



ANNUAL  
REPORT  
2023

# LEADERSHIP MESSAGE



We're delighted to celebrate VisionFund's 20-year anniversary. Over the past two decades, we've lent \$11.5 billion towards 20 million loans, providing microfinance services to some of the most vulnerable clients around the world. We've seen transformation in our clients' lives, and as a result, many children now have brighter futures.

None of this would be possible without our dedicated field staff, who work closely with clients to improve their livelihoods and resilience. We are proud of our staff and the work they do while recognising the world needs more financial solutions to enable people to step out of poverty, and we need to further our reach. *Our Livelihoods Promise*, our strategy to 2030, is our commitment and plan to expand the reach of financial services to those living in the most vulnerable communities through our 7,637 staff working in 25 microfinance institutions around the globe.

Making a positive impact on the lives of our clients and their children is the most noteworthy objective of our ministry. Through the grace of God, we have been blessed to witness measurable change over time in the businesses, home life and well-being of our clients. The results from our data show the amazing impact and truly changed lives that take place as a result of our financial inclusion work.

During the past year, we strengthened our evidence of impact through both internal skill-building, as well as independent studies. The internal data collected through the client surveys enabled our microfinance institutions to strengthen operational and strategic decision-making based on reported client data.

We have learned from our clients that their quality of life improved by 75% after receiving their loan and 60% of our clients said that the loan provided them with more varied and nutritious food to grow healthy bodies and minds for their families.

- In Latin America, 67% of all clients achieved the goals that they set for themselves when they took the loan.
- In Africa, 54% of clients reported their loan gave them an improved ability to manage their finances.
- In Uganda, clients reported a doubling of the sense of control they have over their finances.
- Women in Malawi reported that they have more of an equal sense of control over finances as their husbands.

Through this evidence of impact, we are delighted that VisionFund's work is fulfilling our mission to create brighter futures for children. Looking forward, we continue to keep pace with global changes, including digital transformation, to reach the most vulnerable and a deliberate focus on women living in rural areas. As climate change plays a greater role in our clients' ability to build resilience through a sustainable income source, we are increasing our insurance options and savings opportunities. We continue to be blessed to have our strong partnership with World Vision so that together, we can further our ability to impact the lives of the most vulnerable.

We can boldly proclaim that our work is transforming lives through our evidence of impact. And, with our foundation rooted in Christ's love, we are committed to continue to create a world where poverty is no longer hindering fullness of life.

Blessings,

Edgar Martinez  
President and CEO

Jim Bere  
Board Chair



## GLOBALLY

25 Microfinance institutions  
576 Branches  
7,637 Employees  
42% Clients in World Vision Area Programmes (AP)

## AFRICA

11 Microfinance institutions  
300 Branches  
4,083 Employees  
46% Clients in World Vision AP

## ASIA

6 Microfinance institutions  
115 Branches  
1,596 Employees  
35% Clients in World Vision AP

## EASTERN EUROPE

2 Microfinance institutions  
42 Branches  
130 Employees  
0% Clients in World Vision AP

## LATIN AMERICA

6 Microfinance institutions  
119 Branches  
1,828 Employees  
34% Clients in World Vision AP

# ABOUT VISIONFUND

Our mission to serve vulnerable families was carried out compassionately and skilfully by our 7,637 staff across our network of 25 microfinance institutions (MFIs).

Our support to our clients is crucial and we're grateful to the dedication of our front-line staff – especially field officers and other branch staff – who live out their devotion to our clients and our mission every day.

We continue to integrate our work with World Vision, the global Christian relief, development, and advocacy organisation, serving as their microfinance partner. Working together, we are creating communities with greater financial resilience and a strong economic base.



