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THE MICROBANKING BULLETIN



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provide banking services for the poor

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SPRING 2007

A PUBLICATION DEDICATED TO THE PERFORMANCE OF
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	Ethiopia	15	ACSI, ADCSI, AVFS, Buusaa Gonofa, DECSI, Eshet, Gasha, Meklit, Metemamen, OCSSC, PEACE, SFPI, Sidama, Wasasa, Wisdom.
	Guinea	1	CRG
	Kenya	2	Equity Bank, K-Rep
	Malawi	1	FINCA - MWI
	Mali	2	Kafo Jiginew, Nyèsigiso
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Abbreviations: ECA = Eastern Europe & Central Asia; LAC = Latin America & the Caribbean; MENA = Middle East & North Africa.

The MicroBanking Bulletin (MBB)

The *MicroBanking Bulletin* is one of the principal publications of MIX (Microfinance Information eXchange, Inc.). MIX is a non-profit company that works to support the growth and development of a healthy microfinance sector. MIX is supported by the Consultative Group to Assist the Poor (CGAP), Citigroup Foundation, Deutsche Bank Americas Foundation, Omidyar Network, Open Society Institute, Rockdale Foundation, and others. To learn more about MIX, please visit the website at www.themix.org.

Purpose

By collecting financial and portfolio data provided voluntarily by leading microfinance institutions (MFIs), organizing the database by peer groups, and reporting this information, MIX is building infrastructure that is critical to the development of the microfinance sector. The primary purpose of this database is to help MFI managers and board members understand their performance in comparison to other MFIs. Secondary objectives include establishing industry performance standards, enhancing the transparency of financial reporting, and improving the performance of microfinance institutions.

Benchmarking Services

To achieve these objectives, MIX provides the following benchmarking services: 1) the Bulletin's Tables; 2) customized financial performance reports; and 3) network services.

MFIs participate in the *MicroBanking Bulletin* benchmarks database on a quid pro quo basis. They provide MIX with information about their financial and portfolio performance, as well as details regarding accounting practices, subsidies, and the structure of their liabilities. Participating MFIs must submit substantiating documentation, such as audited financial statements, annual reports, ratings, institutional appraisals, and other materials that help us understand their operations. With this information, we apply adjustments for inflation, subsidies and loan loss provisioning in order to create comparable results. Data are presented in the Bulletin anonymously within peer groups. While MIX performs extensive checks on the consistency of data reported, we do not independently verify the information.

In return, participating institutions receive a comparative performance report (CPR). These individualized benchmark reports, which are an important output of the benchmarks database, explain the adjustments we made to the data, and compare the institution's

performance to that of peer institutions. MFI managers and board members use these tools to understand their institution's performance in a comparative context.

The third core service is to work with networks of microfinance institutions (i.e., affiliate, national, regional), central banks, and researchers in general to enhance their ability to collect and manage performance indicators. MIX provides this service in a variety of ways, including 1) training these organizations to collect, adjust and report data on retail MFIs at the local level and use MIX's performance monitoring and benchmarking software, 2) collecting data on behalf of a network, and 3) providing customized data analysis to compare member institutions to peer groups. This service to networks, regulatory agencies, and researchers allows MIX to reach a wider range of MFIs in order to improve their financial reporting.

New Participants

Institutions that wish to participate in the *Bulletin* database should contact: info@mixmbb.org, Tel +1 202 659 9094, Fax +1 202 659 9095. Currently, the only criterion for participation is the ability to fulfill fairly onerous reporting requirements. MIX reserves the right to establish minimum performance criteria for participation in the *Bulletin* database.

Submissions

The Bulletin welcomes submissions of articles and commentaries, particularly regarding analytical work on the financial performance of microfinance institutions. Submissions may include reviews or summaries of more extensive work published elsewhere. Articles should not exceed 2,500 words. We also encourage readers to respond to the content of this Bulletin, as well as previous issues.

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DEDICATED TO THE PERFORMANCE OF ORGANIZATIONS THAT PROVIDE BANKING SERVICES FOR THE POOR

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From the Managing Editor

There is no doubt that the microfinance industry has enjoyed a good time recently. Much positive publicity and capital have come our way. But going forward our industry needs a new strategic focus, new products, new markets and, most importantly, new actions. Issue 14, spring 2007, of the *MicroBanking Bulletin* contains for the first time in its history, announcements of public support for our work in the form of sponsorships. We would like to thank the World Savings Bank Institute, Inconfin, BlueOrchard and responsAbility for their generous support.

