
JV MFO Microinvest LLC
Consolidated Financial Statements
For the Year Ended 31 December 2009
Prepared in Accordance with International Financial Reporting Standards

JV MFO Microinvest LLC
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2009

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JV MFO Microinvest LLC
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2009



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**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF JV MFO MICROINVEST LLC**

We have audited the accompanying financial statements of JV MFO Microinvest LLC and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2009 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

JV MFO Microinvest LLC
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For the Year Ended 31 December 2009



Continued

Other matters

This report is made solely to the Group's shareholders, as a body. Our audit work has been undertaken so that we might state to the Group's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

30 April 2010

Ernst & Young

Ernst & Young SRL
Chisinau, Moldova

JV MFO Microinvest LLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31 December 2009

	Notes	2009 MDL	2009 USD	2008 MDL	2008 USD
ASSETS					
Cash and cash equivalents	4	48,780,346	3,965,334	6,164,475	592,726
Due from banks and other institutions	5	159,614,193	12,974,970	140,950,500	13,552,671
Loans and advances to customers, net	6	213,211,086	17,331,839	261,242,122	25,118,952
Other assets	7	1,660,168	134,954	2,387,056	229,520
Intangible assets	9	950,929	77,301	857,097	82,411
Property and equipment	9	14,500,325	1,178,725	13,083,469	1,258,000
Total assets		438,717,047	35,663,123	424,684,719	40,834,280
LIABILITIES					
Interest-bearing loans and borrowings	10	365,534,090	29,714,112	337,370,680	32,438,865
Grants for projects in process	11	310,361	25,228	94,432	9,080
Due to founders	12	290,826	23,641	363,304	34,932
Other liabilities	13	1,579,353	128,385	2,244,497	215,809
Total liabilities		367,714,630	29,891,366	340,072,913	32,698,686
EQUITY					
Share capital	14	76,632,875	6,229,454	73,885,625	7,104,250
Capital Reserve		3,357,781	272,953	6,105,031	587,011
Retained earnings		(8,988,239)	(730,650)	4,621,150	444,333
Total equity		71,002,417	5,771,757	84,611,806	8,135,594
Total liabilities and equity		438,717,047	35,663,123	424,684,719	40,834,280

The accompanying notes are an integral part of these consolidated financial statements.

The consolidated financial statements were authorized for issue on 30 April 2010:

General Manager
Mr. Artur Munteanu

Chief Financial Officer
Mrs. Veronica Mirzac



JV MFO Microinvest LLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31 December 2009

	Notes	2009 MDL	2009 USD	2008 MDL	2008 USD
Interest and similar income	16	89,366,935	8,041,368	61,650,231	5,933,898
Interest and similar expense	17	(45,718,622)	(4,113,829)	(32,241,247)	(3,103,253)
Net interest and similar income		43,648,313	3,927,539	29,408,984	2,830,645
Other operating income	18	25,244,614	2,271,547	8,715,975	838,921
General and administrative expenses	19	(23,800,108)	(2,141,569)	(19,583,706)	(1,884,952)
Foreign exchange (losses)/gains		(53,075)	(4,776)	(2,125,400)	(204,572)
Profit before credit loss expense		45,039,744	4,052,741	16,415,853	1,580,042
Provision for impairment of loans	20	(58,649,133)	(5,277,335)	(12,675,412)	(1,220,022)
Profit (loss) before income tax		(13,609,389)	(1,224,594)	3,740,441	360,020
Income tax expense	8	-	-	-	-
Net profit (loss) for the year		(13,609,389)	(1,224,594)	3,740,441	360,020
Other comprehensive income		-	-	-	-
Total comprehensive income		(13,609,389)	(1,224,594)	3,740,441	360,020

The accompanying notes are an integral part of these consolidated financial statements.

The consolidated financial statements were authorized for issue on 30 April 2010:

General Manager
Mr. Artur Munteanu

Chief Financial Officer
Mrs. Veronica Mirzac



JV MFO Microinvest LLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 December 2009

	Share capital MDL	Secondary capital MDL	Capital reserve MDL	Retained Earnings MDL	Total shareholders' equity MDL
Balance at 1 January 2008	47,967,092	22,280,147	6,123,350	880,709	77,251,298
Contribution to share capital	3,807,805	(169,419)	-	-	3,638,386
Movement in share capital (addition / decrease)	22,110,728	(22,110,728)	(18,319)	-	(18,319)
Total comprehensive income	-	-	-	3,740,441	3,740,441
Balance at 31 December 2008	73,885,625	-	6,105,031	4,621,150	84,611,806

	Share capital MDL	Capital reserve MDL	Retained Earnings MDL	Total shareholders' equity MDL
Balance at 1 January 2009	73,885,625	6,105,031	4,621,150	84,611,806
Contribution to share capital	2,747,250	(2,747,250)	-	-
Total comprehensive income for the year	-	-	(13,609,389)	(13,609,389)
Balance at 31 December 2009	76,632,875	3,357,781	(8,988,239)	71,022,417

	Share capital USD	Secondary capital USD	Capital reserve USD	Retained Earnings USD	Total shareholders' equity USD
Balance at 1 January 2008	4,237,675	1,968,350	540,970	77,807	6,824,802
Contribution to share capital	366,505	(16,307)	-	-	350,198
Movement in share capital (addition / decrease)	2,128,180	(2,128,180)	(1,763)	-	(1,763)
Total comprehensive income	-	-	-	360,020	360,020
Translation difference	371,890	176,137	47,804	6,506	602,337
Balance at 31 December 2008	7,104,250	-	587,011	444,333	8,135,594

	Share capital USD	Capital reserve USD	Retained Earnings USD	Total shareholders' equity USD
Balance at 1 January 2009	7,104,250	587,011	444,333	8,135,594
Contribution to share capital	247,202	(247,202)	-	-
Total comprehensive income for the year	-	-	(1,224,594)	(1,224,594)
Translation difference	(1,121,998)	(66,856)	49,611	(1,139,243)
Balance at 31 December 2009	6,229,454	272,953	(730,650)	5,771,757

The accompanying notes are an integral part of these consolidated financial statements.

JV MFO Microinvest LLC
CONSOLIDATED STATEMENT OF CAHS FLOWS
For the Year Ended 31 December 2009

	Notes	2009 MDL	2009 USD	2008 MDL	2008 USD
Cash flows from operating activities					
Interest receipts		91,177,390	8,204,275	53,319,588	5,132,065
Interest payments		(46,329,124)	(4,168,762)	(29,861,569)	(2,874,207)
Other income received		25,244,614	2,271,548	8,578,875	825,726
Payment to employees and suppliers		(24,100,584)	(2,168,606)	(19,321,021)	(1,859,668)
Taxes (paid)/received		(158,509)	(14,263)	17,618	1,696
		45,833,787	4,124,192	12,733,491	1,225,612
<i>(Increase) decrease in assets/liabilities:</i>					
Loans and advances to customers, net		1,731,936	155,842	(140,676,265)	(13,540,234)
Other assets		(31,836,215)	(2,864,669)	(3,479,243)	(334,881)
Other liabilities		4,957	446	1,210,110	116,474
Net cash from operating activities		15,734,465	1,415,811	(130,211,907)	(12,533,029)
Cash flows from investing activities					
Purchase of intangibles		(368,515)	(33,160)	(476,019)	(45,817)
Purchase of property and equipment		(2,420,728)	(217,820)	(8,894,986)	(856,152)
Collateral deposits with banks		-	-	(55,949,958)	(5,385,241)
Net cash from investing activities		(2,789,243)	(250,980)	(65,320,963)	(6,287,210)
Cash flows from financing activities					
Net proceeds from borrowings		29,723,724	2,674,584	140,882,234	13,560,059
Contributions to share capital		-	-	3,620,067	348,435
Net cash from financing activities		29,723,724	2,674,584	144,502,301	13,908,494
Foreign exchange difference		(53,075)	(4,776)	(2,125,400)	(204,571)
Net increase/(decrease) in cash and cash equivalents		42,615,871	3,834,639	(53,155,969)	(5,116,316)
Cash and cash equivalents at 1 January		6,164,475	592,726	59,320,444	5,240,693
Translation difference		-	(462,031)	-	468,349
Cash and cash equivalents at 31 December	15	48,780,346	3,965,334	6,164,475	592,726

The accompanying notes are an integral part of these consolidated financial statements.

JV MFO Microinvest LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2009

1. General information

Microinvest S.R.L (“the Company”) was established on 29 April 2003 as a micro-financing limited liability company. The Company does not have an ultimate parent.

The shareholders of the Company are as follows:

	2009	2008
BFSE Holding B.V. (B.F.S.E)	38.31%	39.73%
Soros Foundation Moldova	19.75%	20.49%
S.A. "S.I.D.I." Solidarite Internationale pour le Developpement et l'Investissement	3.40%	3.53%
"Oikocredit" Ecumenical Development Cooperative Society U.A.	17.23%	17.86%
Soros Economic Development Fund	10.77%	11.17%
Driehaus Richard	4.75%	4.93%
Munteanu Artur	4.15%	1.83%
Mirzac Viorica	0.82%	0.23%
Lupasco Fiodor	0.82%	0.23%
	100%	100%

The Company operates through its head office located in Chisinau and 15 representative offices (14 representative offices as of 31 December 2008) located throughout the Republic of Moldova.

The activity of the Company focuses on lending to individuals and micro, small and medium size enterprises. The Company obtains the necessary funds for its activity from donors, equity and debt investors.

As of 31 December 2009, the Company also holds 100% of share capital of CSV “Schimb optim plus” SRL (as of 31 December 2008: 0%), and 100% of share capital of CSV “MI Schimb Optim” SRL, both of which are providing foreign exchange services via foreign exchange booths. The Company is the ultimate parent of the Group.

The number of employees employed by the Group as of 31 December 2009 was 138 (in 2008: 99), out of which 29 part-time and 109 full-time employees, including 43 loan officers (in 2008: 27 part-time and 72 full-time employees, including 49 loan officers).

The registered office of the Company is located at Puskin Street 16, Chisinau, Republic of Moldova. The registered office of the CSV “Schimb optim plus” SRL is located at Stefan cel Mare street 27/1, Balti, Republic of Moldova. The registered office of the CSV “MI Schimb optim” SRL is located at Puskin Street 16, Chisinau, Republic of Moldova.

2. Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in Moldova Lei (MDL), being the functional currency of the Group, and in US Dollars (USD) being the presentation currency, for the convenience of the users of the consolidated financial statements.

Statement of compliance

These consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of 31 December each year. The financial statements of the subsidiaries are prepared for the same reporting year as the parent Company, using consistent accounting policies.

All inter-company balances and transactions, including unrealized profits arising from intra-group transactions, have been eliminated in full. Unrealized losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

JV MFO Microinvest LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2009

3. Accounting policies

3.1 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that the Group has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2009:

- IFRIC 13 Customer Loyalty Programmes effective 1 July 2008
- IFRIC 15 Agreements for the Construction of Real Estate effective 1 January 2009
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation effective 1 October 2008
- IFRIC 9 Remeasurement of Embedded Derivatives (Amended) and IAS 39 Financial Instruments: Recognition and Measurement (Amended) effective for periods ending on or after 30 June 2009
- IFRS 2 Share-based Payment: Vesting Conditions and Cancellations (Amended) effective 1 January 2009
- IFRS 8 Operating Segments effective 1 January 2009
- IFRS 7 Financial Instruments: Disclosures (Amended) effective 1 January 2009
- IAS 1 Presentation of Financial Statements (Revised) effective 1 January 2009
- IAS 32 Financial Instruments: Presentation (Amended) and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation (Amended) effective 1 January 2009
- IAS 23 Borrowing Costs (Revised) effective 1 January 2009
- Improvements to IFRSs (May 2008)
- IFRIC 18 Transfers of Assets from Customers effective 1 July 2009

Adoption of these standards and interpretations did not have an effect on the financial performance or position of the Group.

The principal effects of these changes are as follows:

IFRIC 13: - Customer Loyalty Programmes

This Interpretation requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted and therefore part of the fair value of the consideration received is allocated to the award credits and deferred over the period that the award credits are fulfilled. IFRIC 13 is not relevant to the Group's operations.

IFRIC 15 - Agreements for the Construction of Real Estate

This Interpretation provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 'Construction Contracts' or IAS 18 'Revenue' and, accordingly, when revenue from such construction should be recognized. IFRIC 15 is not relevant to the Group's operations as all revenue transactions are accounted for under IAS 18 and not IAS 11.

IFRIC 16 - Hedges of a Net Investment in a foreign operation

This interpretation is to be applied prospectively. IFRIC 16 provides guidance on the accounting for a hedge of a net investment. As such it provides guidance on identifying the foreign currency risk that qualifies for hedge accounting in the hedge of a net investment, where within the group the hedging instruments can be held in the hedge of a net investment and how the entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment. IFRIC 16 had no impact on the consolidated financial statements because the Group has no investments in foreign operations.

IFRIC 18 - Transfers of Assets from Customers

This interpretation provides guidance on how to account for items of property, plant and equipment received from customers or cash that is received and used to acquire or construct specific assets. It is only applicable to such assets that are used to connect the customer to a network or to provide ongoing access to a supply of goods or services or both. The interpretation is not relevant to the Group's operations.

JV MFO Microinvest LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2009

3. Accounting policies (continued)

3.1 Changes in accounting policies (continued)

IAS 39 Financial Instruments: - Recognition and Measurement and IFRIC 9 Reassessment of embedded derivatives (Amended)

The amendment to IFRIC 9 requires an entity to assess whether an embedded derivative must be separated from the host contract when the entity reclassifies a hybrid financial asset out of the 'fair value through profit or loss' category. This assessment is to be based on circumstances that existed on the later of the date the entity first came party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. IAS 39 now states that if an embedded derivative cannot be reliably measured the entire hybrid instrument can remain classified at fair value through profit and loss. This amendment had no impact on the Group's consolidated financial statements.

IFRS 2 - Share-based Payments (Amended)

The amendment clarifies two issues. The definition of 'vesting condition', introduces the term 'non-vesting condition' for conditions other than service conditions and performance conditions. It also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. This amendment did not have any impact on the Group's consolidated financial statements.

IFRS 8 - Operating Segments

This Standard replaces IAS 14 'Segment reporting'. IFRS 8 adopts a management approach to segment reporting. The Group concluded that the operating segments determined in accordance with IFRS 8 are the same as the business segments previously identified under IAS 14.

IFRS 7 - Financial Instruments: Disclosures (Amended)

The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by the source of inputs, using a three-level hierarchy, by class, for all financial instruments recognized at fair value. In addition, a reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between the levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 19.

IAS 1 - Presentation of Financial Statements (Revised)

The revised standard requires that the statement of changes in equity includes only transactions with shareholders; introduces a new statement of comprehensive income that combines all items of income and expense recognized in profit or loss together with "other comprehensive income" (either in one single statement or in two linked statements); and requires the inclusion of a third column on the balance sheet to present the effect of restatements of consolidated financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period. The Group made the necessary changes to the presentation of its consolidated financial statements in 2009 and has elected to present a single statement of comprehensive income.

IAS 32 Financial Instruments: - Presentation and IAS 1 Puttable Financial Instruments and obligations arising on liquidation (Amended)

The standards have been amended to allow a limited scope exception for puttable financial instruments to be classified as equity if certain criteria are met. This amendment did not have any impact on the Group's consolidated financial statements.

IAS 23 - Borrowing Costs (Revised)

The benchmark treatment in the existing standard of expensing all borrowing costs to the income statement is eliminated in the case of qualifying assets. All borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset must be capitalized. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The Group already had a policy of capitalizing borrowing costs on qualifying assets therefore the revision to the standard had no effect on the consolidated financial statements.

3. Accounting policies (continued)

3.1 Changes in accounting policies (continued)

In May 2008, the IASB issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The effective dates of the improvements are various and the earliest is for the financial year beginning 1 January 2009.

IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*

The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale, under IFRS 5, even when the entity will retain a non-controlling interest in the subsidiary after the sale.

