tr>
<tr>
<td>Dividend and interest income from short-term investments</td>
<td>3,337,685</td>
<td>3,851,620</td>
</tr>
<tr>
<td>Management fees</td>
<td>11,007,515</td>
<td>1,184,239</td>
</tr>
<tr>
<td>Contract revenues and training fees</td>
<td>3,027,438</td>
<td>2,387,608</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>$35,861,058</td>
<td>$21,856,744</td>
</tr>
</tbody>
</table>

| | | |
| **FUNCTIONAL EXPENSES** | | |
| Program services | | |
| Global programs and microfinance institutions | $21,552,891 | 19,375,630 |
| Global investments | 8,433,929 | 4,663,604 |
| Center for Financial Inclusion | 4,031,672 | 3,107,620 |
| Communications | 1,856,366 | 2,030,057 |
| **TOTAL PROGRAM SERVICES** | $35,874,858 | 29,176,911 |
| Supporting services | | |
| General and administrative | 5,308,137 | 5,331,893 |
| Fundraising | 3,012,122 | 3,330,487 |
| **TOTAL SUPPORTING SERVICES** | $8,320,259 | $8,662,380 |
| **TOTAL FUNCTIONAL EXPENSES** | $44,195,117 | $38,039,291 |

| | | |
| **NET ASSETS** | | |
| Change in net assets from operations | (8,334,059) | (16,182,547) |
| Net realized gain on investments | 23,509,673 | 99,191 |
| Income taxes | (3,121,031) | - |
| Other non-operating changes* | (16,567,065) | (86,454,354) |
| **TOTAL CHANGE IN NET ASSETS** | (4,512,482) | (102,537,710) |
| **NET ASSETS – BEGINNING OF YEAR** | 314,989,783 | 417,527,493 |
| **NET ASSETS – END OF YEAR** | $310,477,301 | $314,989,783 |

* Other non-operating changes primarily represent unrealized decreases in the valuation of investments
## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

### DECEMBER 31

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$40,449,646</td>
<td>$46,545,756</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>80,652,713</td>
<td>77,109,929</td>
</tr>
<tr>
<td>Grants and other receivables, net</td>
<td>16,179,739</td>
<td>13,511,480</td>
</tr>
<tr>
<td>Prepaid expenses, deposits, advances and other assets</td>
<td>1,853,880</td>
<td>1,453,877</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td><strong>139,135,998</strong></td>
<td><strong>138,621,042</strong></td>
</tr>
<tr>
<td>Cash restricted by foundation for long-term purposes</td>
<td>1,440,639</td>
<td>2,529,891</td>
</tr>
<tr>
<td>Grants, contributions and notes receivable, net</td>
<td>4,815,873</td>
<td>2,904,693</td>
</tr>
<tr>
<td>Global Bridge Guarantee Program investments</td>
<td>7,494,309</td>
<td>7,337,082</td>
</tr>
<tr>
<td>Investments in affiliates</td>
<td>172,797,536</td>
<td>172,418,322</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>790,123</td>
<td>768,054</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT ASSETS</strong></td>
<td><strong>187,338,480</strong></td>
<td><strong>185,958,042</strong></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$326,474,478</strong></td>
<td><strong>$324,579,084</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th>CURRENT LIABILITIES</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$3,346,177</td>
<td>$3,107,075</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>209,223</td>
<td>316,614</td>
</tr>
<tr>
<td>Bank line of credit</td>
<td>22,585</td>
<td>208,425</td>
</tr>
<tr>
<td>Deposit from investor</td>
<td>6,349,106</td>
<td>-</td>
</tr>
<tr>
<td>Notes payable</td>
<td>1,507,211</td>
<td>2,538,085</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT LIABILITIES</strong></td>
<td><strong>11,434,302</strong></td>
<td><strong>6,170,199</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NON-CURRENT LIABILITIES</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes payable – net of current portion</td>
<td>4,562,875</td>
<td>3,419,102</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT LIABILITIES</strong></td>
<td><strong>4,562,875</strong></td>
<td><strong>3,419,102</strong></td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>15,997,177</strong></td>
<td><strong>9,589,301</strong></td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td><strong>$310,477,301</strong></td>
<td><strong>$314,989,783</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL LIABILITIES AND NET ASSETS</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$326,474,478</strong></td>
<td><strong>$324,579,084</strong></td>
<td></td>
</tr>
</tbody>
</table>
THANKS TO OUR SUPPORTERS