While we have taken a first step to address our own operational and business concerns in order to make the *MicroBanking Bulletin* not only a successful endeavor, but also a sustainable one, this issue also contains a number of challenging perspectives on the microfinance industry per se. We hope not only to provide relevant benchmarks, but moreover to offer thought leadership and innovative discussions from practitioners and academics in order to provide sufficient ground for adequate and lasting improvements to the microfinance industry and its environment.

Keeping that in mind, we are happy to publish an article in this issue that questions the way we think about the customers of microfinance today. David Grace develops a highly interesting argument around the assumption that “Few MFIs can, or do, provide the destitute with financial services, nor should they aim to. The poorest of the poor need direct aid or aid in conjunction with other humanitarian efforts to provide food, shelter and sanitation.” You can read his daring yet well reasoned article on microfinance and the middle class on the following pages.

But challenges come not only from within the microfinance industry. In fact, we might argue that some of the biggest struggles have yet to be addressed. Paul Rippey and Elisabeth Rhyne write an original op-ed, addressing the whole industry, about perhaps the biggest challenge we, as a planet as well as an industry, face: climate change.

What are the implications of climate change for the microfinance community?

With so much uncertainty ahead of us, it is easy to forget about the achievements the industry has already made. Indeed, there have been some remarkable experiments in 2006 that will move microfinance forward. One of these was the breakthrough financing of BRAC. This highly unusual debt securitization has brought BRAC to the fore of international capital markets. Shams Zaman and S.N. Kairy together outline the key aspects of a deal that may have changed forever the way microfinance is perceived by the capital markets. In fact, the authors believe that this unique securitization has the potential to be replicated within the microfinance industry.

However, the increasing commercialization of the industry, as represented by the BRAC securitization, raises the question of “how to preserve the dual commitment of microfinance institutions to both social and commercial goals — poverty reduction and profitability — whilst ensuring their progressive integration into the financial market and phasing out of subsidies?” Bernd Balkenhol summarizes the results of a multi-year research project that saw the University of Geneva, the Geneva Institute of Development Studies and the University of Cambridge team up with ILO.

The diverse nature of the problems of the microfinance industry in different countries makes an overall macro-strategy for the future development of the industry unlikely. This is especially the case since comparative research on the development of microfinance markets hardly exists. Annabel Vanroose sets out to identify a threshold for macro-economic and institutional factors, enabling focused intervention strategies of donors and efficient asset allocation for investors. Her contribution is only a first step, but in the long-term it might help to identify new growth strategies for the industry.

While comparative research might still be lacking, a first really comprehensive framework for the economics

of the microfinance industry is available. Australian economist Chakriya Bowman critically looks into *The Economics of Microfinance*, by Beatriz Armendariz de Aghion and Jonathan Morduch. While not all can be praised, this book will prove imperative for everyone interested in moving from simple execution to a deeper understanding of key drivers of incentives, effectiveness and sustainability.

In order to complete this issue of the *MicroBanking Bulletin* and to give ample weight to benchmarking of microfinance, the Microfinance Information Exchange, Inc. has prepared three additional articles. In our column 'Breaking it Down' Isabelle Barres scrutinizes the way we look at efficiency, while Blaine Stephens in the 'Bulletin Highlights' analyzes the ongoing commercialization trend of this industry

for the period covering 2003 to 2005. Finally, Adrian Gonzalez uses econometric analysis to explore issues around portfolio resilience to macro-economic shock.

The *MicroBanking Bulletin*, as usual for the spring edition, concludes with its extensive benchmark tables outlining the industry trends for the period between 2003 and 2005. We hope they will prove once more useful for the reader, be it in the field or for research. Our autumn 2007 issue will contain the benchmark tables with full year data for 2006, in the meantime, we welcome our readers' comments and suggestions.

Oliver Gajda
Managing Editor, *MicroBanking Bulletin*

FEATURE ARTICLES

MICROBANKING BULLETIN, ISSUE 14, SPRING 2007

Middle is Not a Four-Letter Word

David Grace

Maybe it's my hardening after a decade in the industry, but the increased fanfare over microfinance coupled with the decreased stability in many parts of the world during the last couple of years makes me question if providing access to financial services is a sufficient goal.

