



Luxembourg Microfinance and Development Fund (LMDF)

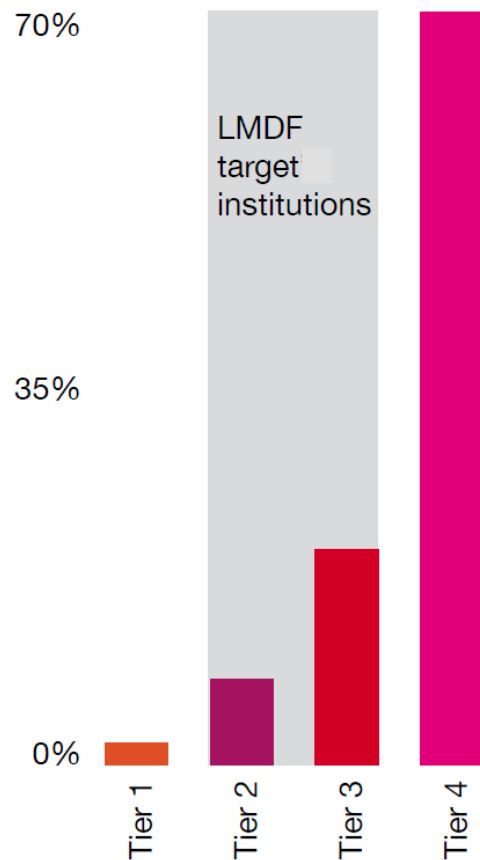
Marc Elvinger, Vice-Chairman

European Microfinance Week - 4th November 2011



**Luxembourg Microfinance
and Development Fund**

LMDF's objective

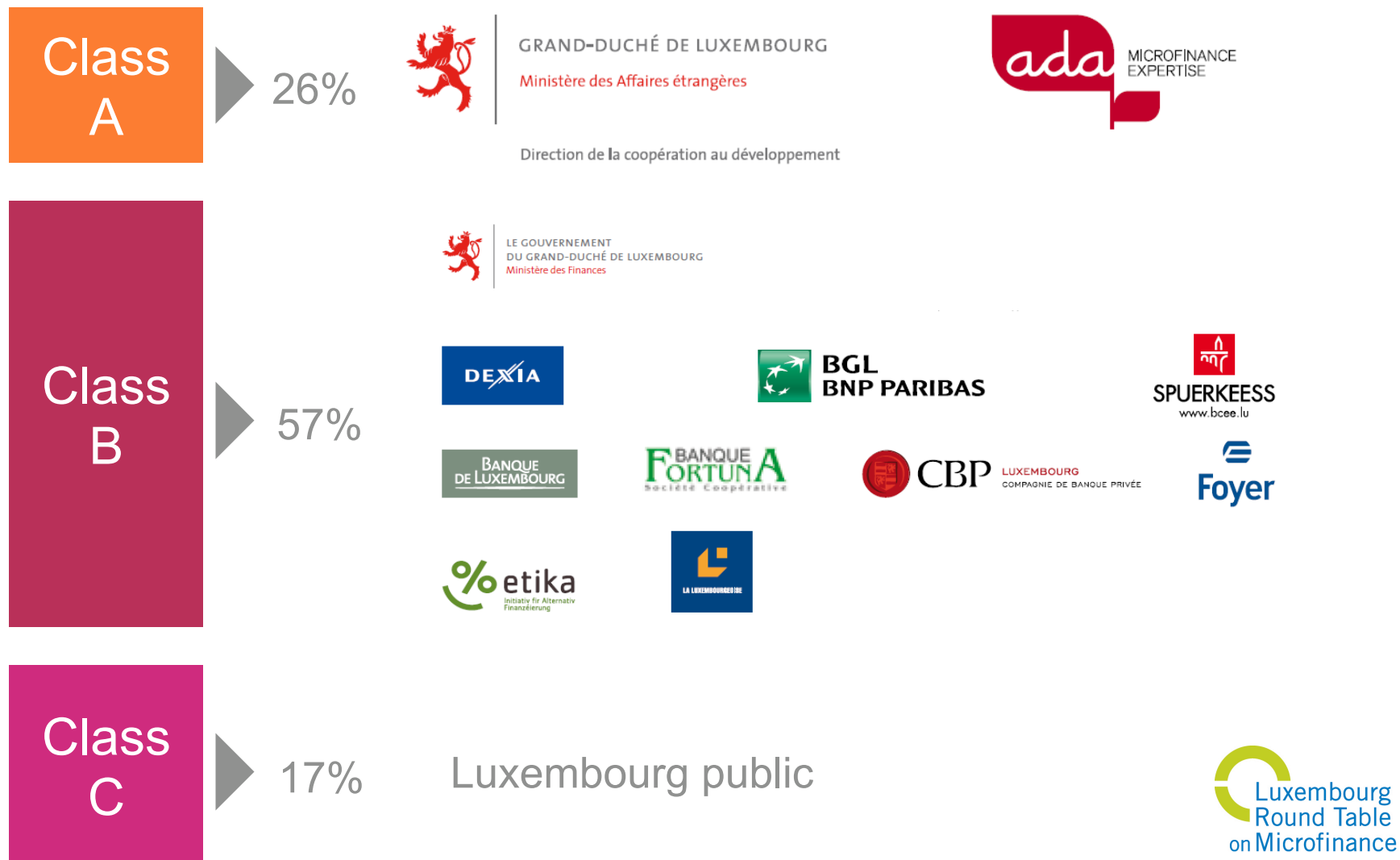


Broaden financial inclusion by providing smaller microfinance institutions with appropriate financial resources.

Focus on “tier 2” and “tier 3” MFIs.
As at 30 September:

- 21 MFIs;
- Average investment < EUR 300,000;
- Sub-Saharan Africa (41% of portfolio)

The different shareholders behind LMDF



Challenges

- Balancing development objectives with shareholder interests, for example:
 - Call of MFIs for longer maturities versus obligation to keep liquidity in case of redemptions;
 - Operating in certain regions with higher costs & risks and lower interest rates (ie Western Africa) but with big needs versus minimizing risks and providing adequate returns;
 - Maintaining an operational structure to follow and develop MFIs versus minimizing operational costs in line with small size of the Fund.



Thank you for your attention