INSTITUTIONS

J.C. & S. Adams Fund of the Community Foundation of Jackson Hole
Banco Centroamericano de Integracion Economica
Belgian Investment Company for Developing Countries (BIO)
Louis M. Ball Fund
Bloomberg Philanthropies
The Boeing Company
The Brinson Foundation
The Eli and Edythe Broad Foundation
Angelo R. Cali & Mary V. Cali Family Foundation, Inc.
Cascade Foundation
Challah For Hunger Fund
Citi Foundation
The City of Frankfurt
Credit Suisse
Patrick and Anna M. Frances Foundation
The Dawe Family Foundation
The Doehring Foundation
Eaton Vance Management
Fidelity
Marie and Barbara Falk Family Foundation
Fanwood Foundation
David and Hilda Fein Family Foundation
First Congregational Church of Billerica
First Data
The Ford Foundation
Fordham University
Bill & Malinda Gates Foundation
A.H. Gage Private Foundation, Inc.
Bill & Malinda Gates Foundation
Clem C. Gilstrap Foundation
The Glickenhaus Foundation
Clifford and Lorraine Giese Foundation
Grassland Finance Limited
Hardcastle Trading USA
Hindu High School Spanish Honor Society
Honeymoon Foundation
The Hubba Foundation
Inter-American Development Bank
International Finance Corporation
The Irving & Alwyn Johnson Family Foundation
IKW Bankengruppe
Kretschmer Private Foundation
LeSarCardi Charitable Trust
Lourdes Maxa Neil & St. Joseph Company
The MasterCard Foundation
MGI Foundation
The David and Katherine MGR Foundation
The David and Katherine MGR Foundation
North Carolina Community Foundation
Northwest Community Credit Union
Nothing Falls Short LLC
NYSE Eurozone Endowment
The Palmer Walker Foundation
Peterson-Stasi Foundation
PIMCO Foundation
Puth Family Foundation
Harold F. Ray Foundation
Rudy and Alice Ramsey Foundation
Redwine Family Foundation
The Grace Jones Richardson Trust
Robinson Family Trust
The Rumself Foundation
Sagamore Investment Management
Santa Maria Foundation, Inc.
Seedtime Fund, Inc.
Si 2005 Family Trust
Small Industries Development Bank of India
Social Visionary Foundation
The Spiritus Foundation
Roger and Susan Stone Family Foundation
The Stone Soledad Foundation
Swiss Cycling Building Facility Trinity Episcopal Church
Full Foundation
The Tundra Glacier Fund
The Turda Glacier Fund
The University Foundation
Silvaer Valley
Direct Giving Program
Dominion Foundation Matching Gift Program
The DuPont Community Foundation
ExxonMobil Foundation
Fidelity Charitable Gift Fund
FINRA
FM Global Foundation
Foundation of Massachusetts, Inc.
Viva International
Weiss Fagen Foundation
The Western Union Foundation
David F. and Sara K. Weston Fund

DONOR AIDED FUNDS, MATCHING GIFT ORGANIZATIONS & WORKPLACE GIVING PROGRAMS

Américas' Charities
American Endowment Foundation
American Express Foundation
American Tower Corporation
Amzerinesque Foundation
A&T United Way Employee Giving Campaign
Ayco Charitable Foundation
Bank of America Charitable Foundation
Bergen County United Way
BlackRock Matching Gift Program
Boeing Charitable Trust
The Bonfils Foundation, Inc.
Cohort Social Investment Foundation
Chubb Group of Insurance Companies
The Columbus Foundation
Community Foundation for Greater Boulder
The Community Foundation for the National Capital Region
Community Foundation of Gaston County
Community Foundation of Greater Des Moines
The Community Foundation of Greater Greensboro
The Community Foundation of Jackson Hole
Community Foundation of Silicon Valley
Donor Advised Fund
Dominion Foundation Matching Gift Program
The DuPont Community Foundation
ExxonMobil Foundation
Direct Giving Program
Dominion Foundation Matching Gift Program
U.S. Charitable Gift Trust United Way California Capital Region
United Way of Rhode Island
Vanguard Charitable Endowment Program
Vanguard
Wells Fargo Foundation
United Way of Central Indiana
World Bank Community Connections Fund
WPF Solutions, Inc.
Xcel Energy
YourCause LLC