The industry focus of late has been on commercialization. Ten years of data from this publication and others demonstrate that institutions can provide financial services to the poor and be profitable. World Council of Credit Unions' (WOCCU) own findings together with benchmarking data from the MicroBanking Bulletin's (MBB) Autumn 2006 issue demonstrate that a mixed outreach approach, inclusive of poor, low and middle income clients, helps ensure the financial sustainability of mission-driven institutions. But what impact does this approach have on a country's development and, most importantly, on its people?

Let me be clear from the outset, the provision of financial services to the poor is extremely important. Ample data shows that all types of microfinance institutions (MFIs), including credit unions, are serving the poor successfully.¹ But we also need to set out as a goal to *create* and *serve* a sizeable middle class if microfinance is to have broad impact and remain relevant in a world grasping for greater political stability. This is not an either/or issue, but rather we need to build into MFIs additional products, services and methodologies that will move traditional clients into the middle income strata and help them stay there, provide middle income people who currently have restricted access with better financial service options, while continuing to serve the poor. Sure, middle class individuals may already have some access to financial services, but shouldn't we as an industry be trying to build and foster a middle class that has choice and feels empowered, instead of downplaying it when we do?

¹ When I talk of MFIs I include credit unions as part of them unless specifically stated otherwise.

The image of a clean shaven, 35 year-old Peruvian salaried worker wearing Dockers and driving a four year old Toyota that was financed by his MFI is not the image the industry projects — but it isn't something that should be ignored either. Existence of middle class breeds the kind of stability that benefits people of every income level and the lack of it economic and political instability hit the poor the hardest.

This article reviews the importance of creating a large stable middle class to effect growth and promote development, the extent to which some MFIs, namely credit unions, successfully serve poor and middle class clients, and suggests the next steps that the development finance industry can take to enable MFIs to have a larger developmental impact worldwide.

"Thus it is manifest that the best political community is formed by citizens of the middle class, and that those states are likely to be well-administered, in which the middle class is large... where the middle class is large, there are least likely to be fractions and dissension."

Aristotle 306 BC (quoted in Decornez, 1998)

The Importance of the Middle Class for Stability and Development

The presence of a large middle class has been shown to have a strong positive impact across an array of development and democracy indicators. In 2001, William Easterly of the World Bank conducted a series of empirical tests to determine the effect of what he calls the "middle class consensus." The middle class consensus suggests that the presence of a large middle class and less fractious ethnic and linguistic divisions positively affect development. While there is no shortage of economists putting forth ideas about what effects development, empirically and intuitively this one carries weight. Statistically, a middle class consensus has been shown to have an especially large impact on economic growth, political stability, human capital development, modernization and democracy.

Rebuilding Rwanda

From 1994–96, Rwanda experienced one of the most brutal genocidal wars of recent history. When it was time to rebuild, the government looked to credit unions to restart the economy with financial savings and lending. It was in their *banques populaires* that the Tutsis and Hutus sat down together and began to work together again to reintegrate society. Today there are 146 credit unions operating in a common single network throughout Rwanda serving over 375,000 members and financing the bulk of the country's agriculture production. Recent surveys in Rwanda indicate that along with extended families, their credit unions are the most trusted entities in society ranking above neighbors, local government, and public and private media. (Nyirabega and Ford 2005)

Throughout Easterly's initial and subsequent studies, a large middle class, as measured by the percentage of population in the 2nd through 4th quintiles in income distribution, has a more significant impact on the above mentioned development indicators than ethnic or linguistic homogeneity.² While the existence of a middle class reduces political instability and increases urbanization, its greatest positive impact is on income growth, second and tertiary school enrollment and infant mortality.

It makes sense that individuals who have their basic needs met and are allowed some degree of personal freedom have fewer reasons to rock the boat, or capsize it, than those who are marginalized and disenfranchised. Some MFIs, particularly credit unions, support the development and creation of democratic societies. Through cooperative principles and a governance structure that allows for volunteer board members to be elected on a one-member one-vote basis, credit unions aid in the adoption and expression of democracy.

Much of today's political instability is attributed to ethnic differences. Easterly's findings indicate that a strong middle class is more important than the homogeneity of the people in promoting growth and stability in a country. There are many cases where diverse communities have come together through their MFIs to pursue the common goal of mutual self-help. Open and non-sectarian civic organizations, including, but not limited to MFIs, can help reduce ethnic tensions by building a common identity among users (similar to how the existence of a middle class does) or can help mend wounds in post-conflict environments, such as in Central America, Macedonia, Afghanistan and Rwanda.