# GLOBAL OUTREACH

BRIGHTER FUTURES FOR

# 5.2 MILLION CHILDREN

4,579,933 Africa 251,376 Asia 8,532 Eastern Europe 318,752 Latin America



**LOAN CLIENTS**  
1 million

628,125 Africa  
167,224 Asia  
7,452 Eastern Europe  
202,312 Latin America



**WOMEN CLIENTS**  
70%

65% Africa  
85% Asia  
45% Eastern Europe  
70% Latin America



**RURAL CLIENTS**  
66%

70% Africa  
75% Asia  
51% Eastern Europe  
47% Latin America



**EMPLOYEES OF CLIENTS**  
1.4 million

922,740 Africa  
188,585 Asia  
10,982 Eastern Europe  
237,281 Latin America



**VALUE OF LOANS DISBURSED**  
\$800 million

\$311 million Africa  
\$85 million Asia  
\$14 million Eastern Europe  
\$389 million Latin America



**NUMBER OF LOANS DISBURSED**  
1.2 million

701,000 Africa  
223,000 Asia  
6,000 Eastern Europe  
276,000 Latin America

## VISIONFUND'S CONTRIBUTION TO

# SUSTAINABLE DEVELOPMENT GOALS

Many around the globe, including VisionFund, are committed to finding ways to transform our world and meet the Sustainable Development Goals (SDGs) by 2030, yet a recent United Nations (UN) report on the SDGs showed disappointing global progress towards most of the targets. It calls for:

- Expanding decent jobs
- Addressing gender inequality
- Improving digital inclusion
- Increasing support in a stronger digital infrastructure and more robust data capacity

There are four SDGs that VisionFund's work has focused on:

SDG1:  
No Poverty



SDG2:  
Zero Hunger



SDG5:  
Gender Equality



SDG 8:  
Decent work and economic growth



## SDG 1: NO POVERTY

If current slow and uneven trends continue, the United Nations says instead of no poverty, there will be 575 million people in poverty by 2030.

VisionFund is targeting the most vulnerable so our financial services enable families to step out of poverty, examples include:

- VisionFund Malawi: 72% of clients live on less than US \$1.90 a day
- VisionFund Zambia: 59% live on less than US \$1.90 a day
- VisionFund Rwanda: 75% of clients live on less than US \$3.20 a day
- VisionFund Uganda: 80% of clients live on less than US \$3.20 a day
- VisionFund Mexico's outreach targets those states that have the highest poverty in Mexico.

Targeting the poorest and most vulnerable with financial inclusion has helped families step out of poverty. VisionFund Guatemala targeted women as one of the most vulnerable client segments and offered a low interest rate for women to help improve their income.

In Honduras, 95% of clients said their quality of life had improved thanks to VisionFund's financial support. Ecuador found that the longer a client stays with VisionFund, their movement out of poverty improves.

Insurance also plays a part in decreasing levels of poverty. 100% of VisionFund Mexico's clients have insurance for life, accidents, debt and funeral; 98% have cancer coverage. And, the Dominican Republic has insurance for death, and also includes financial training.

Being able to withstand shocks is essential to build financial resilience:

- In Rwanda, 58% of FAST-Financial Accelerating Savings group Transformation (lending to savings groups) clients reported it would be difficult to come up with emergency funds. In a follow-up study, after savings groups received a FAST loan, the number dropped to 26%.
- In Zambia, 47% of respondents said securing emergency funds would be a problem, but after the FAST loan the number decreased to 20%.



## SDG 2: ZERO HUNGER



The number of hungry and food-insecure people is rising, not decreasing. The COVID pandemic, conflict, climate change and growing inequalities exacerbated the situation. There were 122 million more people with chronic hunger in 2022 than in 2019 and 391 million more with limited access to adequate food in 2022 than in 2019.

From our client surveys, we know that 60% of our clients said that the loan provided them with more varied and nutritious food to grow healthy bodies and minds for their families.

Bolivia invested US \$8.9 million to support 5,000 families to guarantee food production and security. Technical data on market price changes helps give accurate real-time data for decision making.

Honduras mitigated the risk of climate change by reviewing changes in cultivation techniques to increase productivity. Improved agriculture production helps to increase food production and reduce the food gap.

With a FAST loan, households increased the quality of life for their children. For example, clients said they were better able to afford food and take care of their children. In Malawi, Uganda, and Zambia, over 90% of clients responded positively.

In Uganda, 51% of respondents initially struggled to come up with emergency funds, but after the FAST loan, the number dropped to 17%.