IFRS 7 Financial Instruments: - *Disclosures*

This amendment removes the reference to 'total interest income' as a component of finance costs.

IAS 1 *Presentation of Financial Statements*

This amendment clarifies that assets and liabilities classified as held for trading in accordance with IAS 39 Financial Instruments: Recognition and Measurement are not automatically classified as current in the balance sheet.

IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors*

This amendment clarifies that only implementation guidance that is an integral part of an IFRS is mandatory when selecting accounting policies.

IAS 10 - *Events after the Reporting Period*

This amendment clarifies that dividends declared after the end of the reporting period are not obligations.

IAS 16 - *Property, Plant and Equipment*

This amendment clarifies that items of property, plant & equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale. Proceeds on sale are subsequently shown as revenue. IAS 7 Statement of cash flows is also revised, to require cash payments to manufacture or acquire such items to be classified as cash flows from operating activities. The cash receipts from rents and subsequent sales of such assets are also shown as cash flows from operating activities.

IAS 18 - *Revenue*

This amendment replaces the term 'direct costs' with 'transaction costs' as defined in IAS 39.

IAS 19 - *Employee Benefits*

This amendment revises the definitions of 'past service costs', 'return on plan assets' and 'short-term' and 'other long term' employee benefits to focus on the point in time at which the liability is due to be settled.

IAS 20 - *Accounting for Government Grants and Disclosure of Government Assistance*

Loans granted with no or low interest rates are not exempt from the requirement to impute interest. Interest is to be imputed on loans granted with below-market interest rates, thereby being consistent with IAS 39. The difference between the amount received and the discounted amount is accounted for as a government grant. To be applied prospectively – to government loans received on or after 1 January 2009.

IAS 23 - *Borrowing Costs*

The amendment revises the definition of borrowing costs to consolidate the types of items that are considered components of 'borrowing costs' into one – the interest expense calculated using the effective interest rate method as described in IAS 39.

3. Accounting policies (continued)

3.1 Changes in accounting policies (continued)

IAS 27 - Consolidated and Separate Financial Statements

When a parent entity accounts for a subsidiary at fair value in accordance with IAS 39 in its separate consolidated financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale.

IAS 28 - Investment in Associates

This interpretation clarifies that (i) if an associate is accounted for at fair value in accordance with IAS 39 only the requirement of IAS 28 to disclose the nature and extent of any significant restrictions on the ability of the associate to transfer funds to the entity in the form of cash or repayment of loans applies and (ii) an investment in an associate is a single asset for the purpose of conducting the impairment test – including any reversal of impairment. Therefore, any impairment is not separately allocated to the goodwill included in the investment balance and any impairment is reversed if the recoverable amount of the associate increases.

IAS 29 - Financial Reporting in Hyperinflationary Economies

This amendment revises the reference to the exception to measure assets and liabilities at historical cost, such that it notes property, plant and equipment as being an example, rather than implying that it is a definitive list.

IAS 31 - Interest in Joint ventures

This amendment clarifies that if a joint venture is accounted for at fair value, in accordance with IAS 39 only the requirements of IAS 31 to disclose the commitments of the venture and the joint venture, as well as summary financial information about the assets, liabilities, income and expenses will apply.

IAS 34 - Interim Financial Reporting

This amendment clarifies that earnings per share is disclosed in interim financial reports if an entity is within the scope of IAS 33.

IAS 36 - Impairment of assets

This amendment clarifies that when discounted cash flows are used to estimate 'fair value less costs to sell', the same disclosure is required as when discounted cash flows are used to estimate 'value in use'.

IAS 38 - Intangible Assets

- Expenditure on advertising and promotional activities is recognized as an expense when the entity either has the right to access the goods or has received the services.
- Deletes references to there being rarely, if ever, persuasive evidence to support an amortisation method for finite life intangible assets that results in a lower amount of accumulated amortisation than under the straight-line method, thereby effectively allowing the use of the unit of production method.
- A prepayment may only be recognized in the event that payment has been made in advance to obtaining right of access to goods or receipt of services.

IAS 39 - Financial instruments recognition and measurement

- Clarifies that changes in circumstances relating to derivatives – specifically derivatives designated or de-designated as hedging instruments after initial recognition – are not reclassifications. Thus, a derivative may be either removed from, or included in, the 'fair value through profit or loss' classification after initial recognition. Similarly, when financial assets are reclassified as a result of an insurance Group changing its accounting policy in accordance with paragraph 45 of IFRS 4 Insurance Contracts, this is a change in circumstance, not a reclassification.
 - Requires use of the revised effective interest rate (rather than the original effective interest rate) when remeasuring a debt instrument on the cessation of fair value hedge accounting.
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3. Accounting policies (continued)

3.1 Changes in accounting policies (continued)

IAS 40 - Investment property

Revises the scope (and the scope of IAS 16) such that property that is being constructed or developed for future use as an investment property is classified as investment property. If an entity is unable to determine the fair value of an investment property under construction, but expects to be able to determine its fair value on completion, the investment under construction will be measured at cost until fair value can be determined or construction is complete. Clarifies that the carrying amount of investment property held under lease is the valuation obtained increased by any recognized liability.

3.2 Significant accounting policies

a. Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and cash on hand. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash on hand and deposits in banks with an original maturity of three months or less, net of outstanding bank overdrafts, if any.

b. Financial instruments – initial recognition, subsequent measurement and de-recognition

Date of recognition

The Group recognises a financial asset or a financial liability on its balance sheet when, and only when, the Group becomes a party to the contractual provisions of the instrument. All regular way purchases and sales of financial assets are recognized on the settlement date, i.e. the date that an asset is delivered to or by the Group. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Initial recognition of financial instruments

The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

Due from banks and loans and advances to customers

“Due from banks” and “Loans and advances to customers” are financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. After initial measurement, amounts due from banks and loans and advances to customers are subsequently measured at amortized cost using the effective interest rate method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the effective interest rate. The amortization is included in “Interest and similar income” in the income statement. The losses arising from impairment are recognized in the income statement in “Provision for impairment of loans”.

Loans and borrowings

After initial recognition, loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the effective interest rate.

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3. Accounting policies (continued)

3.2 Significant accounting policies (continued)

b. Financial instruments – initial recognition, subsequent measurement and de-recognition (continued)

De-recognition of financial assets and liabilities

A financial asset is derecognized where:

- The rights to receive cash flows from the asset have expired;
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- The Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

c. Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle or realize on a net basis or realize the asset and settle the liability simultaneously. This is not generally the case in master netting agreements, and the related assets and liabilities are presented gross in the balance sheet.

d. Impairment of financial assets

Due from banks and loans and advances to customers

If there is objective evidence that the Group will not be able to collect all amounts due (principal and interest) according to original contractual terms of the loan, such loans are considered impaired. The amount of the impairment loss is the difference between the loan’s carrying amount and the present value of expected future cash flows, discounted at the loan’s original effective interest rate, including the fair value of collateral.

Impairment and uncollectibility are measured and recognized individually for loans and receivables that are individually significant, and on a portfolio basis for a group of similar loans and receivables that are not individually identified as impaired. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risks characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of the Group’s internal credit grading system that considers credit risk characteristics such as asset types, industry, collateral type, past due status and other relevant factors.

The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any difference between loss estimates and actual loss experience.

The carrying amount of the asset is reduced to its estimated recoverable amount by a charge to income statement through the use of a provision for loan impairment account. A write off is made when all or part of a loan is deemed uncollectible. Write-offs are charged against previously established provisions and reduce the principal amount of the loan. Recoveries of loans written-off in earlier periods are included in the income statement through the provision for loan impairment.

If the amount of the impairment subsequently decreases, due to an event occurring after the write-down, the release of the provision is credited to the provision for impairment of loans in the income statement.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. Accounting policies (continued)

3.2 Significant accounting policies (continued)

e. Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment loss, if any. Depreciation is computed on a straight-line basis over the estimated useful life of the asset, as stated below:

Asset type	Years
Buildings	40
Furniture	5 - 6
Computers	3 - 5
Equipment and other	4 - 7

Expenses for repairs and maintenance are charged to operating expenses as incurred. Subsequent expenditure on property and equipment is only recognized as an asset when the expenditure improves the condition of the asset beyond the originally assessed standard of performance.

The carrying values of property and equipment are reviewed for impairment either annually, or when events or changes in circumstances indicate that the carrying value may not be recoverable (whichever is earlier). If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount of property and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the income statement.

f. Intangible assets

Intangible assets represent costs incurred for acquisition of software. Intangible assets have been amortized using the straight-line method over the estimated useful life of 3 years. The amortization expenses are charged to the general and administrative expenses in the income statement. The carrying amount of intangibles is reviewed annually and adjusted for impairment or when events or changes in circumstances indicate that the carrying amount may not be recoverable.

g. Foreign currency translation

Transactions and balances

Foreign currency transactions are recorded at the exchange rate on the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are reported using the closing exchange rate. Gain / Loss from exchange rate differences is recognized in the income statement. The year end and average rates for the period were:

	2009		2008	
	USD	EUR	USD	EUR
Average for the period	11.1134	15.5248	10.3895	15.2916
Year end	12.3017	17.6252	10.4002	14.7408

Reporting in US Dollars

Besides MDL the Group reports its financial result in USD, presentation currency, for convenience of the users of the consolidated financial statements. As at the reporting date, the assets and liabilities of the Group are translated into USD at the rate of exchange ruling at the balance sheet date, and income statement is translated at the weighted average exchange rate for the year. Exchange differences arising on translation are taken directly to equity.

3. Accounting policies (continued)

3.2 Significant accounting policies (continued)

h. Income and expense recognition

Interest income and expense are recognized in the income statement for all interest bearing instruments, including loans that are classified as non-performing until they are written off, on an accrual basis, using the effective interest method.

Fees and direct costs relating to loan origination are deferred and amortized to interest income over the life of the loan, by applying the straight line method, which approximates the effective interest rate method.

i. Grants

Grants are recognized as income over the periods necessary to match them with the related costs, which they are intended to compensate, on a systematic basis.

Grants obtained by the Group for re-lending are recognized as income upon their utilization, in case no other conditions for revenue recognition are set in grant agreements. These are included in "Other operating income".

Grants related to income are recognized in the income statement to the limit of incurred expenses and are included in "Other operating income".

Grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income, which is recognised as income on a systematic and rational basis over the useful life of the asset, and are included in "Grants for projects in process".

Grants obtained by the Group from its founders, apart from grants extended to cover operating expenses, are accounted as liabilities to founders. In case the probability of conversion is very remote, such grants provided by the founders for re-lending are recognized as other operating income in the income statement.

j. Contingencies

Contingent liabilities are not recognized in the consolidated financial statements, but disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the consolidated financial statements, but disclosed when an inflow of economic benefits is probable.

k. Provisions

The Group recognizes provisions when it has a present legal or constructive obligation to transfer economic benefits as a result of past events and a reasonable estimate of the obligation can be made.

3. Accounting policies (continued)

3.2 Significant accounting policies (continued)

l. Pension costs and employees' benefits

The Group contributes to the funds set up by the State of Moldova for pensions, health care and unemployment benefits calculated based on gross salaries of all employees of the Group. The Group does not operate any other retirement benefit plan and has no obligation to provide further benefits to current or former employees.

m. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related party transaction represents a transfer of resources or obligations between related parties, regardless of whether a price is charged.

n. Taxation

Income tax consists of current and deferred income tax.

Current income tax is calculated by applying current income tax rates and laws prevailing during the reporting year to the financial profit before tax adjusted for non-deductible expenses and non-taxable income.

Differences between financial reporting under IFRS and tax regulations give rise to differences between the carrying value of certain assets and liabilities and their tax base. Deferred income tax is provided using the liability method, for all such temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized.

A provision is made for all foreseeable taxation liabilities in accordance with domestic legislation currently in force.

o. Events subsequent to the balance sheet date

Post-year-end events that provide additional information about the Group's position at the balance sheet date (adjusting events) or those that indicate that the going concern assumption is not appropriate are reflected in the consolidated financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

p. Segment reporting

The Group operates predominantly in one industry segment, being micro-financing, which is provided to individuals, unregistered entrepreneurs and Moldovan SMEs.

q. Borrowings

Borrowings are initially recognized at cost, being their issue proceeds net of transaction costs incurred. Subsequently borrowings are stated at amortized cost and any difference between net proceeds and the redemption value is recognized in the income statement over the period to maturity using the effective interest method.

3. Accounting policies (continued)

3.2 Significant accounting policies (continued)

r. Significant accounting judgments and estimates

The preparation of consolidated financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts and balances reported in the consolidated financial statements and accompanying notes.

Impairment losses on loans and advances to customers

The Group reviews its problem loans and advances at each reporting date to assess whether an allowance for impairment should be recorded in the income statement. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

In addition to specific allowances against individually significant loans and advances, in cases when such instances exist, the Group also makes a collective impairment allowance against exposures, which although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted.

s. Fair value measurement

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price.

The Group's short term assets are carried in the consolidated financial statements at cost which approximates their fair value, as these instruments have short maturity terms, they are convertible into cash and are settled without significant transaction costs. The Group's loans and advances are reported at nominal value less an estimate for impairment.

3.3 Standards and interpretations issued but not yet effective

Certain new standards and interpretations have been published that are mandatory for the Group's accounting periods beginning on or after 1 January 2010 or later periods and which the Group has not early adopted:

IFRIC 17 - Distributions of Non-cash Assets to Owners

This interpretation is effective for annual periods beginning on or after 1 July 2009 with early application permitted. The interpretation provides guidance on how to account for non-cash distributions to owners. The interpretation clarifies when to recognize a liability, how to measure it and the associated assets, and when to derecognize the asset and liability. The Group does not expect IFRIC 17 to have an impact on the consolidated financial statements, as the Group has not made any non-cash distributions to shareholders in the past.

IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments

The interpretation is effective for annual periods beginning on or after 1 July 2010. This interpretation addresses the accounting treatment when there is a renegotiation between the entity and the creditor regarding the terms of a financial liability and the creditor agrees to accept the entity's equity instruments to settle the financial liability fully or partially. IFRIC 19 clarifies such equity instruments are "consideration paid" in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognized and the equity instruments issued are treated as consideration paid to extinguish that financial liability. The Group does not expect that the amendment will have impact on the financial position or performance of the Group.

3. Accounting policies (continued)

3.3 Standards and interpretations issued but not yet effective (continued)

IFRIC 14 - Prepayments of a Minimum Funding Requirement (Amended)

The amendment is effective for annual periods beginning on or after 1 January 2011. The purpose of this amendment was to permit entities to recognize as an asset some voluntary prepayments for minimum funding contributions. This Earlier application is permitted and must be applied retrospectively. The Group does not expect that the amendment will have impact on the financial position or performance of the Group.

IFRS 3 - Business Combinations (Revised) and IAS 27 - Consolidated and Separate Financial Statements (Amended)

The revision and amendment is effective for annual periods beginning on or after 1 July 2009. The revised IFRS 3 introduces a number of changes in the accounting for business combinations, which will affect the amount of goodwill, recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). The amended IAS 27 requires that a change in ownership interest of a subsidiary be accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give raise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by IFRS 3 (Revised) and IAS 27 (Amendment) must be applied prospectively and will affect future acquisitions and transactions with minority interests.

IAS 39 Financial Instruments: - Recognition and Measurement (Amended) – eligible hedged items

The amendment is effective for annual periods beginning on or after 1 July 2009. The amendment clarifies that, an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Group does not expect that the amendment will have any impact on the financial position or performance of the Group, as the Group has not entered into any such hedges.