² For the purposes of this article I utilize the term "middle class" in the same manner – individuals with incomes within the 2nd and 4th quintiles of income distribution in their respective country as measured by the World Bank's World Development indicators.

Credit Union Service to the Poor and Middle Class — By the Numbers

Globally, financial cooperatives (cooperative banks, credit cooperatives, savings and credit cooperatives and credit unions) serve approximately 800 million people, an estimated 640 million of whom are likely middle class!³ A review of the MBB Autumn 2006 data indicates that many clients of MFIs are likely to be part of, or near, the middle class. Excluding data from commercial banks, weighted average outstanding loan balances equal 46% of per capita GNP and savings balances are 21% of per capita GNP. This section presents data from credit unions in Guatemala, Ecuador and Peru which demonstrates the diverse range of clients served from the poor to the working poor, wage laborers, self employed, salaried labor to the middle class.

As financial cooperatives, credit unions serve their members and are controlled by their members. Credit unions in Ecuador, Philippines and Guatemala have voluntarily introduced village banking products to expand outreach to the poor. In addition, many progressive credit unions have very low initial share purchase and minimum balance requirements to make the institution as broadly assessable as possible.

Data from credit unions in Ecuador in Table 1 shows that these MFIs do serve large numbers of people with low savings balances and small loans, while also generating significant balances in relatively fewer savings and loans from middle class individuals. More specifically, 36% of people have only 7.7% of the loans outstanding and 80% of the individuals hold only 7.1% of the savings balances.

³ Author's estimate based on credit union income distributions from a limited number of countries. Data on total clients served by financial cooperatives is based on reports from the World Council of Credit Unions, European Association of Cooperative Banks, Desjardins and financial cooperative movements in India and China.

Table 1 **Eleven Credit Unions in Ecuador (September 2006) – Gross National Income/capita = \$2,630**

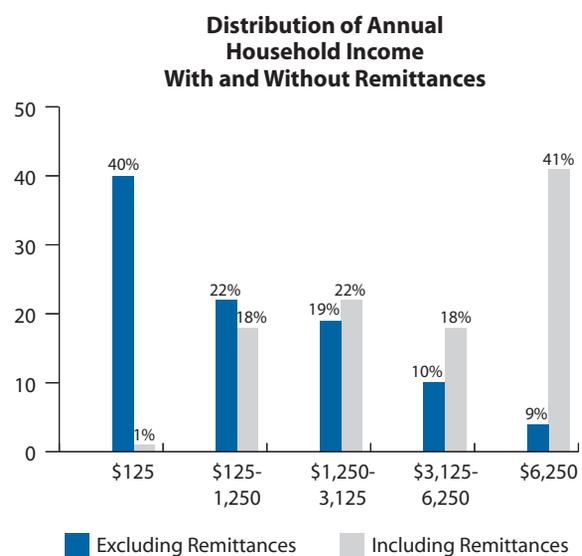
Savings Deposit Distribution	\$0-100	\$101-300	\$301-500	\$501-1000	\$1001+	Total
Number of Accounts	251,668	40,385	19,004	20,395	32,246	363,698
% of Number of Accounts	69.2%	11.1%	5.2%	5.6%	8.9%	100%
Volume of Accounts	\$4,895,337	\$7,573,979	\$7,715,789	\$14,635,307	\$139,766,163	\$174,586,575
% of Volume of Accounts	2.8%	4.3%	4.4%	8.4%	80.1%	100%

Outstanding Loan Portfolio Distribution	\$0-300	\$301-500	\$501-1000	\$1001-5000	\$5001+	Total
Number of Loans	7,960	6,549	12,906	40,085	8,342	75,842
% of Number of Loans	10.5%	8.6%	17.0%	52.9%	11.0%	100%
Volume of Loans	\$1,295,201	\$3,060,294	\$9,388,624	\$93,505,797	\$70,367,613	\$177,617,529
% of Volume of Loans	0.7%	1.7%	5.3%	52.6%	39.6%	100%

