

Impact Report 2025

# Triodos Microfinance Fund

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# About the fund

## Characteristics Triodos Microfinance Fund

**Asset class**

Private Debt & Equity

**Domicile**

The Netherlands

**Legal structure**

Sub-fund of Triodos SICAV II (Alternative Investment Fund)

**Inception date**

February 2009

**AUM per end December 2025**

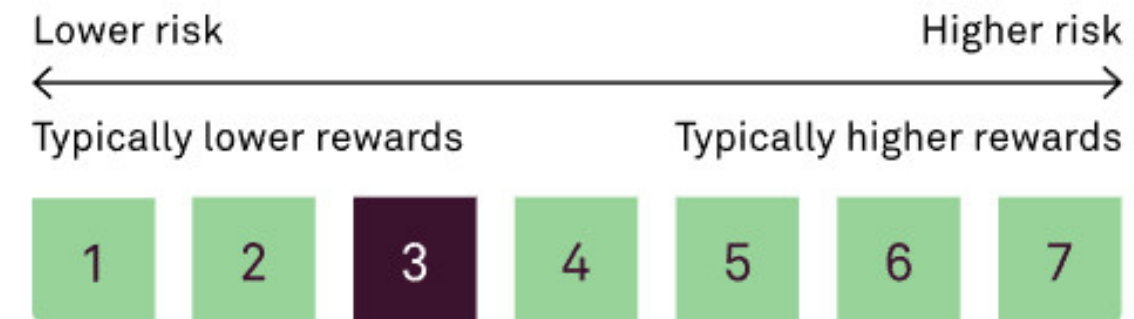
EUR 312,1 million

**Managed by**

Triodos Investment Management

**Depositary**

CACEIS Bank, Luxembourg Branch



**For professional investors only**

This is a marketing communication for professional investors only. Please refer to the [prospectus](#) and the [PRIIPs KID](#) of Triodos Microfinance Fund before making any final investment decisions. An overview of risks related to an investment in the fund can be found in the KID and the prospectus. A summary of investor rights in English can be found [here](#). The value of your investment can fluctuate because of the investment policy. Triodos Microfinance Fund is managed by Triodos Investment Management. Triodos Investment Management holds a licence as alternative investment fund manager and UCITS manager and is under the supervision of the Autoriteit Financiële Markten and De Nederlandsche Bank in the Netherlands. Triodos Investment Management may decide to stop the marketing of its collective investment schemes in your country.



**Providing debt and equity investments to financial service providers that empower people and small businesses across the globe.**

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# A word from the fund manager

In 2025, the global environment was marked by geopolitical tensions, shifting trade relationships and economic uncertainty. Yet across emerging and frontier markets, we witnessed the resilience and adaptability of local communities and entrepreneurs. We saw how local entrepreneurs adapted in practice: small business owners adjusting sourcing and pricing, farmers diversifying income streams, and households rebuilding savings buffers after periods of stress. In a fragmented world, this combination of local adaptability and prudent financial management forms a crucial foundation for resilience in turbulent times.

At the same time, 2025 reinforced the importance of responsible, well-managed growth and strong consumer protection. For example, in India rapid credit expansion highlighted the risks of over-indebtedness, leading regulators to introduce stricter safeguards to protect consumers from excessive borrowing.

We view these developments as necessary steps towards a healthier, more disciplined sector that protects end clients while safeguarding long-term investor value. Encouragingly, the 60 Decibels Microfinance Index continues to show that most clients report improved quality of life and greater financial resilience as a result of financial inclusion.

In this report, a variety of examples bring to life how your investment makes a positive social impact by enabling entrepreneurs and households to generate income, build savings, start a business, or pay for education and medical care.