IFRS 9 Financial Instruments – Phase 1 financial assets, classification and measurement

The new standard is effective for annual periods beginning on or after 1 January 2013. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial assets. Early adoption is permitted. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

IFRS 2 - Group Cash-settled Share-based Payment Transactions (Amended)

The amendment is effective for annual periods beginning on or after 1 January 2010. This amendment clarifies the accounting for group cash-settled share-based payment transactions and how such transactions should be arranged in the individual consolidated financial statements of the subsidiary. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

IAS 32 - Classification on Rights Issues (Amended)

The amendment is effective for annual periods beginning on or after 1 February 2010. This amendment relates to the rights issues offered for a fixed amount of foreign currency which were treated as derivative liabilities by the existing standard. The amendment states that if certain criteria are met, these should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment is to be applied retrospectively. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

3. Accounting policies (continued)

3.3 Standards and interpretations issued but not yet effective (continued)

IAS 24 Related Party Disclosures (Revised)

The revision is effective for annual periods beginning on or after 1 January 2011. This revision relates to the judgment, which is required to assess whether a government and entities known to the reporting entity to be under the control of that government are considered a single customer. In assessing this, the reporting entity shall consider the extent of economic integration between those entities. Early application is permitted and adoption shall be applied retrospectively. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

IFRS 1 - Additional Exemptions for First-time Adopters (Amended)

The amendment is effective for annual periods beginning on or after 1 January 2010. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

In April 2009, the IASB issued its second omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The effective dates of the improvements are various and the earliest is for the financial year beginning 1 July 2009.

IFRS 2 Share-based Payment, effective for annual periods beginning on or after 1 July 2009. Clarifies that the contribution of a business on formation of a joint venture and combinations under common control are not within the scope of IFRS 2 even though they are out of scope of IFRS 3 (revised). If an entity applies IFRS 3 (revised) for an earlier period, the amendment shall also be applied for that earlier period.

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, effective for annual periods beginning on or after 1 January 2010. Clarifies that the disclosures required in respect of non-current assets and disposal groups classified as held for sale or discontinued operations are only those set out in IFRS 5. The disclosure requirements of other IFRSs only apply if specifically required for such non-current assets or discontinued operations.

IFRS 8 Operating Segment Information, effective for annual periods beginning on or after 1 January 2010. Clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker.

IAS 1 Presentation of Financial Statements, effective for annual periods beginning on or after 1 January 2010. The terms of a liability that could result, at any time, in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification.

IAS 7 Statement of Cash Flows, effective for annual periods beginning on or after 1 January 2010. Explicitly states that only expenditure that results in recognizing an asset can be classified as a cash flow from investing activities. This amendment will affect the presentation in the statement of cash flows of the contingent consideration on the business combination completed in 2009 upon cash settlement.

IAS 17 Leases, effective for annual periods beginning on or after 1 January 2009. The amendment removes the specific guidance on classifying land as a lease so that only the general guidance remains.

3. Accounting policies (continued)

3.3 Standards and interpretations issued but not yet effective (continued)

IAS 18 Revenue, The Board has added guidance (which accompanies the standard) to determine whether an entity is acting as a principal or as an agent. The features to consider are whether the entity:

- Has primary responsibility for providing the goods or service
- Has inventory risk
- Has discretion in establishing prices
- Bears the credit risk

IAS 36 Impairment of Assets, effective for annual periods beginning on or after 1 January 2010. The amendment clarified that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes.

IAS 38 Intangible Assets, effective for annual periods beginning on or after 1 July 2009. Clarifies that if an intangible asset acquired in business combination is identifiable only with another intangible asset, the acquirer may recognize the group of intangible assets as a single asset provided the individual assets have similar useful lives. Also, clarifies that the valuation techniques presented for determining the fair value of intangible assets acquired in a business combination that are not traded in active markets are only examples and are not restrictive on the methods that can be used. If an entity applies IFRS 3 (revised) for an earlier period, the amendment shall also be applied for that earlier period.

IAS 39 Financial Instruments: Recognition and Measurement, effective for annual periods beginning on or after 1 January 2010. The amendment clarifies that:

- A prepayment option is considered closely related to the host contract when the exercise price of a prepayment option reimburses the lender up to the approximate present value of lost interest for the remaining term of the host contract.
- The scope exemption for contracts between an acquirer and a vendor in a business combination to buy or sell an acquiree at a future date, applies only to binding forward contracts, and not derivative contracts where further actions by either party are still to be taken (Applicable to all unexpired contracts for annual periods beginning on or after 1 January 2010)
- Gains and losses on cash flow hedges of a forecast transaction that subsequently results in the recognition of a financial instrument or on cash flow hedges of recognized financial instruments should be reclassified in the period that the hedged forecast cash flows affect profit or loss (Applicable to all unexpired contracts for annual periods beginning on or after 1 January 2010)

IFRIC 9 Reassessment of Embedded Derivatives, effective for annual periods beginning on or after 1 July 2009. The Board amended the scope paragraph of IFRIC 9 to clarify that it does not apply to possible reassessment, at the date of acquisition, to embedded derivatives in contracts acquired in a combination between entities or business under common control or the formation of a joint venture. If an entity applies IFRS 3 (revised) for an earlier period, the amendment shall also be applied for that earlier period.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation, effective for annual periods beginning on or after 1 July 2009. The amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements of IAS 39 that relate to a net investment hedge are satisfied.

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4. Cash and cash equivalents

	2009	2009	2008	2008
	MDL	USD	MDL	USD
Cash on hand	1,496,056	121,614	552,202	53,095
Cash at banks in local currency	1,291,653	104,998	535,706	51,509
Cash at banks in foreign currency	45,992,637	3,738,722	5,076,567	488,122
	48,780,346	3,965,334	6,164,475	592,726

As of 31 December 2009 and 2008, the Group holds all its accounts with Moldovan banks.

The Group pledged the right to collect money on current accounts to secure loans attracted. The balances on such accounts as of 31 December 2009 amount to MDL 39,713,834 (USD 3,228,321) (31 December 2008: MDL 36,296,221 (USD 3,489,954)).

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5. Due from banks and other institutions

Due from banks and other institutions represent deposits placed with banks and financial organizations as collateral for financing received.

	Currency	Original amount	Maturity	Contract rate	Nature of interest	2009 MDL	2009 USD	2008 MDL	2008 USD
Banca de Economii SA fil.nr.1 Chisinau	USD	500,000	April 2011	6	Variable	6,150,850	500,000	5,200,100	500,000
Banca de Economii SA fil.nr.1 Chisinau	EUR	600,000	December 2009	6	Variable	-	-	11,792,640	1,133,886
Banca de Economii SA fil.nr.1 Chisinau	EUR	250,000	November 2009	5	Variable	-	-	4,717,056	453,554
Banca de Economii SA fil.nr.1 Chisinau	USD	500,000	April 2011	6	Fixed	6,150,850	500,000	5,200,100	500,000
Banca de Economii SA fil.nr.1 Chisinau	USD	2,000,000	April 2011	7.5	Variable	24,603,400	2,000,000	-	-
Banca de Economii SA fil.nr.1 Chisinau	USD	3,000,000	May 2011	7.5	Variable	36,905,100	3,000,000	-	-
Banca de Economii SA fil.nr.1 Chisinau	EUR	600,000	November 2009	6	Fixed	-	-	5,533,475	532,055
Banca de Economii SA fil.nr.1 Chisinau	USD	1,250,000	September 2011	8	Fixed	15,377,125	1,250,000	13,000,250	1,250,000
Banca de Economii SA fil.nr.1 Chisinau	EUR	170,000	November 2009	6	Variable	-	-	2,505,936	240,951
Banca de Economii SA fil.nr.1 Chisinau	USD	500,000	September 2009	6	Variable	-	-	5,200,100	500,000
Banca de Finance si Comert SA fil. Nr1	USD	750,000	September 2010	8	Fixed	9,226,275	750,000	7,800,150	750,000
Banca de Finance si Comert SA fil. Nr1	MDL	500,000	March 2010	6	Variable	1,828,700	148,654	-	-
Banca de Finance si Comert SA fil. Nr1	EUR	325,000	August 2010	6	Fixed	-	-	4,790,760	460,641
Banca de Finance si Comert SA fil. Nr1	EUR	175,000	November 2010	8	Fixed	-	-	2,579,640	248,038
Banca de Finance si Comert SA fil. Nr1	EUR	325,000	August 2010	8	Fixed	3,084,410	250,730	-	-
Banca de Finance si Comert SA fil. Nr1	EUR	175,000	August 2010	8	Fixed	5,728,190	465,642	-	-
BC Moldova Agroindbank. SA	MDL	246,000	November 2009	14.5	Fixed	-	-	246,000	23,653
BC Moldova Agroindbank. SA	MDL	246,000	February 2010	14	Variable	15,240,180	1,238,868	-	-
BC Moldindconbank SA fil. Centru	EUR	500,000	October 2010	7	Fixed	8,812,600	716,373	7,370,400	708,679
BC Moldindconbank SA fil. Centru	USD	1,000,000	June 2009	8	Fixed	-	-	10,400,200	1,000,000
BC Moldindconbank SA fil. Centru	EUR	200,000	November 2009	6.5	Fixed	-	-	2,948,160	283,471
BC Moldindconbank SA fil. Centru	EUR	20,000	November 2010	1	Variable	353,172	28,709	-	-
BC Moldindconbank SA fil. Centru	MDL	500,000	November 2010	3	Variable	2,101,700	170,846	-	-
BC Moldindconbank SA fil. Centru	USD	20,000	November 2010	1	Variable	413,451	33,609	-	-
BC Moldindconbank SA fil. Centru	USD	10,000	July 2009	4.5	Fixed	-	-	104,002	10,000
BC Moldindconbank SA fil. Centru	USD	1,900,000	September 2010	7.5	Fixed	23,373,230	1,900,000	19,760,380	1,900,000
BC Moldindconbank SA fil. Centru	EUR	10,000	July 2009	4	Fixed	-	-	1,936,626	186,210
BC Moldindconbank SA fil. Centru	MDL	300,000	July 2009	6.4	Fixed	-	-	10,685,600	1,027,442
BC Moldindconbank SA fil. Centru	USD	1,800,000	September 2009	8	Fixed	-	-	18,720,360	1,800,000
Consorzio Etimos S.C., 3612 Euro						63,662	5,176	53,244	5,120
						159,412,895	12,958,607	140,545,179	13,513,700
Interest receivable						201,298	16,363	405,321	38,971
						159,614,193	12,974,970	140,950,500	13,552,671

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5. Due from banks and other institutions (continued)

Deposits with other banks

As of 31 December 2009 the Group pledged its deposits with banks to secure loans attracted in total amount of MDL 139,412,030 (USD 11,332,745) (31 December 2008: MDL 127,519,707 (USD 12,290,047)).

Consorzio Etimos S.C.

In 2005 the Group became the member of Etimos Consortium, a consortium that supports microfinance programmes by providing finance to microfinance institutions, banks, savings and credit co-operatives. As a precondition for finance, the potential borrower has to become members of the consortium by subscribing to its share capital in the form of a returnable deposit. The Group had invested in 14 shares of Etimos Consortium for a total value of EUR 3,612, representing 0.19% of total share capital of Etimos, and received a loan of EUR 200,000, repaid during 2008. The deposit is non-interest bearing.

6. Loans and advances to customers, net

Analysis by type of loans:

	2009	2009	2008	2008
	MDL	USD	MDL	USD
Venture capital	20,000	1,626	528,600	50,826
Direct loans	179,671,323	14,605,406	196,051,210	18,850,715
Group guaranteed loans	3,067,946	249,392	1,901,621	182,845
Credits to savings associations	48,896,230	3,974,754	64,015,934	6,155,260
Employees loans	6,237,008	507,004	5,846,378	562,141
	237,892,507	19,338,182	268,343,743	25,801,787
Add: interest receivable	10,618,867	863,203	8,220,479	790,416
Less: commission not amortized	(3,886,129)	(315,902)	(6,603,624)	(634,952)
Less: provision for impairment	(31,414,159)	(2,553,644)	(8,718,476)	(838,299)
	213,211,086	17,331,839	261,242,122	25,118,952

As of 31 December 2009 the Group pledged the right to collect money to secure loans and borrowings attracted in amount of MDL 132,944,800 (USD 10,807,027) (31 December 2008: MDL 72,830,843 (USD 7,002,831)) (refer to **Note 10**).

Venture capital loans represent loans granted to the Group's investees. As of 31 December 2009 this included a loan of MDL 20,000 to S.C. Vinj-Stil S.R.L.), bearing an interest of 0% p.a. and maturing in 2011 (31 December 2008: loan to S.C. Vinj-Stil S.R.L.).

Direct loans represent loans granted to borrowers under commercial terms, with an average interest rate in 2009 of 25.94% p.a. (2008: 23.42% p.a.).

Group guaranteed loans represent loans granted to members of informal credit groups created in various regions of the Republic of Moldova and as such their repayment and further extension of other loans are highly depending on the performance of all group members. The average interest rate on such loans in 2009 was 31.36% (2008: 25.70% p.a.).

Loans to savings associations are loans extended to members of formalized savings and credit association throughout the Republic. The average interest rate on such loans in 2009 was 23.29% p.a. (in 2008: 19.49%).

JV MFO Microinvest LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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6. Loans and advances to customers, net (continued)

Employee loans represent loans granted by the Group to its employees bearing an interest of 11% - 18% p.a., for a period of 3 - 5 years, repayable in equal instalments on a monthly basis.

As of 31 December 2009 the loan portfolio of the Group consisted of 1 venture capital loan granted to one enterprise (2008: 1), 3,881 direct loans (2008: 4,108), 415 group guaranteed loans (2008: 272), 146 loans to savings associations (2007: 189), 53 employee loans (2007: 37).

Apart from above mentioned loans, as of 31 December 2009 the Group has outstanding issued guarantees to 3 enterprises in total amount of MDL 165,000 (USD 13,413) (2008: MDL 165,000 (USD 15,865)).

Analysis of loans and advances to customers by type of industry:

	2009	2009	2008	2008
	MDL	USD	MDL	USD
Agriculture	43,156,662	3,508,187	60,468,222	5,814,140
Production	14,652,834	1,191,123	12,637,548	1,215,125
Trade	38,068,113	3,094,541	49,020,722	4,713,440
Services	54,692,003	4,445,890	46,761,926	4,496,253
Food and beverages	48,687,010	3,957,746	64,015,934	6,155,260
Employees loans	6,124,971	497,896	5,846,378	562,141
Consumer	31,766,664	2,582,299	28,721,748	2,761,653
Other	744,250	60,500	871,265	83,775
	237,892,507	19,338,182	268,343,743	25,801,787
Add: interest receivable	10,618,867	863,203	8,220,479	790,416
Less: commission not amortized	(3,886,129)	(315,902)	(6,603,624)	(634,952)
Less: provision for impairment	(31,414,159)	(2,553,644)	(8,718,476)	(838,299)
	213,211,086	17,331,839	261,242,122	25,118,952

JV MFO Microinvest LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2009

6. Loans and advances to customers, net (continued)

Analysis of loans and advances to customers by original maturity:

	2009	2009	2008	2008
	MDL	USD	MDL	USD
Up to 3 months	18,222,357	1,481,288	-	-
From 3 up to 6 months	45,643,025	3,710,302	39,536,581	3,801,521
From 6 up to 12 months	27,751,559	2,255,913	60,748,723	5,841,111
From 1 up to 5 years	86,269,791	7,012,835	159,863,880	15,371,231
Over 5 years	60,005,775	4,877,844	8,194,559	787,924
	237,892,507	19,338,182	268,343,743	25,801,787
Add: interest receivable	10,618,867	863,203	8,220,479	790,416
Less: commission not amortized	(3,886,129)	(315,902)	(6,603,624)	(634,952)
Less: provision for impairment	(31,414,159)	(2,553,644)	(8,718,476)	(838,299)
	213,211,086	17,331,839	261,242,122	25,118,952

As of 31 December 2009 gross loans overdue over 30 days amount to MDL 35,294,531 (USD 2,869,077) (2008: MDL 28,504,940 (USD 2,740,807)).

Borrowers have the right to repay loans in advance without any early settlement charge from the Company.