## SDG 5: GENDER EQUALITY



If trends continue, it will take 286 years to remove discriminatory laws, 140 years to have equality in power and leadership in the workplace, and 47 years to have equal representation in parliaments.

Equal numbers of male/female staff are evidenced in Bolivia, Mexico, and Ecuador. In addition, five (of 13 total) women sit on the VisionFund International Board of Directors. Mexico trained 270 female community leaders in the World Vision leadership programme, which including advocacy against gender violence and encouraged gender equality.

With agricultural land ownership and legal protection of women's land rights remaining low, VisionFund Guatemala developed a credit product for land purchase. A high percentage of women need this product to start or grow their own future.

Mobile phone ownership is a powerful tool for empowering women, but gender parity remains elusive in many regions. However, in the Dominican Republic, 68% of women have mobile phones, which empower them to grow their businesses and leverage the potential in the communities. In Guatemala, women clients even use their phones to sell on-line, which provides them additional income to support the needs of their families.



## SDG 8: DECENT WORK AND ECONOMIC GROWTH



Global real GDP per capita growth was forecasted to slow down in 2023, with more informal employment. COVID-19 accelerated digital adoption and access to finance with regulated institutions or mobile money providers.

Globally the United Nations states that 76% of the world's population have bank accounts, compared to 62% in 2014. VisionFund's data show that clients (54% in Africa) have an improved ability to manage their finances after a loan. And women in Malawi reported that they have more of an equal sense of control over their finances as their husbands after a loan.



## OUR FOCUS

# EMPOWERED WORLDVIEW

Empowered Worldview is VisionFund’s biblically based model to help people understand their worth as children of God and how they can use their God-given talents and resources to care for their families. Mindsets shift from one of dependence to one of empowerment. Creativity and capacity to act is unleashed in new ways to manage God-given resources and improve businesses and farms, which leads to increased incomes.

For VisionFund staff to support the transformation of clients, we ourselves must first be transformed. By the end of FY23, VisionFund trained 3,046 of our staff (44% of current VisionFund staff).

## CLIENT PILOTS

Empowered Worldview is helping communities move away from fatalism, a scarcity mindset, and a dependence on outside entities to solve their problems. It helps participants discover their identity as made in God’s image as well as God’s vision for fullness of life – helping people to discover their agency while also building stronger relationships in families and communities.

In FY23, six MFIs launched client pilots in Mongolia, Guatemala, Ghana, Kenya, Uganda, and Rwanda.

## CLIENT IMPACT STORY

Burentuya, a mother of seven children, is a VisionFund Mongolia client, operating a tailoring service while her husband serves in the army. Limited resources hindered their earning potential, and her husband’s salary covered only basic needs. Five years ago, she secured her first loan through VisionFund and experienced a five-fold income increase.

After participating in the Empowered Worldview training for clients, Burentuya advocated for community involvement in the program, emphasizing its impact. The training enlightened her on the value of relationships and helped her seek out previously overlooked opportunities, such as government programs for micro-businesses and children’s education.

Empowered Worldview also highlighted the dignity of every individual, transforming Burentuya’s parenting approach – she now devotes attention and time to meaningful conversations with each child. Her vision is to provide quality education for her brilliant children and build a permanent home.

Empowered Worldview has been a game-changer for VisionFund, altering the focus of client meetings from loan repayments to collaborative learning opportunities. Clients now see the value in attending sessions and working together to ensure group loans remain current and prevent delinquency.



Restored spiritual relationships with God. “Empowered Worldview training is opening the minds of the staff, and it has encouraged some staff to recommit their lives to God and as a result, daily devotions are being cherished by staff.”

Quote from Uganda staff member



## CLIENT IMPACT STORY

# A VISION TO AID STRUGGLING WOMEN

In India, Dhanalakshmi, a 25-year-old mother, and Sivasubramaniam, her supportive 35-year-old husband, have embarked on a journey that exemplifies the transformative power of microfinance, showcasing how it can empower individuals to achieve their dreams and uplift their communities.

Dhanalakshmi's journey with microfinance began in 2017 when she secured a loan of 15,000 rupees, a modest sum by most standards, but for her, it was a ticket to a better future. With this initial investment, she acquired a dairy cow. Her second loan, amounting to 30,000 rupees, was used to purchase another cow, this time with a calf, expanding her dairy operation.