**Tim Crijns**  
Fund Manager Triodos Microfinance Fund

*"2025 reinforced the importance of responsible, well-managed growth and strong consumer protection of the microfinance sector."*

## Impact highlights 2025



67% rural borrowers



78% women borrowers

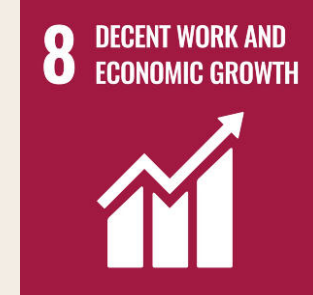


66,500 borrowers (attributed)

## Top 3 SDGs



1 NO POVERTY



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



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# Include and empower

## The impact thesis of Triodos Microfinance Fund

Over the last decades, the world has made progress in increasing financial inclusion, yet poverty, unemployment, inequality and financial exclusion persist. In emerging markets, 1.3 billion adults remain unbanked, and 70% of micro, small and medium-sized enterprises (MSMEs), the backbone of local economies, lack access to finance.

Limited access to work, income and financial services block social mobility and sustainable, inclusive growth.

Addressing these issues is critical to reducing poverty and inequalities, and to ensuring decent work for all.

Triodos Microfinance Fund invests in financial service providers – from full-fledged microfinance banks to fintech companies – in emerging markets. These, in turn, contribute to a responsible society and a society of equal opportunities by offering financial services to underserved groups such as women, youth and rural communities.

The fund supports inclusive development and long-term positive impact by supporting financial service providers active in the real economy that promote transparency, fairness and environmental awareness within the local financial system.

Through this investment strategy, Triodos Microfinance Fund contributes to three of the five transitions:

### Societal transition

100% of the Triodos Microfinance Fund portfolio contributes to this transition by:

- Improving access to finance for low-income people and micro, small and medium enterprises to grow and enable a sustainable, just transition.

Investment example: [CreditAccess](#)

### Food transition

55.7% of the Triodos Microfinance Fund portfolio contributes to this transition by:

- providing access to agricultural loans to smallholder farmers and key players across the agricultural value chain, primarily in rural areas.

Investment example: [Annapurna](#)

### Wellbeing transition

45.3% of the Triodos Microfinance Fund portfolio contributes to this transition by:

- providing access to finance for education.
- supporting the development of affordable housing.
- providing healthcare services for low-income and underserved people.

Investment example: [Laudex](#)

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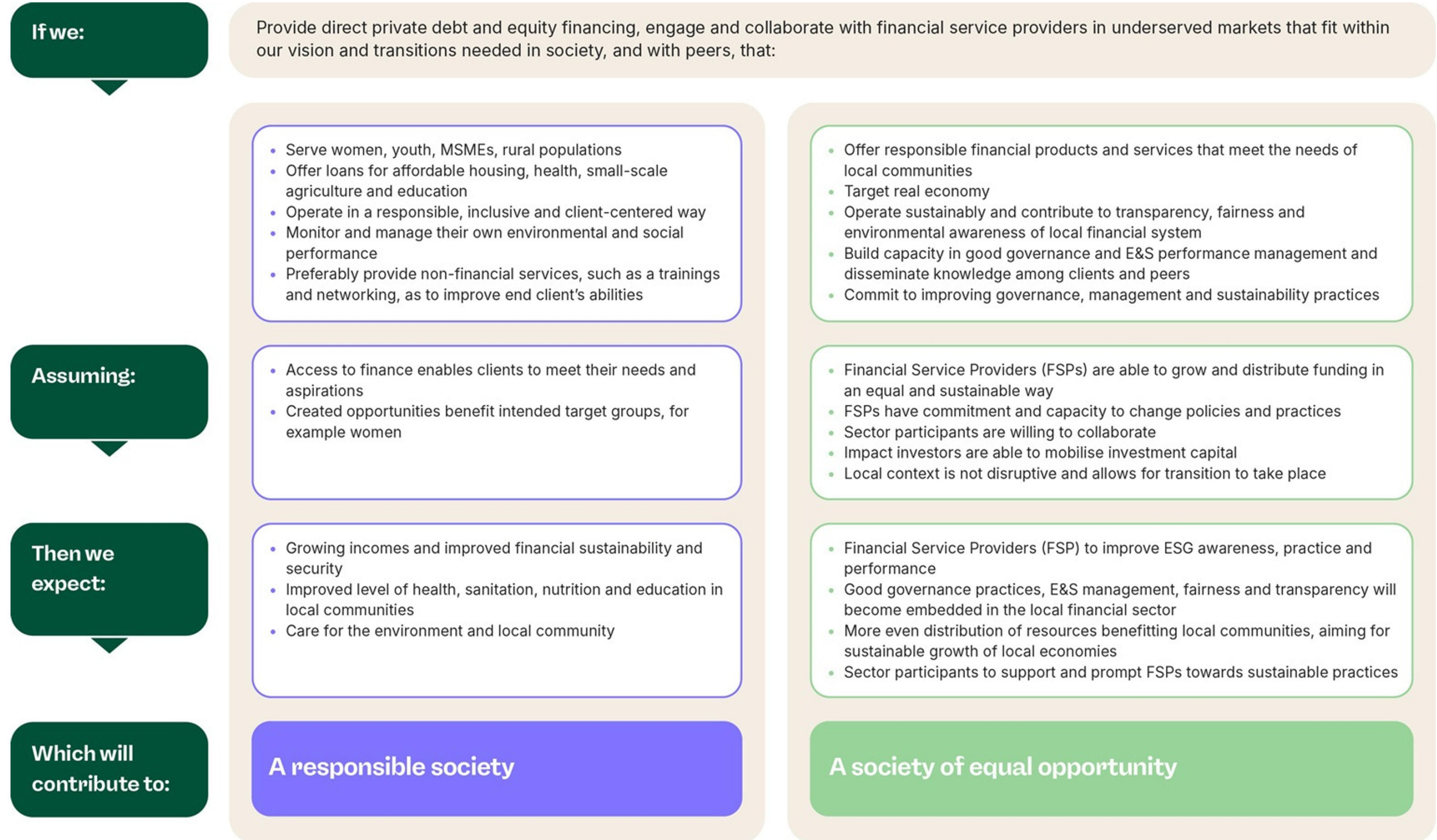
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# Theory of Change