The movement in the provision for impairment is presented below:

	Note	2009	2009	2008	2008
		MDL	USD	MDL	USD
Balance as at 1 January		8,718,476	838,299	1,949,207	172,203
Charge for the year	20	44,692,668	4,021,512	8,723,548	839,651
Written off loans		(21,996,985)	(1,979,321)	(1,954,279)	(188,108)
Translation difference		-	(326,846)	-	14,546
Balance as at 31 December		31,414,159	2,553,644	8,718,476	838,299

JV MFO Microinvest LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2009

6. Loans and advances to customers, net (continued)

The movement of the unamortized commission is presented below:

	2,009	2,009	2,008	2,008
	MDL	USD	MDL	USD
Balance as at 1 January	6,603,624	634,952	2,521,954	222,802
Collections	4,769,532	429,169	9,728,645	936,392
Income for the year	(7,487,027)	(673,694)	(5,646,975)	(543,527)
Translation difference	-	(74,525)	-	19,285
Balance as at 31 December	3,886,129	315,902	6,603,624	634,952

7. Other assets

As at 31 December 2009 the breakdown of other assets is as follows:

	2009	2009	2008	2008
	MDL	USD	MDL	USD
Penalty receivable	3,238,387	263,247	5,525,152	531,254
Deferred salary expenses	-	-	739,279	71,083
Due from budget	44,958	3,655	195,722	18,819
Prepayments	445,906	36,248	315,151	30,302
Inventory	260,428	21,170	228,065	21,929
Receivables from donors	261,077	21,223	-	-
Other receivables	509,108	41,384	78,444	7,543
Receivables from employees	138,691	11,274	55,732	5,359
	4,898,555	398,201	7,137,545	686,289
Less Provision for impairment	(3,238,387)	(263,247)	(4,750,489)	(456,769)
	1,660,168	134,954	2,387,056	229,520

The movement in provision is as follows:

	Note	2009	2009	2008	2008
		MDL	USD	MDL	USD
Balance as at 1 January		4,750,489	456,769	798,625	70,555
Charge for the year	20	13,956,465	1,255,823	3,951,864	380,371
Write offs		(15,468,567)	(1,391,884)	-	-
Translation difference		-	(57,461)	-	5,843
Balance as at 31 December		3,238,387	263,247	4,750,489	456,769

8. Taxation

There is no current tax or deferred tax charge and no deferred tax balances, because the standard rate of income tax for 2009 was 0% and the enacted rate for 2010 is also 0%.

JV MFO Microinvest LLC
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For the Year Ended 31 December 2009

9. Property and equipment and intangible assets

	Buildings	Furniture	Equipment	Other	Vehicles	Construction in progress	Intangibles	Total
	MDL	MDL	MDL	MDL	MDL	MDL	MDL	MDL
Cost								
At 1 January 2009	8,844,295	755,716	1,844,979	309,349	1,021,633	1,348,818	909,155	15,033,945
Additions/capitalisation	-	-	80,124	93,392	29,843	2,220,570	368,515	2,792,444
Internal transfers	2,682,078	133,652	693,349	51,320	-	(3,560,399)	-	-
Disposals	-	(4,675)	-	-	-	-	-	(4,675)
At 31 December 2009	11,526,373	884,693	2,618,452	454,061	1,051,476	8,989	1,277,670	17,821,714
Accumulated depreciation								
At 1 January 2008	61,920	204,346	655,684	35,242	84,129	-	52,058	1,093,379
Charge for the year	219,027	136,105	447,692	54,370	146,678	-	274,682	1,278,554
Charge for disposal	-	(1,473)	-	-	-	-	-	(1,473)
At 31 December 2009	280,947	338,978	1,103,376	89,612	230,807	-	326,740	2,370,460
Carrying value								
At 31 December 2009	11,245,426	545,715	1,515,076	364,449	820,669	8,989	950,930	15,451,254
At 31 December 2008	8,782,375	551,370	1,189,295	274,107	937,504	1,348,818	857,097	13,940,566

JV MFO Microinvest LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2009

9. Property and equipment and intangible assets (continued)

	Buildings	Furniture	Equipment	Other	Vehicles	Construction in progress	Intangibles	Total
	MDL	MDL	MDL	MDL	MDL	MDL	MDL	MDL
Cost								
At 1 January 2008	1,051,266	488,851	1,093,061	203,607	-	1,347,870	408,811	4,593,466
Additions/capitalisation	5,015	-	9,509	-	-	9,970,354	599,217	10,584,095
Internal transfers	7,788,014	267,867	757,863	134,029	1,021,633	(9,969,406)	-	-
Disposals	-	(1,002)	(15,454)	(28,287)	-	-	(98,873)	(143,616)
								-
At 31 December 2008	8,844,295	755,716	1,844,979	309,349	1,021,633	1,348,818	909,155	15,033,945
	-							-
Accumulated depreciation								
At 1 January 2008	35,852	145,017	320,087	28,041	-	-	89,741	618,738
Charge for the year	26,068	60,028	345,491	18,832	84,129	-	62,441	596,989
Charge for disposal	-	(699)	(9,894)	(11,631)	-	-	(100,124)	(122,348)
At 31 December 2008	61,920	204,346	655,684	35,242	84,129	-	52,058	1,093,379
Carrying value								
At 31 December 2008	8,782,375	551,370	1,189,295	274,107	937,504	1,348,818	857,097	13,940,566
At 31 December 2007	1,015,414	343,834	772,974	175,566	-	1,347,870	319,070	3,974,728

JV MFO Microinvest LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2009

9. Property and equipment and intangible assets (continued)

	Buildings USD	Furniture USD	Equipment USD	Other USD	Vehicles	Construction in progress USD	Intangibles USD	Total USD
Cost								
At 1 January 2009	850,398	72,664	177,399	29,744	98,232	129,692	87,415	1,445,544
Additions/ capitalisation	-	-	7,210	8,404	2,685	199,810	33,160	251,269
Internal transfers	241,337	12,026	62,389	4,618	-	(320,370)	-	-
Disposals	-	(421)	-	-	-	-	-	(421)
Translation difference	(154,761)	(12,353)	(34,145)	(5,856)	(15,443)	(8,400)	(16,714)	(247,672)
At 31 December 2009	936,974	71,916	212,853	36,910	85,474	732	103,861	1,448,720
	-	-	-	-	-	-	-	-
Accumulated depreciation								
At 1 January 2009	5,953	19,649	63,046	3,392	8,089	-	5,004	105,133
Charge for the year	19,708	12,247	40,284	4,892	13,198	-	24,716	115,045
Disposals	-	(133)	-	-	-	-	-	(133)
Translation difference	(2,823)	(4,208)	(13,637)	(998)	(2,525)	-	(3,160)	(27,351)
At 31 December 2009	22,838	27,555	89,693	7,286	18,762	-	26,560	192,694
Carrying value								
At 31 December 2009	914,136	44,361	123,160	29,624	66,712	732	77,301	1,256,026
At 31 December 2008	844,445	53,015	114,353	26,352	90,143	129,692	82,410	1,340,411

JV MFO Microinvest LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2009

9. Property and equipment and intangible assets (continued)

	Buildings USD	Furniture USD	Equipment USD	Other USD	Vehicles USD	Construction in progress USD	Intangibles USD	Total USD
Cost								
At 1 January 2008	92,875	43,188	96,567	17,988	-	119,078	36,117	405,813
Additions/ capitalisation	483	-	915	-	-	959,657	57,675	1,018,730
Internal transfers	749,605	25,783	72,945	12,900	98,333	(959,566)	-	-
Disposals	-	(96)	(1,487)	(2,723)	-	-	(9,517)	(13,823)
Translation difference	7,435	3,789	8,459	1,579	(101)	10,523	3,140	34,824
At 31 December 2008	850,398	72,664	177,399	29,744	98,232	129,692	87,415	1,445,544
	-							
Accumulated depreciation								
At 1 January 2008	3,167	12,812	28,278	2,477	-	-	7,929	54,663
Charge for the year	2,509	5,778	33,254	1,816	8,097	-	6,010	57,464
Disposals	-	(67)	(952)	(1,119)	-	-	(9,640)	(11,778)
Translation difference	277	1,126	2,466	218	(8)	-	705	4,784
At 31 December 2008	5,953	19,649	63,046	3,392	8,089	-	5,004	105,133
Carrying value								
At 31 December 2008	844,445	53,015	114,353	26,352	90,143	129,692	82,410	1,340,411
At 31 December 2007	89,708	30,376	68,289	15,511	-	119,078	28,188	351,150

JV MFO Microinvest LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2009

10. Interest-bearing loans and borrowings

	Maturity	Effective interest rate	Currency	Original amount	2009	2009	2008	2008
					MDL	USD	MDL	USD
AO AGROinform Federatia Nationala	30.10.12	5%	EUR*	120,000	1,935,339	157,323	1,935,339	186,087
Banca de Economii SA	11.09.09	14%	MDL	4,000,000	-	-	3,989,605	383,608
Banca de Economii SA	29.04.11	15%	MDL	15,000,000	5,845,000	475,138	14,913,015	1,433,916
Banca de Economii SA	02.11.09	15%	MDL	9,500,000	-	-	4,680,118	450,003
Banca de Economii SA	04.05.11	18%	MDL	55,000,000	16,631,351	1,351,956	-	-
Banca de Economii SA	29.04.11	16%	MDL	12,000,000	5,237,483	425,753	11,997,483	1,153,582
Banca de Economii SA	18.08.11	16%	MDL	12,000,000	12,000,000	975,475	-	-
Banca de Economii SA	18.08.11	16%	MDL	12,000,000	-	-	716,000	68,845
				1,000,000				
				EUR and				
				1,000,000				
Banca de Finance si Comert SA	15.08.10	15%	EUR&USD*	USD	16,223,300	1,318,785	32,190,050	3,095,138
		LIBOR 3M						
EBRD	29.01.11	+4.25%	USD	1,000,000	5,125,708	416,667	7,800,150	750,000
BC Moldindconbank SA	10.09.10	15.50%	MDL	24,519,500	8,173,168	664,393	16,346,334	1,571,733
BC Moldindconbank SA	15.10.10	15%	MDL	8,350,000	8,350,000	678,768	8,350,000	802,869
BC Moldindconbank SA	22.10.09	14.50%	MDL	3,242,880	-	-	2,244,597	215,822
BC Moldindconbank SA	17.09.09	21.40%	MDL	18,544,000	-	-	15,000,000	1,442,280
BC Moldindconbank SA	16.06.09	21.40%	MDL	9,662,200	-	-	9,600,000	923,059
Contact Centrul national AION din RM	26.07.10	11%	USD*	100,000	1,197,680	97,359	1,197,680	115,159
Dexia Micro-Credit Fund (BlueOrchard Debt)	26.04.11	9%	USD	2,000,000	24,603,400	2,000,000	-	-
Dual Return Fund S.I.C.A.V.	09.09.10	8.75%	EUR	500,000	8,812,600	716,373	-	-
Dual Return Fund S.I.C.A.V.	04.09.09	8.50%	EUR	500,000	-	-	7,370,400	708,679
Dual Return Fund S.I.C.A.V.	10.11.09	9.35%	EUR	600,000	-	-	4,422,240	425,207
EMF Microfinance Fund AGMVK	11.02.10	8.75%	USD	1,000,000	12,301,700	1,000,000	-	-
Finethic mIC d Royal Symbiotics	09.06.09	8%	USD	1,000,000	-	-	10,400,200	1,000,000
Fondul European pentru Europa de Sud-Est (SICAV)		LIBOR 6M						
EFSE	22.09.12	+ 3.55%	USD	5,000,000	55,357,650	4,500,000	52,001,000	5,000,000
		LIBOR 6M						
EFSE (SICAV)	22.09.10	+ 4.4%	USD	1,900,000	7,791,077	633,333	13,173,587	1,266,667

*The loan was originally granted in EUR or USD and is repayable in MDL at historical rate.

JV MFO Microinvest LLC
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10. Interest-bearing loans and borrowings (continued)

	Maturity	Effective interest rate	Currency	Original amount	2009	2009	2008	2008
					MDL	USD	MDL	USD
Global Commercial Microfinance Consortium	31.10.10	LIBOR 6M + 5%	USD	375,000	4,613,138	375,000	3,900,075	375,000
Global Commercial Microfinance Consortium	26.10.10	8.50%	EUR	750,000	13,218,900	1,074,559	11,055,600	1,063,018
Global Commercial Microfinance Consortium	11.01.10	LIBOR 6M + 4.25%	USD	2,000,000	24,603,400	2,000,000	20,800,400	2,000,000
Kiva Microfunds	11.04.10	0%	EUR	100,000	1,706,780	138,743	-	-
Microfinance Enhancement Facility SA, SICAV-SIF (BlueOrchard Pool)	13.05.11	LIBOR 6M + 4.75%	USD	3,000,000	36,905,100	3,000,000	-	-
Nederlandse Financierngs-Maatschappij Voor Ontwikkelingslanden N.V.	15.05.14	NBM refinancing rate + 2%	USD*	5,000,000	46,783,350	3,802,999	25,681,500	2,469,328
NOVIB Netherlands	30.06.10	6%	EUR	325,000	1,145,638	93,128	1,916,304	184,256
NOVIB Netherlands	30.04.11	CHIBID 6M + 6.8%	MDL	6,705,840	6,705,840	545,115	6,705,840	644,780
Oikocredit, Ecumenical Development Cooperative Society U.A.	11.04.10	NBM refinancing rate + 3%	EUR*	100000	225,199	18,306	675,608	64,961
Oikocredit, Ecumenical Development Cooperative Society U.A.	04.05.12	NBM refinancing rate + 3%	EUR*	733,744	6,866,456	558,171	9,613,040	924,313
Pettelaar Effectenbewaarbedrijf N.V.	31.12.10	9%	EUR	600,000	5,287,560	429,824	8,844,480	850,414
Triodos Bank N.V.	01.10.10	8.70%	EUR	500,000	8,812,600	716,373	7,370,400	708,679
Triodos Bank N.V.	01.08.11	8.70%	EUR	650,000	11,456,380	931,284	9,581,520	921,282
UCITS Nord-Sud Developpment	23.04.10	EURIBOR 12M+2%	EUR	200,000	3,525,040	286,548	2,948,160	283,472
Wallberg Invest S.A.	12.11.09	9%	EUR	500,000	-	-	7,370,400	708,679
WinRock International	30.09.10	0%	USD	75,000	922,628	75,000	-	-
					362,363,465	29,456,373	334,791,125	32,190,836
Add:Interest payables					4,120,437	334,949	3,509,936	337,487
Less:Amortized commission					(949,812)	(77,210)	(930,381)	(89,458)
Total					365,534,090	29,714,112	337,370,680	32,438,865

*The loan was originally granted in EUR or USD and is repayable in MDL at historical rate.