IN-KIND DONORS

Allen & Overy LLP
Tuck Barclay and Lucy Norvell
Katharine and Dan Barnum
The Boston Beer Company
Capital Grille
Alan Cody
Corporate Traveler Boston
Credit Suisse
D&A Piper
Renee and Carl Faulwalt
Foley Hoag LLP
Freshfields Bruckhaus Deringer US LLP
G2O Spa and Salon
Laura Giadona-Koch
Ogleza Pinzon Zuleta
Alegados S.A.
Goodwin Procter LLP
Goulston & Storrs
Morgan Stanley
North for Good
Northrop Grumman Employee Charity Organization
Orange County Community Foundation
The Pfizer, Inc.
Pioneer Investments
The Philadelphia Foundation
PNC Wealth Management
Raizoo Foundation
The Regence Employee Giving Campaign
Rochester Area Community Foundation
Russell Investments
Sabre Holdings
SAP Matching Gift Program
The Schwab Charitable Fund
Siemens USA
TD Ameritrade Clearing
Turekens Charitable Gift Fund
U.S. Charitable Gift Trust United Way California Capital Region

RECIPES

The Recife Society honors and recognizes those loyal supporters who are helping to ensure the future empowerment of hardworking people worldwide through planned giving.

Anonymous (1)
Charles A. Abela
Andres Acero del Olmo and Balinda Akers
Bennett B. and Paulette D. Blackwell
Robert and Patricia Anderson
Robert and Margarita Bartels
James Bevies and Elena Lipowski
Mark and Margaret Burgessworth
Lynn Caponaro
Carol Caravagno
Roger and Shirley Conant
William K. Davis
Ruth O. Frank
Emily Garlin
Gilbert W. Glass
Foster Goodwill
Renee Hummel
Bob and Elly Goodman

James B. and Jean B. Williams
Thomas M. Willis, Jr.
Patricia Parsons Willis
Marilyn M. Winton
Roy Wallace Wood

Institutions
Anonymous (10)
Anonymous (Loring, M. & W.)
Anonymous (2)
Anonymous, Trillium Asset Management (6)
Balthasar Church UCC
Cohort Social Investment Foundation
Congregation of the Passion
Holy Cross Province
Congregation of the Sisters of St. Joseph of Peace
Dominican Sisters of Hope
Everence Community Investments, Inc.
First Presbyterian Church
Francesco Kess Foundation
John F. & Mary A. Geisse Foundation
Monarch Community Fund LLC
Orange County Community Foundation
Our lady of Victory
Missionary Sisters
St. Mary's Institute of O'Fallon
School Sisters of Notre Dame
School Sisters of Notre Dame of Maryland
SEEDS of Change
Senton Endowment Fund, Inc.
Shiatsu Forth Fletcher
Sisters of Divine Providence
Sisters of Charity, BVM
Sisters of St. Dominic
Sisters of St. Francis
Sisters of St. Joseph
Sisters of St. Joseph
Susan delehanty and
Tiffin, Ohio
Sisters of St. Joseph of Carondelet, Albany Province
Sisters of St. Joseph of Carondelet, St. Louis Province
Sisters of St. Joseph of Carondelet, St. Paul Province
Sisters of St. Joseph of Carondelet, St. Louis Province
Sisters of St. Joseph of Carondelet, St. Paul Province
Society of the Holy Child Jesus
SSM International Finance
Threshold Foundation
World Runners
BOARD OF DIRECTORS AND SENIOR MANAGEMENT

AS OF MARCH 31, 2013

Officers

DIANA L. TAYLOR
Chair
Managing Director, Wolfensohn & Company

TITUS BRENNINKMEIJER
Co-Vice Chair
President, Soligenix, LLC

HENRY MILLER
Co-Vice Chair
CFO, Goodman Media International, Inc.

RUSSELL B. FAUCETT
Treasurer
General Partner, Barrington Partners

ANNE STETSON
Secretary
President, Lighthouse Consulting

Directors

THOMAS C. BARRY
Founder and CEO, Zephyr Management

NANCY BIRDSALL
President, Center for Global Development

AMY BUTTE
Founder and CEO, TITLE Financial

ROBERTO DAÑINO
Deputy Chairman of the Board, Hochschild Mining, PLC

JOHN G. HEIMANN
Founding Chairman, Financial Stability Institute

JOSEPH HILL
Former Senior Associate General Counsel and Regional Head, Latin America, MetLife