Then, to add to her assets, her most recent loan of 50,000 rupees enabled her to acquire a sewing machine. This investment was born out of a realisation that she possessed time and untapped potential even after tending to her cows. She has ventured into tailoring, sewing blouses, adding sleeves to dresses, and undertaking repair work. Her reputation as a skilled artisan spread quickly among her neighbors, who entrusted her with their tailoring needs.

Dhanalakshmi's dreams for the next 3-5 years are ambitious and promising. The couple is in the process of building a new home, where the upper floor will serve as the hub for sewing machines, a significant expansion that will open doors to more employment opportunities for women in their community.

In the spirit of uplifting other women, Dhanalakshmi contemplates hiring women to assist in her burgeoning tailoring business. She notes, "We are all struggling, so if I'm able to provide some help to other struggling women, I want to help ease their burden."

Dhanalakshmi and Sivasubramaniam's story is a testament to the transformative potential of microfinance. It exemplifies how modest investments, when coupled with determination and community support, can empower individuals to pursue their dreams and uplift their families and communities. Their story is a testament to the potential that lies within marginalized communities when provided with access to financial resources and opportunities.

Reflecting on her own educational limitations, Dhanalakshmi expresses a heartfelt desire to provide her two daughters (aged 7 and 5) with opportunities she was denied. Her commitment to ensuring her daughters' education and a future devoid of laborious struggles is both admirable and inspiring.





# FINANCIAL PERFORMANCE

Continuing the positive momentum from last year's pandemic recovery, VisionFund experienced a very fruitful FY23, serving our clients while improving network sustainability. Our Microfinance Institutions (MFIs) again achieved sustainability for all four quarters during this fiscal year. We produced \$23.9 million in net income before donations and 114% in operational sustainability, exceeding even the extraordinarily high level from last year.

Our gross loan portfolio grew 18.5% to \$565 million, with Africa growing 42% while Latin America grew by 16%. Due to the strength of our network, the portfolio grew without sacrificing quality – portfolio quality (portfolio at risk > 30 days) continued to decrease from 3% to 2%, and the loan loss rate decreased to 3.8%.

Even in the midst of persistent challenges and instabilities around the world, the VisionFund network continued to expand the impact on our clients and children. By the end of FY23, we served 1 million borrowers, reached 5.2 million children, and disbursed \$800 million in loans, all of which are improvements from last year (5%, 10%, 13% increase respectively). Overall, VisionFund's global position (including global centre) remains solid with liquidity at 15% of total assets.

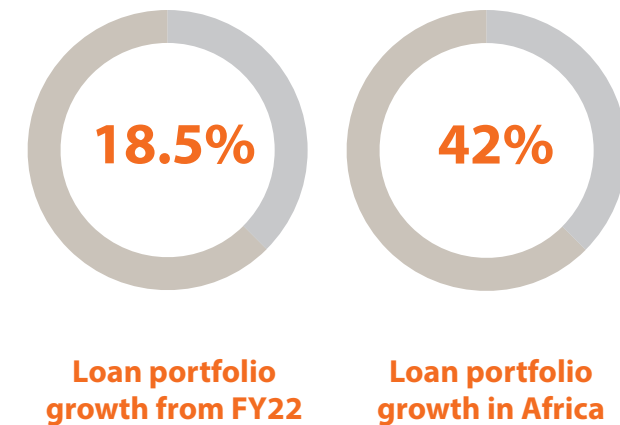
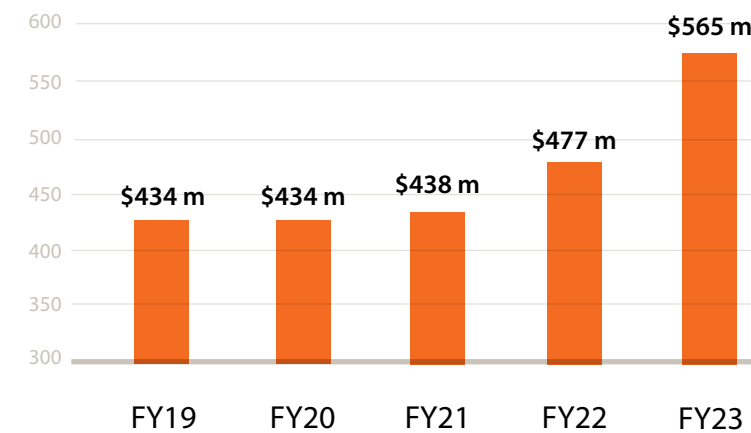