Loan Purpose	# of Loans	% of Number of Loans	Volume of Loans	% of Volume of Loans
Agriculture	2,650	3.4%	\$4,267,156	2.2%
Commerce	5,797	7.3%	\$13,940,281	7.1%
Consumption	34,476	43.6%	\$72,636,560	36.8%
Housing	8,643	10.9%	\$37,419,369	19.0%
Microenterprise	26,681	33.7%	\$68,513,455	34.7%
Other	823	1.0%	\$636,327	0.3%
TOTAL	79,070	100%	\$197,413,148	100%

It is time for MFIs and donors to recognize the need to develop innovative products that will appeal to middle class clientele, as opposed to focusing exclusively (and excessively) on how many of their loans are below the mystical \$300 (adjusted per region) threshold. Convenience products and payment services appeal to both the middle class and the poor. As is in most sectors of the financial marketplace, fee income can, and is, comprising a greater portion of the revenue streams in many MFIs. One such service that helps to create a middle class by increasing income levels on both the individual and national levels is remittance distribution. As demonstrated in Figure 1, without remittances 62% of remittance receivers in Guatemala would have very little income and 40% would be living on less than \$1 per day. (Evans and Klaehn 2005) With the inclusion of remittances in the income calculation over 60% of remittance receivers had incomes above the gross national income per capita of \$2,400. Since its origination in 2000, WOCCU’s International Remittance Network (IRnet), which facilitates remittances for credit union and non-credit union MFIs, has transferred over \$1.5 billion to remittance receivers in 10 countries.

Figure 1: Member Household Income Distribution in Guatemala



A recent survey of eight Peruvian credit unions serving more than 162,000 people in primarily rural areas demonstrated their depth of outreach to the poor.

The Celtic Tiger – A case of credit union depth and outreach

Although Ireland is no longer considered in the range of countries commonly addressed by the development finance industry, its economic and political transformation over the last 20 years illustrates the point. The working age population in Ireland is 2.8 million. Credit unions in Ireland serve 2.79 million members, the large majority of whom are in the second and third lowest income quartiles of the country. Many people have attributed Ireland's meteoric growth in recent years to political stability and to the availability of credit and economic opportunity -- in other words, to the creation of a broad and stable middle class of which Irish credit unions have been key contributors to.

The average per capita annual income of the credit union members surveyed was \$1,695. This is within the lowest quartile of income distribution in the country, and compares to an annual gross national income per capita of \$2,610. Although 25% of the members are wage earners and 38% operate microenterprises, about 50% of them live on less than \$3 per day, and 21% live on less than \$1 per day. (Sundaram-Stukel 2006) While these particular Peruvians may not be wearing Dockers and driving that Toyota, nationally 163 Peruvian credit unions are serving over 600,000 members (3.5% of the working age population), a large portion of whom make up the working middle class. (WOCCU data 2006) Over time where credit unions have been able to reach large numbers of a country's population such as in Ireland, Canada, parts of Western Europe and the United States, they have been able to help create a broad middle class by providing a broad base of stable savings, credit, insurance and related financial services.

What does this mean for the development finance community?

MFIs, networks and donors should not be so myopic about the expected outputs of microfinance. We as an industry need to take the next step to create and support the growth of a middle class worldwide, while still continuing to serve the poor. As demonstrated in the data above and in MBB Autumn 2006 data, well-functioning MFIs that have not lost their social compasses can often help more of the poor through a mixed outreach approach than if they only focus resources on the poor because growth and sustainability more difficult when institutions exclusively serve the poor.

How do we do this responsibly? I can suggest the first steps. We need to establish a framework that encourages MFIs and commercial banks to re-orient their operations and develop new products and

services that will help them move traditional clients up the income ladder and also meet the demands of the existing middle class. At the same time, we need to put the checks in place to avoid a potential backlash where unscrupulous actors encourage over-indebtedness and/or undisciplined institutions charge excessive rates. This framework should include as a foundation:

- 1) Market Competition
- 2) Appropriate Regulations and Effective Supervision
- 3) Consumer Protection and Monitoring

Market Competition

The most effective and desirable option is to have a market which self-corrects through competition and choice. It's entirely possible that in some markets NGOs, credit unions, and socially conscious banks will come to represent only an important minority of a country's financial sector serving low to middle income individuals. However, even with a small market share such institutions can have a significant influence in "keeping the market honest," especially if they reach large numbers of individuals. For example, in highly concentrated banking sector such as Canada's credit unions hold only about 7% of the assets in the market but serve 28% of the working population outside of Quebec -- globally, financial cooperatives serve approximately 19.6% of the working age population.⁴

The middle class and those climbing into it have different product needs and demographic characteristics than our traditional MFI clients. The commercialization of microfinance and the entrance by new big box retailers and commercial banks can help increase access to financial services and will bring competition, but left unchecked it won't be nirvana and could lead to situations worse than what we have today.