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10. Interest-bearing loans and borrowings (continued)
Movements for 2009 in MDL (continued)

	CCY	Original CCY amount	Principal at 1 January 2009 MDL	Received during the year MDL	Repaid during the year MDL	Foreign currency revalua- tion result MDL	As at 31 December 2009 MDL	Interest payable MDL	Amortised commision MDL	As at 31 December 2009 MDL	Collateral amount MDL	Type of collateral
Contact Centrul national AION din RM	USD*	100,000	1,197,680	-	-	-	1,197,680	-	-	1,197,680	-	None
Dexia Micro-Credit Fund (BlueOrchard Debt)	USD	2,000,000	-	22,537,200	-	2,066,200	24,603,400	399,805	-	25,003,205	-	None
Dual Return Fund S.I.C.A.V.	EUR	500,000	-	8,113,200	-	699,400	8,812,600	237,756	-	9,050,356	-	None
Dual Return Fund S.I.C.A.V.	EUR	500,000	7,370,400	-	(8,010,600)	640,200	-	-	-	-	-	None
Dual Return Fund S.I.C.A.V.	EUR	600,000	4,422,240	-	(4,899,870)	477,630	-	-	-	-	-	None
EMF Microfinance Fund AGMVK	USD	1,000,000	-	10,541,600	-	1,760,100	12,301,700	421,590	-	12,723,290	-	None
Finethic mIC d Royal Symbiotics	USD	1,000,000	10,400,200	-	(11,201,940)	801,740	-	-	-	-	-	None
Fondul European pentru Europa de Sud-Est (SICAV) EFSE	USD	5,000,000	52,001,000	-	(5,618,250)	8,974,900	55,357,650	649,776	(325,653)	55,681,773	55,357,650	Portfolio
EFSE (SICAV)	USD	1,900,000	13,173,587	-	(7,116,450)	1,733,940	7,791,077	109,845	(13,976)	7,886,946	7,791,077	Portfolio
Global Commercial Microfinance Consortium	USD	375,000	3,900,075	-	-	713,063	4,613,138	-	-	4,613,138	4,613,138	Portfolio
Global Commercial Microfinance Consortium	EUR	750,000	11,055,600	-	-	2,163,300	13,218,900	-	-	13,218,900	13,218,900	Portfolio
Global Commercial Microfinance Consortium	USD	2,000,000	20,800,400	-	-	3,803,000	24,603,400	-	-	24,603,400	24,603,400	Portfolio

JV MFO Microinvest LLC
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10. Interest-bearing loans and borrowings (continued)
Movements for 2009 in MDL (continued)

	CCY	Original CCY amount	Principal at 1 January 2009 MDL	Received during the year MDL	Repaid during the year MDL	Foreign currency revalua- tion result MDL	As at 31 December 2009 MDL	Interest payable MDL	Amortised commision MDL	As at 31 December 2009 MDL	Collateral amount MDL	Type of collateral
Kiva Microfunds Microfinance Enhancement Facility SA, SICAV-SIF (BlueOrchard Pool)	EUR	100,000	-	2,762,650	(1,269,818)	213,948	1,706,780	-	-	1,706,780	-	None
Nederlandse Financierngs- Maatschappij Voor Ontwikkelingslanden N.V.	USD	3,000,000	-	33,802,500	-	3,102,600	36,905,100	255,916	-	37,161,016	-	None
NOVIB Netherlands	USD*	5,000,000	25,681,500	26,309,500	(5,198,150)	(9,500)	46,783,350	1,074,211	(235,839)	47,621,722	-	None
NOVIB Netherlands	EUR	325,000	1,916,304	-	(1,025,700)	255,034	1,145,638	-	-	1,145,638	-	None
Oikocredit	MDL	6,705,840	6,705,840	-	-	-	6,705,840	132,280	-	6,838,120	-	None
Oikocredit Pettelaar Effectenbewaarbedijf N.V.	EUR*	100,000	675,609	-	(450,410)	-	225,199	7,897	(3,410)	229,686	225,199	Portfolio
Triodos Bank N.V.	EUR*	733,744	9,613,040	-	(2,746,584)	-	6,866,456	152,379	(55,541)	6,963,294	6,866,456	Portfolio
Triodos Bank N.V.	EUR	600,000	8,844,480	-	(4,993,590)	1,436,670	5,287,560	323,202	-	5,610,762	-	None
UCITS Nord-Sud Developpment	EUR	500,000	7,370,400	-	-	1,442,200	8,812,600	-	(43,781)	8,768,819	8,812,600	Portfolio
Wallberg Invest S.A.	EUR	650,000	9,581,520	-	-	1,874,860	11,456,380	-	-	11,456,380	11,456,380	Portfolio
WinRock International	EUR	200,000	2,948,160	-	-	576,880	3,525,040	92,571	-	3,617,611	-	None
	USD	500,000	7,370,400	-	(8,225,050)	854,650	-	-	-	-	-	None
	USD	75,000	-	808,440	-	114,188	922,628	-	-	922,628	-	None
Total			334,791,126	133,506,441	(140,627,747)	34,693,645	362,363,465	4,120,437	(949,812)	365,534,090	272,356,830	

JV MFO Microinvest LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2009

10. Interest-bearing loans and borrowings (continued)

Movements for 2009 in USD

	CCY	Original CCY amount	Principal at 1 January 2009	Received during the year	Repaid during the year	Foreign currency revaluation result	Translation difference	As at 31 December 2009	Interest payable	Amortised commision	As at 31 December 2009	Collateral amount	Type of collateral
			MDL	MDL	MDL	MDL	MDL	MDL	MDL	MDL	MDL	MDL	
AO AGROinform													
Federatia Nationala	EUR*	120,000	186,087	-	-	-	(28,764)	157,323	-	-	157,323	-	None
Banca de Economii													
SA	MDL	4,000,000	383,608	-	(358,990)	-	(24,618)	-	-	-	-	-	None
Banca de Economii													
SA	MDL	15,000,000	1,433,916	-	(815,953)	-	(142,825)	475,138	-	(1,084)	474,054	500,000	Bankdeposit
Banca de Economii													
SA	MDL	9,500,000	450,003	-	(421,124)	-	(28,879)	-	-	-	-	-	None
Banca de Economii													
SA	MDL	55,000,000	-	1,496,513	-	-	(144,557)	1,351,956	-	(15,835)	1,336,121	5,000,000	Bankdeposit
Banca de Economii													
SA	MDL	12,000,000	1,153,582	-	(608,275)	-	(119,554)	425,753	-	(1,561)	424,192	500,000	Bankdeposit
Banca de Economii													
SA	MDL	12,000,000	-	1,079,778	-	-	(104,303)	975,475	-	-	975,475	1,250,000	Bankdeposit
Banca de Economii													
SA	MDL	12,000,000	68,845	-	(64,427)	-	(4,418)	-	-	-	-	-	None
Banca de Finance si													
Comert SA	EUR& USD*	1,000,000 USD	3,095,138	-	(1,436,712)	-	(339,641)	1,318,785	17,584	-	1,336,369	1,466,373	Bankdeposit
EBRD	USD	1,000,000	750,000	-	(330,509)	89,859	(92,683)	416,667	3,251	(2,652)	417,266	-	None
BC Moldindconbank													
SA	MDL	24,519,500	1,571,733	-	(735,433)	-	(171,907)	664,393	282	(437)	664,238	1,900,000	Bankdeposit
BC Moldindconbank													
SA	MDL	8,350,000	802,869	-	-	-	(124,101)	678,768	279	(511)	678,536	716,373	Bankdeposit
BC Moldindconbank													
SA	MDL	3,242,880	215,822	-	(201,972)	-	(13,850)	-	-	-	-	-	None
BC Moldindconbank													
SA	MDL	18,544,000	1,442,280	-	(1,349,722)	-	(92,558)	-	-	-	-	-	None
BC Moldindconbank													
SA	MDL	9,662,200	923,059	-	(863,822)	-	(59,237)	-	-	-	-	-	None

JV MFO Microinvest LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2009

10. Interest-bearing loans and borrowings (continued)

Movements for 2009 in USD (continued)

	CCY	Original CCY amount	Principal at 1 January 2009	Received during the year	Repaid during the year	Foreign currency revaluation result	Translation difference	As at 31 December 2009	Interest payable	Amortised commision	As at 31 December 2009	Collateral amount	Type of collateral
			MDL	MDL	MDL	MDL	MDL	MDL	MDL	MDL	MDL	MDL	
Contact Centrul national AION din RM	USD*	100,000	115,159	-	-	-	(17,800)	97,359	-	-	97,359	-	None
Dexia Micro-Credit Fund (BlueOrchard Debt)	USD	2,000,000	-	2,027,930	-	185,920	(213,850)	2,000,000	32,500	-	2,032,500	-	None
Dual Return Fund S.I.C.A.V.	EUR	500,000	-	730,038	-	62,933	(76,598)	716,373	19,327	-	735,700	-	None
Dual Return Fund S.I.C.A.V.	EUR	500,000	708,679	-	(720,806)	57,606	(45,479)	-	-	-	-	-	None
Dual Return Fund S.I.C.A.V.	EUR	600,000	425,207	-	(440,897)	42,978	(27,288)	-	-	-	-	-	None
EMF Microfinance Fund AGMVK	USD	1,000,000	-	948,549	-	158,376	(106,925)	1,000,000	34,271	-	1,034,271	-	None
Finethic mIC d Royal Symbiotics	USD	1,000,000	1,000,000	-	(1,007,967)	72,142	(64,175)	-	-	-	-	-	None
EFSE	USD	5,000,000	5,000,000	-	(505,538)	807,575	(802,037)	4,500,000	52,820	(26,472)	4,526,348	4,500,000	Portfolio
EFSE	USD	1,900,000	1,266,667	-	(640,349)	156,022	(149,007)	633,333	8,929	(1,136)	641,126	633,333	Portfolio
Global Commercial Microfinance Consortium	USD	375,000	375,000	-	-	64,162	(64,162)	375,000	-	-	375,000	375,000	Portfolio
Global Commercial Microfinance Consortium	EUR	750,000	1,063,018	-	-	194,657	(183,116)	1,074,559	-	-	1,074,559	1,074,559	Portfolio
Global Commercial Microfinance Consortium	USD	2,000,000	2,000,000	-	-	342,200	(342,200)	2,000,000	-	-	2,000,000	2,000,000	Portfolio
Kiva Microfunds Microfinance	EUR	100,000	-	248,587	(114,260)	19,251	(14,835)	138,743	-	-	138,743	-	None
Enhancement Facility SA, SICAV-SIF (BlueOrchard Pool)	USD	3,000,000	-	3,041,598	-	279,176	(320,774)	3,000,000	20,803	-	3,020,803	-	None

JV MFO Microinvest LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2009

10. Interest-bearing loans and borrowings (continued)
Movements for 2009 in USD (continued)

	CCY	Original CCY amount	Principal at 1 January 2009	Received during the year	Repaid during the year	Foreign currency revaluation result	Translation difference	As at 31 December 2009	Interest payable	Amortised commision	As at 31 December 2009	Collateral amount	Type of collateral
			MDL	MDL	MDL	MDL	MDL	MDL	MDL	MDL	MDL	MDL	
Nederlandse Financierngs- Maatschappij Voor Ontwikkelingslanden N.V.	USD*	5,000,000	2,469,328	2,367,367	(467,737)	(855)	(565,104)	3,802,999	87,322	(19,171)	3,871,150	-	None
NOVIB Netherlands	EUR	325,000	184,256	-	(92,294)	22,948	(21,782)	93,128	-	-	93,128	-	None
NOVIB Netherlands	MDL	6,705,840	644,780	-	-	-	(99,665)	545,115	10,753	-	555,868	-	None
Oikocredit	EUR*	100,000	64,961	-	(40,529)	-	(6,126)	18,306	642	(277)	18,671	18,306	Portfolio
Oikocredit	EUR*	733,744	924,313	-	(247,142)	-	(119,000)	558,171	12,387	(4,515)	566,043	558,171	Portfolio
Pettelaar Effectenbewaarbedijf N.V.	EUR	600,000	850,414	-	(449,331)	129,274	(100,533)	429,824	26,273	-	456,097	-	None
Triodos Bank N.V.	EUR	500,000	708,679	-	-	129,771	(122,077)	716,373	-	(3,559)	712,814	716,373	Portfolio
Triodos Bank N.V.	EUR	650,000	921,282	-	-	168,703	(158,701)	931,284	-	-	931,284	931,284	Portfolio
UCITS Nord-Sud Developpment	EUR	200,000	283,471	-	-	51,909	(48,832)	286,548	7,526	-	294,074	-	None
Wallberg Invest S.A.	USD	500,000	708,679	-	(740,102)	76,903	(45,480)	-	-	-	-	-	None
WinRock International	USD	75,000	-	72,745	-	10,275	(8,020)	75,000	-	-	75,000	-	None
Total			32,190,835	12,013,105	(12,653,891)	3,121,785	(5,215,461)	29,456,373	334,949	(77,210)	29,714,112	22,139,772	

JV MFO Microinvest LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2009

10. Interest-bearing loans and borrowings (continued)
Movements for 2008 in MDL

	CCY	Original CCY amount	Principal at 1 January 2008 MDL	Received during the year MDL	Repaid during the year MDL	Foreign currency revaluation result MDL	Principal at 31 December 2008 MDL	Interest Payable MDL	Amortised commision MDL	As at 31 December 2008 MDL	Collateral amount MDL	Type of collateral
Soros Economic Development Fund	EUR	175,000	2,912,648	-	(2,884,018)	(28,631)	-	-	-	-	-	None
Oxfam NOVIB Netherlands	EUR	325,000	3,245,522	-	(1,006,967)	(322,251)	1,916,304	-	-	1,916,304	-	None
Oxfam NOVIB Netherlands	EUR*	400,000	6,705,840	-	-	-	6,705,840	256,193	-	6,962,033	-	None
Consorzio Etimos S.C.	EUR	200,000	1,208,461	-	(1,204,438)	(4,023)	-	-	-	-	-	None
National Federation AGROinform	EUR*	120,000	1,935,339	-	-	-	1,935,339	-	-	1,935,339	-	None
S.A SIDI	EUR	50,000	832,185	-	(824,005)	(8,180)	-	-	-	-	-	None
S.A SIDI "CONTACT"	EUR	120,000	1,997,244	-	(1,981,644)	(15,600)	-	-	-	-	-	None
National Center for NGO	USD*	100,000	1,197,680	-	-	-	1,197,680	-	-	1,197,680	-	None
Banca de Finante si Comert SA	MDL	15,000,000	3,500,000	-	(3,500,000)	-	-	-	-	-	-	None
		1,000,000 EUR and 1,500,000 USD										
Banca de Finante si Comert SA	EUR & USD		-	32,190,050	-	-	32,190,050	-	-	32,190,050	15,170,550	Bank deposit
Banca de Economii SA	MDL	4,000,000	4,000,000	-	(10,395)	-	3,989,605	-	-	3,989,605	4,717,056	Bank deposit
Banca de Economii SA	MDL	12,000,000	12,000,000	-	(2,517)	-	11,997,483	-	(33,600)	11,963,883	13,000,250	Bank deposit
Banca de Economii SA	MDL	9,500,000	9,500,000	-	(4,819,882)	-	4,680,118	-	(17,417)	4,662,701	8,039,411	Bank deposit
Banca de Economii SA	MDL	15,000,000	15,000,000	-	(86,986)	-	14,913,015	-	(20,000)	14,893,015	16,992,740	Bank deposit

JV MFO Microinvest LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2009

10. Interest-bearing loans and borrowings (continued)
Movements for 2008 in MDL (continued)

	CCY	Original CCY amount	Principal at 1 January 2008 MDL	Received during the year MDL	Repaid during the year MDL	Foreign currency revaluation result MDL	Principal at 31 December 2008 MDL	Interest Payable MDL	Amortised commission MDL	As at 31 December 2008 MDL	Collateral amount MDL	Type of collateral
Banca de Economii SA	MDL	1,800,000	1,800,000	-	(1,800,000)	-	-	-	-	-	-	Bank deposit
Banca de Economii SA	MDL	12,000,000		716,000	-	-	716,000	-	-	716,000	10,400,200	Bank deposit
BC Moldindconbank SA	MDL	24,519,500	21,585,110	-	(5,238,776)	-	16,346,334	-	(11,824)	16,334,510	59,199,500	Bank deposit
BC Moldindconbank SA	MDL	3,242,880	2,244,597	-	-	-	2,244,597	-	-	2,244,597		
BC Moldindconbank SA	MDL	8,350,000	8,350,000	-	-	-	8,350,000	-	(13,843)	8,336,157		
BC Moldindconbank SA	MDL	9,662,200	-	9,600,000	-	-	9,600,000	-	-	9,600,000		
BC Moldindconbank SA	MDL	18,544,140	-	15,000,000	-	-	15,000,000	-	-	15,000,000		
EBRD	USD	1,000,000	11,319,200	-	(2,541,200)	(977,850)	7,800,150	83,527	(65,243)	7,818,434	6,744,871	Portfolio
Dual Return Fund S.I.C.A.V.	EUR	600,000	9,986,220	-	(3,973,950)	(1,590,030)	4,422,240	55,278	-	4,477,518	-	None
Dual Return Fund S.I.C.A.V.	EUR	500,000	-	6,962,250	-	408,150	7,370,400	212,309	-	7,582,709	-	None
EFSE	USD	5,000,000	-	50,898,375	-	1,102,625	52,001,000	745,723	(458,539)	52,288,184	47,559,559	Portfolio
EFSE	USD	1,900,000	21,506,479	-	(6,189,440)	(2,143,452)	13,173,587	273,522	(35,714)	13,411,394		
Global Commercial Microfinance Consortium	EUR	750,000	12,482,775	-	-	(1,427,175)	11,055,600	480,304	(17,621)	11,518,284	7,322,381	Portfolio
Global Commercial Microfinance Consortium	USD	375,000	-	3,894,713	-	5,363	3,900,075	11,700	(6,049)	3,905,726		
Global Commercial Microfinance Consortium	USD	2,000,000	-	21,455,500	-	(655,100)	20,800,400	-	-	20,800,400	-	None