## VISIONFUND INTERNATIONAL NETWORK

|   | FY23      | FY22 | FY21 |
|---|-----------|------|------|
| Gross loan portfolio                            | US\$m 565 | 477  | 438  |
| Total assets                                    | 691       | 585  | 523  |
| Notes payable                                   | 348       | 309  | 285  |
| Client deposits (savings)                       | 122       | 81   | 63   |
| Total equity                                    | 167       | 148  | 127  |
| Financial revenue                               | 189       | 159  | 141  |
| Financial expenses                              | 39        | 35   | 37   |
| Financial income                                | 150       | 124  | 104  |
| Operating expense                               | 111       | 104  | 95   |
| Net income after tax and before donations       | 24        | 14   | (21) |
| Value of loans disbursed                        | 800       | 706  | 613  |
| Portfolio yield                                 | 35%       | 33%  | 31%  |
| Operational sustainability                      | 114%      | 109% | 87%  |
| Operational expense ratio                       | 21%       | 23%  | 22%  |
| Loan delinquencies (portfolio at risk >30 days) | 2.0%      | 3.0% | 2.4% |
| Loan loss rate                                  | 3.8%      | 7.4% | 2.7% |

Data in USD and millions except as otherwise indicated.

## GROSS LOAN PORTFOLIO



# GOVERNANCE

The VisionFund International Board is the ultimate governing body of the VisionFund network. At the country level, each microfinance institution has a board of directors whose members are appointed by the VisionFund International Board and thereafter, by the regulator, where applicable. The microfinance institutions' boards adopt all the governance policies developed by VisionFund International. Such policies are adapted to the local context to comply with local laws and regulations.

**Jim Bere, USA**  
Board Chair  
Chairman & CEO  
Alta Resources

**Tiffany T. F. Huang, Taiwan**  
Vice Board Chair  
Senior Partner & Practices Head  
Baker & McKenzie

**Petronella Dhitima, Zimbabwe**  
Managing Director  
Mustard Seed Advisory

**Chris Glynn, USA**  
SVP, Transformational Engagement  
World Vision US

**Luis Hermosa, Ecuador**  
Financial Consultant  
Independent

**Dr. Jean Baptiste Kamate, UK**  
Chief Field Operations Officer  
World Vision International

**Kate Lam, USA**  
Managing Director  
Ideanomics

**Stephen Lockley, UK**  
Chief Admin. & Financial Officer  
World Vision International

**Edgar Martinez, USA**  
President & CEO  
VisionFund International

**Suanne Miedema, Canada**  
Board Deputy Chair, President  
Miedema's Board Consulting Inc.

**Andrew Morley, UK**  
President & CEO  
World Vision International

**Emma Osborne, UK**  
Formerly Chief Investment Officer  
The Chubb Corporation

**Dennis Weibling, USA**  
Managing Director  
Rally Capital LLC

# LOCATIONS

VisionFund International headquarters is located and registered in California, USA. Our microfinance institutions are located in the following countries:

## AFRICA

DR Congo  
Ethiopia\*  
Ghana  
Kenya  
Malawi  
Mali\*  
Rwanda  
Senegal  
Tanzania  
Uganda  
Zambia

## ASIA

India  
Mongolia  
Myanmar  
Philippines\*  
Sri Lanka\*\*  
Vietnam\*

## EASTERN EUROPE

Kosovo\*  
Montenegro

## LATIN AMERICA

Bolivia\*  
Dominican Republic  
Ecuador  
Guatemala  
Honduras  
Mexico



\* Affiliated and not owned entities.

\*\* In FY24, Sri Lanka is transitioning out of the VisionFund network.



  
**VisionFund**



[visionfund.org](https://www.visionfund.org)