⁴ Authors calculations with WOCCU and World Development Indicators data.

Table 2 WOCCU consolidated annualized figures – Data between June – Sept. 2006

Country	Members	Capital/Total Assets	Operating Expenses/ Avg Assets	Financial Margin	Return on Assets	Asset growth & Total Assets USD
Bolivia #21 credit unions	395,030	10.8%	6.5%	10.45%	2.6%	5.2% \$294,572,095
Colombia #5 credit unions	320,681	7.4%	8.6%	14.08%	3.6%	26.3% \$190,284,683
Mexico #31 credit unions	528,140	5.2%	7.3%	5.47%	3.6%	24.0% \$1,008,220,633
Mexico #1 credit union	1,035,758	2.1%	5.4%	5.45%	2.3%	20.4% \$1,119,019,118
Ecuador #11 credit unions	338,030	9.1%	6.1%	10.01%	2.4%	40.5% \$222,372,201
Philippines #19 credit unions	231,812	6.3%	12.5%	7.35%	3.1%	63.2% \$26,832,688
Uzbekistan #16 credit unions	51,532	11.3%	9.4%	22.5%	9.6%	121.8% \$8,163,702

Lest we forget, the reason most MFIs exist is because the big banks have historically not been interested in serving the lower income clients. While commercialization is a key component of expanding financial access, MFIs need to do more than assume that commercial banks will do a sufficient job and walk away.

To ensure continued service to the poor and that organizations do not move entirely up market and exclude the poor, incentives must be present to continue serving the poor. These can be moral, financial and/or regulatory incentives to serve the poor. Some believe that only one incentive is needed and focus solely on this aspect. For example, religious or social justice activists may focus on moral incentives, community activities may force through regulatory/legal incentive such as in India where banks must dedicate between 40-60% of their lending to government defined priority sector lending; practitioners may focus on financial incentives by requesting subsidies or ensuring that no price restrictions exist. It's often lost that non-for profit financial institutions, or for profit institutions that can capitalize on market interest in corporate social responsibility, can best "afford" to balance moral and financial incentives of service to the poor. As a result of the cooperative and not for profit structure that allows to focus on service to members as opposed to profit maximization, many of credit union systems highlighted here have been serving the poor, lower income and middle class for 50 years.

By now, MFIs have demonstrated that serving the poor with financial services can be profitable, and the big banks are becoming interested in this large

market. The development finance community has cautioned national governments from setting interest rate caps in order to allow MFIs to continue to reach down and effectively serve the poor, which is unarguably more costly than serving the higher income clientele.⁵ However, the lack of consumer protections, weak supervision and pressure from shareholders, have enabled some MFIs to remain undisciplined and bloated - at the expense of the client (See MBB's Autumn 2006 data).

MBB Autumn 2006 data and Table 2 demonstrate that credit unions offer an array of financial services to clients of various income levels at fair market prices, while at the same time maintaining sufficient financial margins, generating modest profits, exercising reasonable expense control and building strong reserves. In contrast, commercial banks in the MBB's Autumn 2006 data demonstrated strong expense control but utilized their efficiencies to increase return on equity as opposed to lower prices for the clients- helping the rich get richer.

Appropriate Regulations and Effective Supervision

In country after country, we see a pattern where poor legislation and supervision of credit unions persists until the movement itself grows to serve a number of individuals too large for politicians and decision makers to ignore.

⁵ WOCCU's own experience with incorporating village banking products in credit unions supports this.

Legislative and regulatory deficiencies imperil the safety and soundness of MFIs and restrict their ability to meet their current clients' financial service needs or to create a broad middle class. Credit unions lacking adequate legislation in Romania, Russia and many parts of Africa often find themselves limited in their efforts to mobilize savings and make loans to the lower-and middle-income groups they seek to serve. The prohibition from directly accessing clearing and settlement systems to enable payments and direct deposit for salaried workers, restricted access to national/international debit and credit card networks, limited access to national credit bureaus, restrictions on holding of foreign currency accounts and prohibition of syndicated mortgages markets, and most important, prohibition on mobilizing savings in some countries, all limit an MFI's ability offer and develop products that cater to the middle class.