## How Triodos Microfinance Fund acts, invests and evaluates its activities



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# Five dimensions of impact

We assess our impact through the five dimensions of impact as defined by Impact Frontiers. These dimensions provide a structured framework to evaluate not just what we achieve, but how and for whom we create positive outcomes.

Impact dimension	Fund context
<p><b>What</b> Outcomes that enterprises and investors contribute to – whether positive or negative – and their significance for people, communities and the planet.</p>	Triodos Microfinance Fund invests in microfinance and other financial institutions in emerging markets, which in turn contribute to a responsible society and a society of equal opportunity by improving access to finance.
<p><b>Who</b> People, communities and aspects of the natural environment affected by the outcomes.</p>	Financial service providers serving low-income people and micro, small and medium-sized enterprises in emerging markets.
<p><b>How much</b> Extent of the impact across scale, depth and duration.</p>	Please refer to the fund's <a href="#">Impact in numbers</a> section.
<p><b>Investor contribution</b> Refers to the specific value or difference that an investor's capital, expertise or active engagement brings to the impact outcomes of an investment, relative to what would have occurred without that investor's involvement. More information about the four investor contribution strategies can be found <a href="#">here</a>.</p>	The fund catalyses growth in undersupplied markets by anchoring investments in overlooked opportunities, like woman-owned and minority-owned enterprises. By partnering with responsible financial service providers, the fund expands access to finance for marginalised communities and drives sustainable, systemic change in the financial sector. Applicable strategies are: signalling that impact matters, engaging actively and growing new or undersupplied markets.
<p><b>Impact risk</b> Likelihood that impact will differ from expectations, and that this difference will be material for people or aspects of the natural environment affected by the impact. Impact Frontiers identifies nine types of impact risk<sup>1</sup>.</p>	While the fund's impact risks are generally low due to our proactive mitigation strategies – pure impact investment focus and mitigating adverse impacts – we identify evidence risk and external risk as the main challenges. These are chiefly due to lack of data or infrastructure for collection and verification, as well as vulnerability to political and economic developments.

<sup>1</sup> Please refer to [Impact Frontiers](#) for the definitions of the nine types of impact risk.

## More about the dimensions

Impact Frontiers is a collaborative initiative that helps investors and organisations integrate impact and financial management. Its goal is to optimise both financial returns and positive social or environmental outcomes.