TARA KENNEY
Managing Director, Deutsche Asset Management

BARBARA LUCAS
Partner, Luens Partners, LLC

GABRIEL ROZMAN
Executive Vice President, Emerging Markets, Tata Consultancy Services

Directors Emeriti

MICHAEL CHU
Senior Lecturer, Harvard Business School

ROBERT HELANDER
Managing Partner, InterConsult, LLP

DANIEL R. MARTIN
Associate Professor, Pace University

ÁLVARO RODRÍGUEZ ARREGUI
Managing Partner, Iglnia

JOHN W. SCOTT
Retired Corporate Vice President, CPC International

NANCY SHERWOOD TRUITT
President, Truitt Enterprises, Inc.

Senior Management

MICHAEL SCHLEIN
President and CEO

ESTERAN A. ALTSCHUL
Chief Operating Officer

MARY CHAFFIN
General Counsel

JOHN FISCHER
Chief Investment Officer

DIEGO GUZMÁN
Regional Head, Latin America

GINA HARMAN
President and CEO, Accion U.S. Network

ROY A. JACOROWITZ
Senior Advisor to the President

BRIAN KUWIK
Regional Head, Africa

BRUCE J. MACDONALD
Senior Vice President, Communications

LIVINGSTON PARSONS
Chief Financial Officer

DONELLA RAPIER
Chief Development and Administrative Officer

ELISABETH RHINE
Managing Director, Center for Financial Inclusion

VICTORIA WHITE
Regional Head, Asia

YOUR SUPPORT IS POWERFUL

Your support provides the funding that allows us to reach people in unserved and underserved regions around the globe.

Your contributions fund the research and development of product and process innovations that help bring needed financial tools to millions of hardworking individuals.

Your charitable gifts provide financial education and business training to clients so they can improve their businesses and lives.

Ultimately, your support means that millions of people around the world can be empowered to improve the lives of family members, employees and neighbors in critical ways – with better nutrition, regular schooling or simply a roof that doesn’t leak.

For all this, we thank you, and we ask you to continue to help us to build a financially inclusive world with access to economic opportunity for all.

THERE ARE MANY WAYS TO GIVE

OUTRIGHT GIFTS: You can make an outright gift using the enclosed envelope or on our website at www.accion.org/donate.

SUSTAINER’S SOCIETY: Join the Sustainer’s Society and demonstrate your commitment to bringing financial empowerment to millions of people by making automatic monthly contributions to Accion. Visit www.accion.org/sustainers to learn more.

RECIFE SOCIETY: The Recife Society honors and recognizes those loyal supporters who are helping to ensure the future empowerment of hardworking people worldwide through planned giving. Accion advisors can help guide you with gift strategies that provide your family with tax advantages.

TRIBUTE GIFTS: Make a donation in honor of someone special. Let us know who you would like to honor, and we’ll send a gift card or letter acknowledging that you’ve made a donation to Accion in his or her name.

OUTRIGHT GIFTS: You can make an outright gift using the enclosed envelope or on our website at www.accion.org/donate.

SUSTAINER’S SOCIETY: Join the Sustainer’s Society and demonstrate your commitment to bringing financial empowerment to millions of people by making automatic monthly contributions to Accion. Visit www.accion.org/sustainers to learn more.

RECIFE SOCIETY: The Recife Society honors and recognizes those loyal supporters who are helping to ensure the future empowerment of hardworking people worldwide through planned giving. Accion advisors can help guide you with gift strategies that provide your family with tax advantages.

TRIBUTE GIFTS: Make a donation in honor of someone special. Let us know who you would like to honor, and we’ll send a gift card or letter acknowledging that you’ve made a donation to Accion in his or her name.

A GIFT OF STOCK: Accion welcomes tax-deductible contributions in the form of securities. When you donate this way, you support our work by contributing appreciated assets without incurring capital gains taxes.

SOCIALLY RESPONSIBLE INVESTMENTS: Accion’s Bridge Guarantees Program allows individual investors to help secure the financial sustainability of microfinance institutions around the world while earning both social and financial returns.

Please visit www.accion.org to learn more about these options. Accion staff may be reached at 617-625-7080 x1109 or by email at donate@accion.org.
Accion is a global nonprofit organization dedicated to building a financially inclusive world with access to economic opportunity for all by giving people the financial tools they need to improve their lives.
Marina Barrios, hat maker and client of Accion partner Financiera FAMA in Masaya, Nicaragua.