JV MFO Microinvest LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2009

10. Interest-bearing loans and borrowings (continued)
Movements for 2008 in MDL (continued)

	CCY	Original CCY amount	Principal at 1 January 2008 MDL	Received during the year MDL	Repaid during the year MDL	Foreign currency revaluation result MDL	Principal at 31 December 2008 MDL	Interest Payable MDL	Amortised commission MDL	As at 31 December 2008 MDL	Collateral amount MDL	Type of collateral
Oikocredit	EUR*	100,000	1,126,019	-	(450,411)	-	675,608	20,490	(78,523)	617,575	1,611,350	Portfolio
Oikocredit	EUR*	733,744	12,359,624	-	(2,746,584)	-	9,613,040	216,886	(4,821)	9,825,105	9,592,683	Portfolio
Stichting Triodos- Doen	EUR	500,000	8,321,850	-	-	(951,450)	7,370,400	-	(65,672)	7,304,728	-	None
Stichting Triodos- Doen	EUR	650,000		9,878,342	-	(296,823)	9,581,520	-	-	9,581,520	-	None
Credit Suisse Microfinance Fund Management Company	USD	500,000	5,659,600	-	(5,349,900)	(309,700)	-	-	-	-	-	None
Kiva Microfunds Pettelaar	USD	500,000	253,629	-	(232,798)	(20,831)	-	-	-	-	-	None
Effectenbewaarbedrijf N.V.	EUR	600,000	9,986,220	-	-	(1,141,740)	8,844,480	338,301	(19,539)	9,163,242	-	None
UCITS Nord Sud Development	EUR	150,000	2,496,556	-	(2,475,945)	(20,611)	-	-	-	-	-	None
UCITS Nord Sud Development	EUR	200,000	-	3,236,120	-	(287,960)	2,948,160	139,713	-	3,087,873	-	None
Finethic Microfinance Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.V.	USD	1,000,000	-	10,159,700	-	240,500	10,400,200	48,534	-	10,448,734	-	None
Wallberg Invest S.A.	USD	5,000,000	-	25,701,250	-	(19,750)	25,681,500	539,012	(81,976)	26,138,535	-	None
	USD	500,000	-	6,603,850	-	766,550	7,370,400	88,444	-	7,458,845	-	None
			193,512,798	196,296,150	(47,319,856)	(7,697,969)	334,791,125	3,509,936	(930,381)	337,370,680	200,350,551	

JV MFO Microinvest LLC
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For the Year Ended 31 December 2009

10. Interest-bearing loans and borrowings (continued)
Movements for 2008 in USD

	CCY	Original CCY amount	Principal at 1 January 2008 USD	Received during the year USD	Repaid during the year USD	Foreign currency revaluatio n result USD	Translatio n difference USD	Principal at 31 December 2008 USD	Interest Payable USD	Amortised commision USD	As at 31 December 2008 USD	Collateral amount USD	Type of collateral
Soros Economic Development Fund	EUR	175,000	257,319	-	(277,590)	(2,756)	23,027	-	-	-	-	-	None
Oxfam NOVIB Netherlands	EUR	325,000	286,727	-	(96,922)	(31,017)	25,468	184,256	-	-	184,256	-	None
Oxfam NOVIB Netherlands	EUR*	400,000	592,431	-	-	-	52,349	644,780	24,633	-	669,413	-	None
Consorzio Etimos S.C.	EUR	200,000	106,762	-	(115,928)	(387)	9,553	-	-	-	-	-	None
National Federation AGROinform	EUR*	120,000	170,978	-	-	-	15,109	186,087	-	-	186,087	-	None
S.A SIDI	EUR	50,000	73,520	-	(79,311)	(787)	6,578	-	-	-	-	-	None
S.A SIDI "CONTACT"	EUR	120,000	176,447	-	(190,735)	(1,502)	15,790	-	-	-	-	-	None
National Center for NGO	USD*	100,000	105,810	-	-	-	9,349	115,159	-	-	115,159	-	None
Banca de Finante si Comert SA	MDL	15,000,000	309,209	-	(336,879)	-	27,670	-	-	-	-	-	None
		1,000,000 EUR and 1,500,000 USD											
Banca de Finante si Comert SA	EUR&U SD		-	3,098,325	-	-	(3,187)	3,095,138	-	-	3,095,138	1,458,679	Bank deposit
Banca de Economii SA	MDL	4,000,000	353,382	-	(1,001)	-	31,227	383,608	-	-	383,608	453,554	Bank deposit
Banca de Economii SA	MDL	12,000,000	1,060,146	-	(242)	-	93,678	1,153,582	-	(3,231)	1,150,351	1,250,000	Bank deposit
Banca de Economii SA	MDL	9,500,000	839,282	-	(463,919)	-	74,640	450,003	-	(1,675)	448,328	773,005	Bank deposit
Banca de Economii SA	MDL	15,000,000	1,325,182	-	(8,372)	-	117,106	1,433,916	-	(1,923)	1,431,993	1,633,886	Bank deposit
Banca de Economii SA	MDL	1,800,000	159,022	-	(173,252)	-	14,230	-	-	-	-	-	Bank deposit

JV MFO Microinvest LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended 31 December 2009

10. Interest-bearing loans and borrowings (continued)
Movements for 2008 in USD (continued)

	CCY	Original CCY amount	Principal at 1 January 2008 USD	Received during the year USD	Repaid during the year USD	Foreign currency revaluatio n result USD	Translatio n difference USD	Principal at 31 December 2008 USD	Interest Payable USD	Amortised commision USD	As at 31 December 2008 USD	Collateral amount USD	Type of collateral
Banca de Economii SA	MDL	12,000,000	-	68,916	-	-	(71)	68,845	-	-	68,845	1,000,000	Bank deposit
BC Moldindconbank SA	MDL	24,519,500	1,906,947	-	(504,238)	-	169,024	1,571,733	-	(1,137)	1,570,596	5,692,150	
BC Moldindconbank SA	MDL	3,242,880	198,300	-	-	-	17,522	215,822	-	-	215,822	-	
BC Moldindconbank SA	MDL	8,350,000	737,685	-	-	-	65,184	802,869	-	(1,331)	801,538	-	
BC Moldindconbank SA	MDL	9,662,200	-	924,010	-	-	(951)	923,059	-	-	923,059	-	
BC Moldindconbank SA	MDL	18,544,140	-	1,443,765	-	-	(1,485)	1,442,280	-	-	1,442,280	-	Bank deposit
EBRD	USD	1,000,000	1,000,000	-	(244,593)	(94,119)	88,712	750,000	8,031	(6,273)	751,758	648,533	Portfolio
Dual Return Fund S.I.C.A.V.	EUR	600,000	882,237	-	(382,497)	(153,042)	78,509	425,207	5,315	-	430,522	-	None
Dual Return Fund S.I.C.A.V.	EUR	500,000	-	670,124	-	39,285	(730)	708,679	20,414	-	729,093	-	None
EFSE	USD	5,000,000	-	4,899,021	-	106,129	(5,150)	5,000,000	71,703	(44,089)	5,027,614	4,572,947	
EFSE	USD	1,900,000	1,900,000	-	(595,740)	(206,309)	168,716	1,266,667	26,300	(3,434)	1,289,533	-	Portfolio
Global Commercial Microfinance Consortium	EUR	750,000	1,102,797	-	-	(137,367)	97,588	1,063,018	46,182	(1,694)	1,107,506	704,062	
Global Commercial Microfinance Consortium	USD	375,000	-	374,870	-	516	(386)	375,000	1,125	(582)	375,543	-	
Global Commercial Microfinance Consortium	USD	2,000,000	-	2,065,114	-	(63,054)	(2,060)	2,000,000	-	-	2,000,000	-	Portfolio
Oikocredit	EUR*	100,000	99,479	-	(43,352)	-	8,834	64,961	1,970	(7,550)	59,381	154,935	Portfolio
Oikocredit	EUR*	733,744	1,091,917	-	(264,362)	-	96,758	924,313	20,854	(464)	944,703	922,356	Portfolio

JV MFO Microinvest LLC
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10. Interest-bearing loans and borrowings (continued)
Movements for 2008 in USD (continued)

	CCY	Original CCY amount	Principal at 1 January 2008 USD	Received during the year USD	Repaid during the year USD	Foreign currency revaluatio n result USD	Translatio n difference USD	Principal at 31 December 2008 USD	Interest Payable USD	Amortised commision USD	As at 31 December 2008 USD	Collateral amount USD	Type of collateral
Stichting Triodos- Doen	EUR	500,000	735,198	-	-	(91,578)	65,059	708,679	-	(6,315)	702,364	-	None
Stichting Triodos- Doen	EUR	650,000	-	950,801	-	(28,570)	(949)	921,282	-	-	921,282	-	None
Credit Suisse Microfinance Fund Management Company	USD	500,000	500,000	-	(514,933)	(29,809)	44,742	-	-	-	-	-	None
Kiva Microfunds Pettelaar	USD	500,000	22,407	-	(22,407)	(2,005)	2,005	-	-	-	-	-	None
Effectenbewaarbedrijf N.V.	EUR	600,000	882,237	-	-	(109,894)	78,071	850,414	32,528	(1,878)	881,064	-	None
UCITS Nord Sud Development	EUR	150,000	220,559	-	(238,312)	(1,984)	19,737	-	-	-	-	-	None
UCITS Nord Sud Development	EUR	200,000	-	311,480	-	(27,716)	(293)	283,471	13,434	-	296,905	-	None
Finethic Microfinance Nederlandse	USD	1,000,000	-	977,882	-	23,148	(1,030)	1,000,000	4,667	-	1,004,667	-	None
Financierngs- Maatschappij Voor Ontwikkelingslanden N.V.	USD	5,000,000	-	2,473,772	-	(1,901)	(2,543)	2,469,328	51,827	(7,882)	2,513,273	-	None
Wallberg Invest S.A.	USD	500,000	-	635,627	-	73,781	(728)	708,680	8,504	-	717,184	-	None
			17,095,980	18,893,707	(4,554,585)	(740,938)	1,496,672	32,190,836	337,487	(89,458)	32,438,865	19,264,107	

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11. Grants for projects in process

The Company obtains grants from a number of donors, which are either used for re-lending or for covering operating expenses. All utilized grants are recognized in the period in which the related expenses were incurred or sub-loans were granted by the Group. The grants for projects in process are recognized as liabilities to donors. The movements in grants are presented below:

	2009	2009	2008	2008
	MDL	USD	MDL	USD
Grants for projects in process at 1 January	94,432	9,080	109,785	9,699
Grants received during the year	541,787	48,751	151,189	14,552
Grants used for re-lending	(277,409)	(24,962)	(151,189)	(14,552)
Grants used to cover operating expenses	(48,449)	(4,360)	(15,353)	(1,478)
Translation difference	-	(3,281)	-	859
Grants for projects in process at 31 December	310,361	25,228	94,432	9,080

Breakdown of grants by Grantor is provided in the table below:

	2009	2009	2008	2008
	MDL	USD	MDL	USD
<i>NOVIB Netherlands</i>				
Grants for projects in process at 1 January	94,432	9,080	109,785	9,699
Grants received during the year	-	-	-	-
Grants used for re-lending	-	-	-	-
Grants used to cover operating expenses	(24,103)	(2,169)	(15,353)	(1,478)
Translation difference	-	(1,194)	-	859
Grants for projects in process at 31 December	70,329	5,717	94,432	9,080
<i>Zurich Financial Services</i>				
Grants for projects in process at 1 January	-	-	-	-
Grants received during the year	4,551	410	-	-
Grants used for re-lending	(4,551)	(410)	-	-
Grants used to cover operating expenses	-	-	-	-
Translation difference	-	-	-	-
Grants for projects in process at 31 December	-	-	-	-
<i>Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.</i>				
Grants for projects in process at 1 January	-	-	-	-
Grants received during the year	272,858	24,552	151,189	14,552
Grants used for re-lending	(272,858)	(24,552)	(151,189)	(14,552)
Grants used to cover operating expenses	-	-	-	-
Translation difference	-	-	-	-
Grants for projects in process at 31 December	-	-	-	-
<i>EBRD</i>				
Grants for projects in process at 1 January	-	-	-	-
Grants received during the year	264,378	23,789	-	-
Grants used for re-lending	-	-	-	-
Grants used to cover operating expenses	(24,346)	(2,191)	-	-
Translation difference	-	(2,087)	-	-
Grants for projects in process at 31 December	240,032	19,511	-	-
Total grants for projects in process at 31 December	310,361	25,228	94,432	9,080

JV MFO Microinvest LLC
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11. Grants for projects in process (continued)

NOVIB Netherlands

As at 31 December 2009 the outstanding balance of grants amount represent the net book value of the assets acquired from the grants.

12. Due to founders

Soros Foundation Moldova was the major shareholder of the Group in 2006, holding 19.75% of its share capital in 2008. Apart from the contribution to share capital, Soros Foundation Moldova also provided grants, which were used by the Group for re-lending or for covering operating expenses.

The detailed movements in grants from founders are presented in the table below:

	2009	2009	2008	2008
	MDL	USD	MDL	USD
Grants outstanding at 1 January	363,304	34,932	443,931	39,219
Grants received	-	-	-	-
Grants used to cover operating expenses	(72,478)	(6,522)	(80,627)	(7,761)
Translation difference	-	(4,769)	-	3,474
			-	-
Grants outstanding at 31 December	290,826	23,641	363,304	34,932

13. Other liabilities

	2009	2009	2008	2008
	MDL	USD	MDL	USD
Audit fees	798,332	64,896	424,535	40,820
Salary and related payments	45,241	3,678	1,043,366	100,318
Advertising and other services	156,183	12,696	688,850	66,234
Income tax	-	-	-	-
VAT	22,226	1,807	12,686	1,220
Deferred income	51,599	4,194	-	-
Other taxes	11,746	955	-	-
Other liabilities	494,026	40,159	75,060	7,217
	1,579,353	128,385	2,244,497	215,809

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14. Share capital and reserves

		2009	2009		2008	2008
		MDL	USD		MDL	USD
BFSE Holding B.V. (B.F.S.E)	38.31%	29,356,467	2,386,375	39.73%	29,356,467	2,822,682
Soros Foundation Moldova S.A. "S.I.D.I." Solidarite Internationale pour le Developpement et l'Investissement "Oikocredit" Ecumenical Development Cooperative Society U.A.	19.75%	15,136,654	1,230,452	20.49%	15,136,654	1,455,420
	3.40%	2,607,079	211,928	3.53%	2,607,079	250,676
	17.22%	13,200,000	1,073,022	17.87%	13,200,000	1,269,206
Soros Economic Development Fund	10.77%	8,250,000	670,639	11.16%	8,250,000	793,254
Driehaus Richard	4.75%	3,643,533	296,181	4.93%	3,643,533	350,333
Munteanu Artur	4.16%	3,185,238	258,927	1.83%	1,353,738	130,165
Mîrzac Viorica	0.82%	626,952	50,965	0.23%	169,077	16,257
Lupaşco Fiodor	0.82%	626,952	50,965	0.23%	169,077	16,257
	100%	76,632,875	6,229,454	100%	73,885,625	7,104,250

Capital Reserve

During 2009 the Capital Reserves distributable to shareholders has been transferred to share capital.