A cornerstone of their work is the Impact Management Norms, an industry standard for defining and measuring impact. The norms are structured around five key dimensions: What, Who, How Much, Contribution, and Risk. These dimensions provide a consistent, credible, and comparable approach to impact management.

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# A selection of portfolio companies



Explore our [interactive world map](#) for an overview of all the fund's investments in 2025.

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# Accelerating green lending in China

Founded in 2011 in Huzhou City, Zuoli Kechuang Micro-finance Company (Zuoli) provides financing to small and medium-sized enterprises (SMEs) and individuals who are underserved by traditional banks. In recent years, Zuoli has strategically shifted its focus from general SME lending towards green finance.

## What is green lending?

Green lending refers to financing that generates measurable environmental benefits alongside financial returns. This includes investments that improve energy efficiency, reduce emissions, support biodiversity, enable circular business models or accelerate renewable energy deployment. For SMEs, access to green finance is an important enabler to adopt cleaner technologies, whether upgrading machinery, improving waste management or shifting to more sustainable inputs. For investors, it offers exposure to real-economy climate solutions with measurable impact.

## Setting the standard in green lending

Zuoli has embedded green lending into its core strategy through a dedicated Green Finance Development Department. It also plays an active role in shaping local green lending standards for microfinance companies, helping define what qualifies as 'green' in practice.

Zuoli's green lending portfolio focuses on four key segments:

- Sustainable agricultural and forestry
- Renewable energy

- Energy efficiency upgrades
- Environmental protection including pollution control, green buildings and clean transport

## Hands-on approach and responsible lending

Zuoli combines its green focus with a relationship-based lending model. Local teams conduct in-depth due diligence, including site visits and cashflow assessments, within an efficient three-day loan approval process. This proximity to clients improves credit quality and enables better monitoring of environmental outcomes.

Responsible lending is reinforced through continuous staff training, quarterly loan reviews and requiring clients to repay existing loans before reapplying. Although not yet certified under the Client Protection Pathway, an industry framework promoting responsible lending and client protection standards, Zuoli has already implemented exclusion lists, environmental and social management systems and robust credit policies to promote responsible lending.

Recognised nationally as a green finance benchmark among microfinance institutions, Zuoli shows how targeted lending can expand financial inclusion while accelerating the green transition. Triodos Microfinance Fund has provided a EUR 3 million senior debt facility to support the continued expansion of Zuoli's green loan portfolio and strengthen sustainable finance solutions for SMEs across Eastern China.

Recognised nationally as a green finance benchmark among microfinance institutions, Zuoli shows how targeted lending can expand financial inclusion while accelerating the green transition.



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# Why financial inclusion offers a unique impact-risk-return profile

Within impact investing, financial inclusion stands out as a core theme. It involves providing essential financial services to underserved individuals and businesses, primarily in emerging economies. By expanding access to credit, savings and financial education, financial inclusion enables broader economic participation, while offering investors an attractive impact-risk-return profile.

Research shows that financial inclusion can materially improve living standards. An annual study covering 45 countries indicates that 90% of microfinance clients report improvements in their quality of life after gaining access to financial services. Beyond income generation, microfinance contributes to job creation, household stability and community resilience, highlighting its value as an impact investment theme.

## A resilient risk-return profile

Contrary to the common perception that investing in emerging markets is inherently risky, fund manager Tim Crijns argues that the credit risk associated with microfinance is often lower than expected. MFIs carefully vet loan applicants based on their business plans, leading to repayment rates comparable to those of western banks. Furthermore, the geographical diversification of investments across various regions helps mitigate risk, creating a stable investment portfolio.

Kayoko Lyons, Director of Investments at the Missionary Sisters of the Sacred Heart, echoes Crijns' sentiments, noting that financial inclusion investments have consistently shown resilience, even during global financial crises. According to her, the sector's unique risk-return profile, characterised by stable returns and low correlation to market volatility, makes it an attractive option for investors.

Importantly, financial inclusion investments have proven resilient across economic cycles, including during periods of global financial stress. Returns have historically been relatively stable and show low correlation with public markets, making them a valuable source of diversification for investors.

And as the sector continues to evolve, technological innovation is further expanding its reach and efficiency. Mobile banking and digital platforms are reducing transaction costs and extending access to financial services to remote communities.

## A compelling long-term investment opportunity

For investors seeking long-term value creation alongside measurable social impact, financial inclusion represents a compelling and durable investment opportunity, addressing the needs of the 1.3 billion adults and millions of businesses worldwide that remain excluded from the formal financial system.

"Financial inclusion should not be viewed as a cure-all for poverty but rather as a critical component of economic empowerment."



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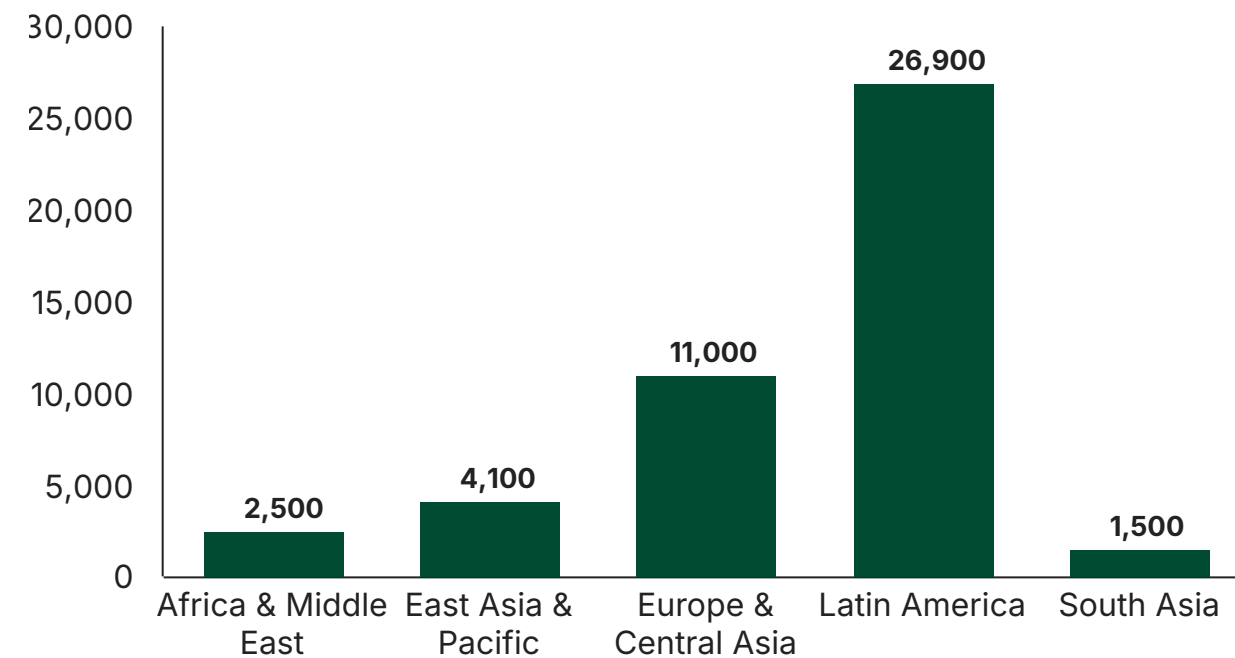
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# Impact in numbers

Transition theme	Indicator	Contributed value reported for 2025	Attributed value reported for 2025	% change in attributed value from previous year	Per million EUR invested*	Explanation
Societal	Number of borrowers	10.1 mln	66,500	-15%	313	In 2025, the fund experienced an overall decrease in borrowers and savers, in line with the decline of the fund size over the year. The number of women borrowers increased.
	% women borrowers	68%	78%	2%		
	% rural borrowers	58%	67%	0%		
	Number of savers	17.8 mln	48,200	-15%	227	Find out <a href="#">more</a> about how we manage and measure impact.  * Per million invested is calculated by dividing total attributed values by the total portfolio value, and then multiplying the result by EUR 1 million.
	Value of savings account (EUR)	14.4 bln	43.8 mln	-17%	205,999	
	% of portfolio dedicated to high impact products	16%	21%	1%		
	% of investees that offer non-financial services	49%	49%	10%		

## Average loan amount by region

The average loan amount on portfolio level was EUR 4,986.74. The amount<sup>1</sup> disbursed in each region fluctuated, with a notable increase in East Asia and Pacific, and Eastern Europe and Central Asia regions.