	Amount of Reserve MDL 2009	Amount of Reserve USD 2009	Amount of Reserve MDL 2008	Amount of Reserve USD 2008
Munteanu Artur	-	-	1,831,500	176,102
Mîrzac Veronica	-	-	457,875	44,026
Lupascu Tudor	-	-	457,875	44,026
Capital reserve not distributed	3,357,750	272,950	3,357,750	322,854
Distributable Capital reserves	3,357,750	272,950	6,105,000	587,008
Capital reserves not subject to distribution	31	3	31	3
Total Capital reserves	3,357,781	272,953	6,105,031	587,011

15. Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise the following balances with less than 90 days maturity:

	2009	2009	2008	2008
	MDL	USD	MDL	USD
Cash in banks	48,780,346	3,965,334	6,164,475	592,726
Short term deposits	-	-	-	-
	48,780,346	3,965,334	6,164,475	592,726

JV MFO Microinvest LLC**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****For the Year Ended 31 December 2009**

16. Interest income

	2009	2009	2008	2008
	MDL	USD	MDL	USD
Interest on loans	70,296,950	6,325,422	48,574,479	4,675,343
Commission revenue	7,487,027	673,694	5,646,975	543,527
Interest income on deposits	11,572,544	1,041,314	7,418,951	714,082
Interest from financial guarantee	7,398	666	9,826	946
Other income	3,016	272	-	-
	89,366,935	8,041,368	61,650,231	5,933,898

JV MFO Microinvest LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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17. Interest expense

	2009	2009	2008	2008
	MDL	USD	MDL	USD
Banca de Finanțe de Comerț	3,624,861	326,170	3,822,116	367,883
Consorzio Etimos S.C.	-	-	42,553	4,096
NOVIB Netherlands	1,276,039	114,820	1,517,551	146,066
Soros Economic Development Fund	-	-	3,201	308
Solidarite Internationale pour le Developpement et l'Investissement	-	-	47,481	4,570
Deutsche Bank Microcredit Development Fund	11,730	1,055	10,822	1,042
“CONTACT” National Center for NGO assistance and information	131,745	11,855	131,745	12,681
National Federation AGROinform	96,767	8,707	96,767	9,314
BC Banca de Economii SA	6,675,647	600,684	6,096,442	586,789
BC Moldindconbank SA	6,496,645	584,578	5,941,844	571,908
EFSE	3,845,942	346,063	2,411,141	232,075
Global Commercial Microfinance Consortium	2,917,387	262,511	2,577,699	248,106
Oikocredit, Ecumenical Development Cooperative Society U.A.	1,296,627	116,672	1,820,270	175,203
Stichting Triodos Doen	1,629,652	146,638	1,016,173	97,808
Credit Suisse Microfinance Fund Management Group	-	-	275,792	26,545
EBRD	397,927	35,806	752,049	72,385
Dual Return Fund S.I.C.A.V.	1,101,812	99,143	1,091,466	105,055
Pettelaar Effectenbewaarbedrijf N.V.	859,133	77,306	908,523	87,446
UCITS Nord Sud Development	173,254	15,590	206,897	19,914
MicroVest	-	-	108,605	10,453
Finethic mIC d Royal Symbiotics	436,720	39,297	497,829	47,916
Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.	9,968,066	896,941	2,778,887	267,471
Wallberg Invest S.A.	675,090	60,746	85,394	8,219
EMF Microfinance fund	934,567	84,094	-	-
Microfinance Enhancement Facility	1,427,378	128,438	-	-
Dexia BlueOrchard	1,721,300	154,885	-	-
Osborne Clarke Solicitors	5,394	485	-	-
Adros Baltija	5,330	480	-	-
Jean Paul Wacogne	7,547	679	-	-
Stuart White	2,062	186	-	-
	45,718,622	4,113,829	32,241,247	3,103,253

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18. Other operating income

	2009	2009	2008	2008
	MDL	USD	MDL	USD
Penalty income	22,515,287	2,025,958	8,081,822	777,884
Recognition of grant revenue	398,336	35,844	247,170	23,790
Recovered income	2,114,246	190,243	268,793	25,871
Other income	216,745	19,502	118,190	11,376
	25,244,614	2,271,547	8,715,975	838,921

Recognition of grants as revenue during 2008 and 2009 is presented below:

	2009	2009	2008	2008
	MDL	USD	MDL	USD
Soros Foundation Moldova	72,478	6,522	80,627	7,761
Foundation Open Society Institute	-	-	-	-
NOVIB	24,103	2,169	15,353	1,478
Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.	272,858	24,552	151,190	14,551
EBRD	24,346	2,191	-	-
Zurich Financial Services	4,551	410		
	398,336	35,844	247,170	23,790

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19. General and administrative expenses

	2009	2009	2008	2008
	MDL	USD	MDL	USD
Salaries	9,262,803	833,481	7,744,345	745,401
Social security contributions	2,311,688	208,009	1,904,996	183,358
Rent	2,008,895	180,763	1,513,010	145,629
Bank charges	465,469	41,884	423,804	40,792
Training	826,461	74,366	396,486	38,162
Audit and consulting	812,944	73,150	414,279	39,875
Rating fees	-	-	139,893	13,465
Communication	720,604	64,841	439,178	42,271
Business trip	224,195	20,173	214,152	20,612
Fuel and transportation cost	768,090	69,114	457,674	44,052
Marketing	1,522,501	136,997	1,383,182	133,133
Public utilities security	445,473	40,084	432,156	41,595
Office supplies	162,009	14,578	169,834	16,347
Depreciation/ amortization of property plant and equipment and intangibles	1,278,554	115,045	594,834	57,253
Depreciation of low value items	379,032	34,106	302,211	29,088
Repairs and maintenance	-	-	-	-
Representation expenses	185,155	16,661	94,948	9,139
IT maintenance	114,946	10,343	78,875	7,592
Fines and penalties	7,989	719	8,032	773
Insurance	91,742	8,255	52,074	5,012
Legal fees	970,648	87,340	1,635,774	157,445
VAT	130,746	11,765	58,385	5,620
Postage	67,903	6,110	35,655	3,432
Taxes	27,763	2,498	19,867	1,912
Other	1,014,498	91,287	1,070,062	102,994
	23,800,108	2,141,569	19,583,706	1,884,952

20. Provision for impairment

	2009	2009	2008	2008	
Note	MDL	USD	MDL	USD	
Provision for impairment for loans	6	44,692,668	4,021,512	8,723,548	839,651
Provision for impairment for receivable	7	13,956,465	1,255,823	3,951,864	380,371
		58,649,133	5,277,335	12,675,412	1,220,022

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21. Fair value information

Financial assets and financial liabilities carried on the balance sheet include cash and cash equivalents, loans and advances to clients, financial assets held to maturity, interest-bearing loans, borrowings and grants. The estimated fair value of these instruments approximates to their carrying amounts.

22. Commitments and contingencies

As at 31 December 2009, the Group had no significant capital commitments.

The Group provides guarantees to clients, which obtain credits from commercial banks. The guarantees cover 50% of loans undertaken from commercial banks.

As of 31 December 2009 the Group has issued guarantees in the amount of MDL 165,000 (USD 13,413) (2008: MDL 165,000 (USD 15,865)).

As at 31 December 2009, the Group was involved in 703 litigations related to recovery of bad debts.

As at 31 December 2009 the Group is involved in 7 litigations where the clients attacked the decision of the first court. The Group is renting most of its premises from other third parties for a one-year period, renewable upon request. All rent agreements are cancellable within 1 to 6 months notice. The Group normally spends around MDL 122,881 per month for rent.

23. Related parties

The Group did not enter into transactions with related parties other than those in the normal course of business for trade or finance reasons and on an arm's length basis. During the year ended 31 December 2008, the Group has carried out transactions with the following related parties:

- BFSE Holding B.V.;
- "Oikocredit" Ecumenical Development Cooperative Society U.A.;
- Soros Foundation Moldova;
- Solidarite Internationale pour le Developpement et l'Investissement ("SIDI") ;
- Soros Economic Development Fund ;
- Driehaus Richard ;
- Management of the Group.

JV MFO Microinvest LLC
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For the Year Ended 31 December 2009

23. Related parties (continued)

Below we present the balances and transactions entered with these related parties during the year:

Year	Loans and interest outstanding		Capital reserve		Contributions in share capital		Amounts owed to		Grants recognized as revenue		Interest income		Interest expenses		Salaries	
	MDL	USD	MDL	USD	MDL	USD	MDL	USD	MDL	USD	MDL	USD	MDL	USD	MDL	USD
<i>"Oikocredit"</i>																
<i>Ecumenical Development Cooperative Society U.A.</i>																
2009	-	-	-	-	13,200,000	1,073,022	7,251,931	589,506	-	-	-	-	1,296,627	105,402	-	-
2008	-	-	-	-	13,200,000	1,269,206	10,442,682	1,004,085	-	-	-	-	1,820,270	175,023	-	-
<i>BFSE Holding</i>																
2009	-	-	3,357,782	272,953	29,356,467	2,386,375	-	-	-	-	-	-	-	-	-	-
2008	-	-	3,885,250	373,575	29,356,467	2,822,682	-	-	-	-	-	-	-	-	-	-
<i>Soros Foundation Moldova</i>																
2009	-	-	-	-	15,136,654	1,230,452	290,826	23,641	72,478	5,892	-	-	-	-	-	-
2008	-	-	-	-	15,136,654	1,455,420	363,303	34,932	80,628	7,753	-	-	-	-	-	-
<i>S.A. "S.I.D.I." Solidarite Internationale pour le Developpement et l'Investissement</i>																
2009	-	-	-	-	2,607,079	211,928	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	2,607,079	250,676	-	-	-	-	-	-	47,481	4,565	-	-
<i>Soros Economic Development Fund</i>																
2009	-	-	-	-	8,250,000	670,639	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	8,250,000	793,254	-	-	-	-	-	-	3,201	308	-	-

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23. Related parties (continued)

	Year	Loans and interest outstanding		Capital reserve		Contributions in share capital		Amounts owed to		Grants recognized as revenue		Interest income		Interest expenses		Salaries	
		MDL	USD	MDL	USD	MDL	USD	MDL	USD	MDL	USD	MDL	USD	MDL	USD	MDL	USD
<i>Driehaus Richard</i>	2009	-	-	-	-	3,643,533	296,181	-	-	-	-	-	-	-	-	-	-
	2008	-	-	-	-	3,643,533	350,333	-	-	-	-	-	-	-	-	-	-
<i>Management</i>	2009	61,003	4,959	-	-	4,439,142	360,856	-	-	-	-	14,840	1,206	-	-	333,093	27,077
	2008	569,802	54,788	-	-	1,691,892	162,679	-	-	-	-	66,245	6,370	-	-	1,398,165	134,436
	2009	61,003	4,959	3,357,782	272,953	76,632,875	6,229,453	7,542,757	613,147	72,478	5,892	14,840	1,206	1,296,627	105,402	333,093	27,077
	2008	569,802	54,788	3,885,250	373,575	73,885,625	7,104,250	10,805,985	1,039,017	80,628	7,753	66,245	6,370	1,870,952	179,896	1,398,165	134,436

Loans to the management represent loans granted by the Group bearing 17% - 18% annual interest rate, for a period of 1 - 3 years, repayable in equal instalments on a monthly basis. The loans are guaranteed by salaries of employees.

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24. Risk management

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group is exposed to currency risk in case of interest-bearing loans and borrowings denominated in currencies other than MDL. In order to mitigate currency risk, the Group places deposits in foreign currency and obtains loans in MDL, collateralized by currency deposits.

The Group performed a sensitivity analysis to currency risk at which it is reasonably exposed at 31 December 2009, showing how income statement and equity could have been affected as a result of possible changes in currency rates.

The tables below show the currencies for which the Group has significant exposure to currency risk as at 31 December 2009 and as at 31 December 2008, for the balance sheet items that are sensible to the currency rates' modifications. The analysis demonstrates the effect of reasonably possible changes in currency rates against MDL with all other variables held constant:

Sensitivity analysis to currency risk at which it is reasonably exposed at 31 December 2009 and 31 December 2008

Sensitivity analysis to currency risk at which it is reasonably exposed at 31 December 2009

OCP	Nominal value MDL	Possible rate increase, in %	Income/ (loss) effect MDL	Possible rate decrease, in %	Income/ (loss) effect MDL
As at 31 December 2009					
USD	836,169	5.00%	41,808	-5.00%	(41,808)
EUR	2,378,958	5.00%	118,948	-5.00%	(118,948)

Sensitivity analysis to currency risk at which it is reasonably exposed at 31 December 2008

OCP	Nominal value MDL	Possible rate increase, in %	Income/ (loss) effect MDL	Possible rate decrease, in %	Income/ (loss) effect MDL
As at 31 December 2008					
USD	(1,369,751)	5.00%	(68,488)	-5.00%	68,488
EUR	3,538,177	5.00%	176,909	-5.00%	(176,909)

Assets and liabilities in MDL and other currencies as at 31 December 2009 and 2008, were as follows:

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24. Risk management (continued)

Currency risk (continued)

As at 31 December 2009

	Total		In USD		In EUR		In MDL		Others	
	MDL	USD	MDL	USD	MDL	USD	MDL	USD	MDL	USD
ASSETS										
Cash and cash equivalents	48,780,346	3,965,334	35,429,055	2,880,013	11,343,068	922,073	1,987,500	161,563	20,723	1,685
Collateral deposits with banks	159,614,193	12,974,970	122,200,278	9,933,609	18,042,037	1,466,630	19,371,878	1,574,731	-	-
Loans and advances to customers, net	213,211,086	17,331,839	19,002,325	1,544,691	25,647,222	2,084,852	168,561,539	13,702,296	-	-
Other assets	1,660,168	134,954	12,104	984	322,095	26,183	1,325,969	107,787	-	-
Intangible assets	950,929	77,301	-	-	-	-	950,929	77,301	-	-
Property and equipment	14,500,325	1,178,725	-	-	-	-	14,500,325	1,178,725	-	-
	438,717,047	35,663,123	176,643,762	14,359,297	55,354,422	4,499,738	206,698,140	16,802,403	20,723	1,685
LIABILITIES										
Interest-bearing loans and borrowings	365,534,090	29,714,112	175,807,507	14,291,318	52,912,260	4,301,215	136,814,323	11,121,579	-	-
Grants for projects in process	310,361	25,228	-	-	-	-	310,361	25,228	-	-
Due to founders	290,826	23,641	-	-	-	-	290,826	23,641	-	-
Other liabilities	1,579,353	128,385	86	7	63,204	5,138	1,516,063	123,240	-	-
	367,714,630	29,891,366	175,807,593	14,291,325	52,975,464	4,306,353	138,931,573	11,293,688	-	-
Net exposure	71,002,417	5,771,757	836,169	67,972	2,378,958	193,385	67,766,567	5,508,715	20,723	1,685

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24. Risk management (continued)

Currency risk (continued)

As at 31 December 2008

	Total		In USD		In EUR		In MDL	
	MDL	USD	MDL	USD	MDL	USD	MDL	USD
ASSETS								
Cash and cash equivalents	6,164,475	592,726	4,216,936	405,466	859,631	82,655	1,087,908	104,605
Collateral deposits with banks	140,950,500	13,552,671	85,708,885	8,241,079	44,298,497	4,259,389	10,943,118	1,052,203
Loans and advances to customers	261,242,122	25,118,952	17,888,375	1,720,004	20,622,125	1,982,858	222,731,622	21,416,090
Other assets	2,387,056	229,520	54,471	5,238	4,422	425	2,328,163	223,857
Intangible assets	857,097	82,411	-	-	-	-	857,097	82,411
Property and equipment	13,083,469	1,258,000	-	-	-	-	13,083,469	1,258,000
	424,684,719	40,834,280	107,868,667	10,371,787	65,784,675	6,325,327	251,031,377	24,137,166
LIABILITIES								
Interest-bearing loans and borrowings	337,370,680	32,438,865	109,238,418	10,503,493	62,193,853	5,980,063	165,938,409	15,955,309
Grants for projects in process	94,432	9,080	-	-	-	-	94,432	9,080
Due to founders	363,304	34,932	-	-	-	-	363,304	34,932
Other liabilities	2,244,497	215,809	-	-	52,645	5,062	2,191,852	210,747
	340,072,913	32,698,686	109,238,418	10,503,493	62,246,498	5,985,125	168,587,997	16,210,068
Net exposure	84,611,806	8,135,594	(1,369,751)	(131,706)	3,538,177	340,202	82,443,380	7,927,098

JV MFO Microinvest LLC
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24. Risk management (continued)

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of the financial instruments. The following table demonstrates the sensitivity of a reasonable possible change in interest rates, with all other variables held constant, of the Group's income statement and equity.