## Key numbers

**78**  
investments

**41**  
countries

**9**  
new  
investments

<sup>1</sup> The average loan amount is calculated by aggregating investee total credit loan portfolio divided by investee's total number of borrowers.

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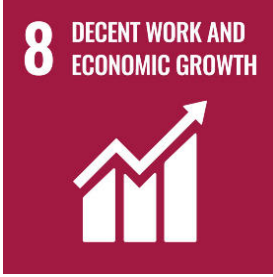
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# Contribution to the SDGs

Triodos Microfinance Fund contributes to the following United Nations Sustainable Development Goals (SDGs):

SDG		Rationale
	All men and women, in particular the poor and vulnerable, have equal rights to economic resources, as well as access to basic services and financial services, including microfinance (Target 1.4).	Access to financial services – such as savings, credit and payment systems – enables people to meet their household and business needs, when a client-first approach is taken.
	Double the agricultural productivity and incomes of small-scale food producers, including through secure and equal access to financial services (Target 2.3).	Finance is an important input for smallholder farmers to improve production and strengthen resilience to climate change.
	Ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes (Target 4.1).	Access to financing tailored to students' need can help remove barriers, particularly to higher education. Furthermore, several institutions offer financial literacy trainings, which can strengthen client resilience.
	<ul style="list-style-type: none"> <li>Ending all forms of discrimination against women (Target 5.1).</li> <li>Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making (Target 5.5).</li> </ul>	Offering products and services tailored to women helps improve their access to financial services.
	Ensure universal access to affordable, reliable and modern energy services (Target 7.1).	Financial inclusion can help individuals and small businesses access funding for renewable energy projects – such as solar panels or clean cooking technologies – contributing to sustainable energy access.
	<ul style="list-style-type: none"> <li>Support productive activities, and encourage the formalisation and growth of micro, small and medium-sized enterprises, including through access to financial services (Target 8.3).</li> <li>Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all (Target 8.10).</li> </ul>	Access to credit and financial services helps micro, small and medium-sized enterprises grow, creates jobs and fosters economic growth.

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	<b>SDG</b>	<b>Rationale</b>
	Increase the access of small- scale enterprises, in particular in developing countries, to financial services, including affordable credit and support their integration into value chains and markets (Target 9.3).	Fintech companies and embedded finance helps to enhance digital infrastructure to improve access for SMEs to financial services and their integration into value chains and markets.
	Empower and promote the social, economic and political inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status (Target 10.2).	Financial inclusion helps reduce economic and social disparities, fosters economic opportunities and builds more inclusive markets.
	Access for all to (affordable) housing (Target 11.1).	Financial inclusion can support the development of affordable housing, infrastructure and services.
	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries (Target 13.1).	Access to finance can help strengthen resilience to the impacts of climate change. By prioritising environmental protection in our engagement with investees, we are raising awareness of the need for climate action.

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## About Triodos Investment Management

Triodos Investment Management is a pure-play impact investor with a global reach. We enable professional investors to leverage their capital to drive positive social and environmental change, offering a comprehensive range of impact investment solutions across all asset classes.

Our investment strategy is centred around five key transition themes: the food, resource, energy, societal and wellbeing transitions. These themes reflect our commitment to advancing the transition towards a green, resilient and inclusive economy.

Assets under management as of 31 December 2025: EUR 5.5 billion. Triodos Investment Management is a wholly owned subsidiary of Triodos Bank, an expert in sustainable banking.

[www.triodos-im.com](http://www.triodos-im.com)

## Investing in positive change

For more information about our impact investment strategies and solutions, please contact our Business Development team. Based locally, they support institutional and intermediary investors across Europe.

Get in touch with our Business Development team [here](#).

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### Publication date

May 2026

### Text

Triodos Investment Management

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- When investing in the fund, please take into account all the characteristics and/or objectives of the promoted fund as described in its prospectus. Further, please take notice of the sustainability aspects of the fund as found [here](#).