2009	Net income/(loss) sensitivity				
	Less than 3 month	From 3 month to 6 months	From 6 months to 1 year	From 1 to 5 years	Total
	MDL	MDL	MDL	MDL	MDL
+100 points	2,375,714	(1,614,439)	(280,588)	(436,548)	44,139
+50 points	1,187,857	(807,219)	(140,294)	(218,274)	22,070
-100 points	(2,375,714)	1,614,439	280,588	436,548	(44,139)
-50 points	(1,187,857)	807,219	140,294	218,274	(22,070)

2008	Net income/(loss) sensitivity				
	Less than 3 month	From 3 month to 6 months	From 6 months to 1 year	From 1 to 5 years	Total
	MDL	MDL	MDL	MDL	MDL
+100 points	1,464,854	(63,847)	(64,368)	(667,210)	669,429
+50 points	732,427	(31,923)	(32,184)	(333,605)	334,715
-100 points	(1,464,854)	63,847	64,368	667,210	(669,429)
-50 points	(732,427)	31,923	32,184	333,605	(334,715)

The tables below provide information on the extent of the Group's interest rate exposure based either on the contractual maturity date of its financial instruments or, in the case of instruments that re-price to a market interest rate before maturity, the next re-pricing date. It is the policy of the management to manage Group exposure to fluctuations in net interest income arising from changes in interest rates by the degree of re-pricing mismatch in the balance sheet. Those assets and liabilities that do not have a contractual maturity date are assigned to the "non-sensitive" category.

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24. Risk management (continued)

Interest rate risk (continued)

As at 31 December 2009

	Total		Less than 3 months		From 3 to 6 months		From 6 months to 1 year		From 1 to 5 years		Non-sensitive	
	MDL	USD	MDL	USD	MDL	USD	MDL	USD	MDL	USD	MDL	USD
ASSETS												
Cash and cash equivalents	48,780,346	3,965,334	-	-	-	-	-	-	-	-	48,780,346	3,965,334
Due from banks (fixed rate)	-	-	-	-	-	-	-	-	-	-	-	-
Due from banks (floating rate)	159,614,193	12,974,970	127,163,402	10,337,059	32,185,830	2,616,373	-	-	-	-	264,961	21,538
Loans and advances to customers, net	213,211,086	17,331,839	206,478,348	16,784,538	-	-	-	-	-	-	6,732,738	547,301
Other assets	1,660,168	134,954	-	-	-	-	-	-	-	-	1,660,168	134,954
Intangible assets	950,929	77,301	-	-	-	-	-	-	-	-	950,929	77,301
Property and equipment	14,500,325	1,178,725	-	-	-	-	-	-	-	-	14,500,325	1,178,725
	438,717,047	35,663,123	333,641,750	27,121,597	32,185,830	2,616,373	-	-	-	-	72,889,467	5,925,153
LIABILITIES												
Loans and borrowings (fixed rate)	87,972,913	7,151,282	8,214,005	667,713	3,924,845	319,049	28,058,840	2,280,891	43,654,785	3,548,679	4,120,438	334,949
Loans and borrowings (floating rate)	277,561,177	22,562,830	87,856,301	7,141,802	189,704,876	15,421,029	-	-	-	-	-	-
Grants for projects in process	310,361	25,228	-	-	-	-	-	-	-	-	310,361	25,228
Due to founders	290,826	23,641	-	-	-	-	-	-	-	-	290,826	23,641
Other liabilities	1,579,353	128,385	-	-	-	-	-	-	-	-	1,579,353	128,385
	367,714,630	29,891,366	96,070,306	7,809,515	193,629,721	15,740,078	28,058,840	2,280,891	43,654,785	3,548,679	6,300,978	512,203
Net exposure	71,002,417	5,771,757	237,571,444	19,312,082	(161,443,891)	(13,123,705)	(28,058,840)	(2,280,891)	(43,654,785)	(3,548,679)	66,588,489	5,412,950
GAP			237,571,444	19,312,082	76,127,553	6,188,377	48,068,713	3,907,486	4,413,928	358,807	71,002,417	5,771,757

JV MFO Microinvest LLC
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24. Risk management (continued)

Interest rate risk (continued)

As at 31 December 2008

	Total		Less than 3months		From 3 to 6 months		From 6 months to 1 year		From 1 to 5 years		Non-sensitive	
	MDL	USD	MDL	USD	MDL	USD	MDL	USD	MDL	USD	MDL	USD
ASSETS												
Cash and cash equivalents	6,164,475	592,726	-	-	-	-	-	-	-	-	6,164,475	592,726
Due from banks (fixed rate)	28,355,343	2,726,421	-	-	7,800,150	750,000	12,726,228	1,223,652	7,370,400	708,679	458,565	44,090
Due from banks (floating rate)	112,595,157	10,826,250	56,343,817	5,417,571	56,251,340	5,408,679	-	-	-	-	-	-
Loans and advances to customers	261,242,122	25,118,952	261,242,122	25,118,952	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	2,387,056	229,520	-	-	-	-	-	-	-	-	2,387,056	229,520
Intangible assets	857,097	82,411	-	-	-	-	-	-	-	-	857,097	82,411
Property and equipment	13,083,469	1,258,000	-	-	-	-	-	-	-	-	13,083,469	1,258,000
	424,684,719	40,834,280	317,585,939	30,536,523	64,051,490	6,158,679	12,726,228	1,223,652	7,370,400	708,679	22,950,662	2,206,747
LIABILITIES												
Loans and borrowings (fixed rate)	104,774,953	10,074,321	-	-	10,400,200	1,000,000	19,163,040	1,842,565	74,091,373	7,124,033	1,120,340	107,723
Loans and borrowings (floating rate)	232,595,727	22,364,544	171,100,537	16,451,658	60,035,975	5,772,579	-	-	-	-	1,459,215	140,307
Grants for projects in process	94,432	9,080	-	-	-	-	-	-	-	-	94,432	9,080
Due to founders	363,304	34,932	-	-	-	-	-	-	-	-	363,304	34,932
Other liabilities	2,244,497	215,809	-	-	-	-	-	-	-	-	2,244,497	215,809
	340,072,913	32,698,686	171,100,537	16,451,658	70,436,175	6,772,579	19,163,040	1,842,565	74,091,373	7,124,033	5,281,788	507,851
Net exposure	84,611,806	8,135,594	146,485,402	14,084,865	(6,384,685)	(613,900)	(6,436,812)	(618,913)	(66,720,973)	(6,415,354)	17,668,874	1,698,896
GAP			146,485,402	14,084,865	140,100,717	13,470,965	133,663,905	12,852,052	66,942,932	6,436,698	84,611,806	8,135,594

JV MFO Microinvest LLC
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24. Risk management (continued)

Credit risk

Credit risk represents the loss, which the Group would suffer if a client or counterparty fails to meet its contractual obligations. Unstable economic environment generates significant risks related to credit default, credit concentration and credit collateral (refer to **Note 5**).

In order to decrease the credit risk exposure, the Group diversifies the portfolio by sector, region, different amounts and terms, accepts as collateral real estate, equipment, machinery, vehicles, agricultural products and the like.

For loans under MDL 70,000 (USD 5,690) no collateral is required for clients with credit history at Microinvest, and under MDL 25,000 (USD 2,032) no collateral is required for clients with no history at Microinvest, however a guarantee (cosigner) is required.

For loans between MDL 70,000 (USD 5,690) and MDL 150,000 (USD 12,193) a collateral coverage of 100% of the loan is requested and for loans above MDL 150,000 (USD 12,193) a collateral coverage of 125% of the loan is demanded.

Maximum exposure to credit risk before collateral held or other credit enhancements:

	Notes	2009 MDL	2009 USD	2008 MDL	2008 USD
Due from banks and other institutions	5	159,614,193	12,974,970	140,950,500	13,552,671
Loans and advances to customers, net	6	213,211,086	17,331,839	261,242,122	25,118,952
Other assets	7	953,834	77,536	1,843,840	177,289
		373,779,113	30,384,345	404,036,462	38,848,912
Guarantees	6	165,000	13,413	165,000	15,865
		165,000	13,413	165,000	15,865
Total credit risk exposure		373,944,113	30,397,758	404,201,462	38,864,777

JV MFO Microinvest LLC
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Liquidity risk

The liquidity risk is associated either with the difficulty of an enterprise to raise necessary funds in order to meet commitments or to its inability to sell a financial asset quickly at close to its fair value.

The Group's approach to liquidity management is to assess on a continuous basis the liquidity position and maintain sufficient liquid resources to meet its obligations as they fall due.

The table below summarizes the maturity profile of the Group's financial liabilities at 31 December 2009 based on contractual undiscounted repayment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that many customers will not request repayment at the earliest date the Group could be required to pay and the table does not reflect the expected cash flows indicated by the Group's deposit retention history.

31 December 2009	Less than 1 month MDL	From 1 month to 3 months MDL	From 3 months to 1 year MDL	From 1 to 5 years MDL	More than 5 years MDL	Total MDL
Financial liabilities						
Borrowings	9,673,810	15,914,505	181,973,124	201,869,053	-	409,430,492
Other liabilities	2,180,540	-	-	-	-	2,180,540
Total undiscounted financial liabilities	11,854,350	15,914,505	181,973,124	201,869,053	-	411,611,032

31 December 2009	Less than 1 month USD	From 1 month to 3 months USD	From 3 months to 1 year USD	From 1 to 5 years USD	More than 5 years USD	Total USD
Financial liabilities						
Borrowings	786,380	1,293,683	14,792,518	16,409,850	-	33,282,431
Other liabilities	177,255	-	-	-	-	177,255
Total undiscounted financial liabilities	963,635	1,293,683	14,792,518	16,409,850	-	33,459,686

JV MFO Microinvest LLC
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24. Risk management (continued)

Liquidity risk (continued)

31 December 2008	Less than 1 month MDL	From 1 month to 3 months MDL	From 3 months to 1 year MDL	From 1 to 5 years MDL	More than 5 years MDL	Total MDL
Financial liabilities						
Borrowings	2,958,278	3,709,106	144,003,849	333,662,180	-	484,333,413
Other liabilities	2,702,234	-	-	-	-	2,702,234
Total undiscounted financial liabilities	5,660,512	3,709,106	144,003,849	333,662,180	-	487,035,647

31 December 2008	Less than 1 month USD	From 1 month to 3 months USD	From 3 months to 1 year USD	From 1 to 5 years USD	More than 5 years USD	Total USD
Financial liabilities						
Borrowings	284,444	356,638	13,846,258	32,082,285	-	46,569,625
Other liabilities	259,825	-	-	-	-	259,825
Total undiscounted financial liabilities	544,269	356,638	13,846,258	32,082,285	-	46,829,450

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24. Risk management (continued)

Liquidity risk (continued)

The maturity structure of the Group's assets and liabilities based on the remaining maturity as of 31 December 2008 and 2009 is as follows:

	As at 31 December 2009											
	Total		Less than 3 months		From 3 to 6 months		From 6 months to 1 year		From 1 to 5 years		Undefined maturity	
	MDL	USD	MDL	USD	MDL	USD	MDL	USD	MDL	USD	MDL	USD
ASSETS												
Cash and cash equivalents	48,780,346	3,965,334	48,780,346	3,965,334	-	-	-	-	-	-	-	-
Due from banks and other institutions	159,614,193	12,974,970	17,068,880	1,387,522	-	-	53,294,325	4,332,273	89,187,325	7,250,000	63,663	5,175
Loans and advances to customers, net	213,211,086	17,331,839	15,225,991	1,237,714	23,958,494	1,947,576	27,751,035	2,255,870	146,275,566	11,890,679	-	-
Other assets	1,660,168	134,954	-	-	-	-	-	-	-	-	1,660,168	134,954
Intangible assets	950,929	77,301	-	-	-	-	-	-	-	-	950,929	77,301
Property and equipment	14,500,325	1,178,725	-	-	-	-	-	-	-	-	14,500,325	1,178,725
	438,717,047	35,663,123	81,075,217	6,590,570	23,958,494	1,947,576	81,045,360	6,588,143	235,462,891	19,140,679	17,175,085	1,396,155
LIABILITIES												
Interest-bearing loans and borrowings	365,534,090	29,714,112	20,165,312	1,639,230	6,895,684	560,547	117,216,516	9,528,481	221,256,578	17,985,854	-	-
Grants for projects in process	310,361	25,228	-	-	-	-	-	-	-	-	310,361	25,228
Due to founders	290,826	23,641	-	-	-	-	-	-	-	-	290,826	23,641
Other liabilities	1,579,353	128,385	-	-	-	-	-	-	-	-	1,579,353	128,385
	367,714,630	29,891,366	20,165,312	1,639,230	6,895,684	560,547	117,216,516	9,528,481	221,256,578	17,985,854	2,180,540	177,254
Net exposure	71,002,417	5,771,757	60,909,905	4,951,340	17,062,810	1,387,029	(36,171,156)	(2,940,338)	14,206,313	1,154,825	14,994,545	1,218,901
GAP			60,909,905	4,951,340	77,972,715	6,338,369	41,801,559	3,398,031	56,007,872	4,552,856	71,002,417	5,771,757

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24. Risk management (continued)

Liquidity risk (continued)

	Total		Less than 3 months		As at 31 December 2008 From 3 to 6 months		From 6 months to 1 year		From 1 to 5 years		Undefined maturity	
	MDL	USD	MDL	USD	MDL	USD	MDL	USD	MDL	USD	MDL	USD
ASSETS												
Cash and cash equivalents	6,164,475	592,726	6,164,475	592,726	-	-	-	-	-	-	-	-
Due from banks and other institutions	140,950,500	13,552,671	651,321	62,625	7,800,150	750,000	74,544,155	7,167,569	57,901,630	5,567,357	53,244	5,120
Loans and advances to customers, net	261,242,122	25,118,952	79,966,644	7,688,952	52,793,329	5,076,184	43,940,955	4,225,011	84,541,194	8,128,805	-	-
Other assets	2,387,056	229,520	-	-	-	-	-	-	-	-	2,387,056	229,520
Intangible assets	857,097	82,411	-	-	-	-	-	-	-	-	857,097	82,411
Property and equipment	13,083,469	1,258,000	-	-	-	-	-	-	-	-	13,083,469	1,258,000
	424,684,719	40,834,280	86,782,440	8,344,303	60,593,479	5,826,184	118,485,110	11,392,580	142,442,824	13,696,162	16,380,866	1,575,051
LIABILITIES												
Interest-bearing loans and borrowings	337,370,680	32,438,865	2,579,556	248,029	9,423,332	906,072	90,726,395	8,723,524	234,641,397	22,561,240	-	-
Grants for projects in process	94,432	9,080	-	-	-	-	-	-	-	-	94,432	9,080
Due to founders	363,304	34,932	-	-	-	-	-	-	-	-	363,304	34,932
Other liabilities	2,244,497	215,809	2,244,497	215,809	-	-	-	-	-	-	-	-
	340,072,913	32,698,686	4,824,053	463,838	9,423,332	906,072	90,726,395	8,723,524	234,641,397	22,561,240	457,736	44,012
Net exposure	84,611,806	8,135,594	81,958,387	7,880,465	51,170,147	4,920,112	27,758,715	2,669,056	(92,198,573)	(8,865,078)	15,923,130	1,531,039
GAP			81,958,387	7,880,465	133,128,534	12,800,577	160,887,249	15,469,633	68,688,676	6,604,555	84,611,806	8,135,594

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25. Subsequent events

On 7 January 2010 the Board of Directors decided to increase the equity by MDL'000 27,000.

In accordance with the decision regarding the changes in shareholder's equity from 21 April 2010, the share part of T. Lupasco was bought-back by JV OMF Microinvest SRL in amount of MDL 626,952 representing 0.8181% from share capital.