Using credit unions as an example, specific financial cooperative legislation that is separate and distinct from generic cooperative legislation or legislation governing other MFIs and commercial banks is needed to enable credit union growth (in terms of both breadth and depth). General cooperative society acts which govern the business operations of agricultural, consumer, commercial and industrial cooperatives are inadequate for credit unions, whose business operations most closely resemble banking institutions. Other MFIs do not have the savings orientation of credit unions, have different governance structures, rules for merging, treatment of and mechanisms to raise capital and voluntary liquidation. Legislation intended for commercial banks is generally inappropriate for the not-for-profit and member-owned capital structure and orientation of credit unions. Thirty-nine countries currently have specific credit union legislation and six countries are in the process of adapting such legislation. The vast majority of these countries are in developed markets with stable political and economic systems.

Effective supervision is where the rubber meets the road. All deposit-taking MFIs, including credit unions, should be directly supervised by governments' prudential financial sector supervisors according to the risks they present. Such supervision is best carried out by a specialized unit within the supervisory agency responsible for the entire financial sector. This unit should be trained to understand the nature, methodologies and risks that MFIs present. Within this framework, the supervisor should be empowered through regulation to establish consumer protections. This framework should prohibit deceptive and unfair practices such

as flipping, pre-payment penalties, clauses that eliminate a borrower's ability to sue for abusive practices and, perhaps most important, failure to disclose the full cost, fees and terms of borrowing.

Consumer Protection and Monitoring

The government cannot, and should not, be the only protector of consumer rights. Consumer groups and policy analysts can play an important role in providing financial education up front to create an informed consumer base. They can also monitor and expose abusive practices in the marketplace. The explosion of predatory practices in the U.S. mortgage market highlights that the first two conditions of fierce competition and a highly structured regulatory market are not sufficient to stem abuse.

With appropriate incentives and the introduction of reforms as needed, the expectation is that the market operates to benefit consumers and society as a whole. Where competition fails and regulations are insufficient or not enforced, well organized and informed consumer groups can round out a safe operating environment for consumer finance. Demonstration that the market does operate fairly can help hold off the renewed populist tendencies to become directly involved in the provision of financial services we are witnessing in Latin America and elsewhere.

What about the Destitute?

Few MFIs can, or do, provide the destitute with financial services, nor should they aim to. The poorest of the poor need direct aid or aid in conjunction with other humanitarian efforts to provide food, shelter and sanitation. A few MFIs have instituted such innovative programs that couple critical humanitarian aid with small grants for income producing activities. The possibility of financial intermediation is further down this path, once basic human needs are met. Clear distinctions must exist between basic humanitarian aid and the business of providing financial services. Many MFIs were founded on social justice tenets and must remain loyal to their missions as they evolve to create more stable environments for *all* of their clients.

Conclusion

Seventy-eight percent of the world is poor, 11% is rich and only 11% are middle class. (Milanovic and

WSBI

World Savings Banks Institute



The World Savings Banks Institute regroups 1100 savings and retail banks in 89 countries. Even if the working environment of these institutions is very different, they all share three basic characteristics:

- **Retail:** WSBI members are focused on retail banking, which means providing products and services to private clients, small and medium businesses and local authorities.
- **Regional:** WSBI members have a strong regional presence, through a decentralised branch network and offer in this way an access to finance to the broadest part of the population.
- **Responsible:** WSBI members have grown with their region and country and are committed to return a substantial part of their profits to society by contributing to social cohesion, to culture, to the environment. All WSBI members also conduct their business in a responsible way.

The global voice of savings and retail banking

Today as at the beginning of their history, savings banks believe that empowerment of the financially excluded – by means of microfinance or otherwise – is a means of alleviating poverty but also of contributing to job creation and sustainable economic growth. For this reason, most of the WSBI members have long included microfinance solutions in their product and services range.



Yitzhaki 2002) The recent attention that microfinance has attracted from commercial banks, markets and the media should not be squandered, but rather celebrated and encouraged to flourish within a framework that limits future abuses. Significant increases in income levels beyond subsistence and a more equitable distribution of wealth can best be accomplished where relative stability exists. Creation of a broad middle class promotes stability, and that is why we need to take the next step as an industry and pay more attention to the forgotten middle class. Well functioning MFIs that engage in financial intermediation and offer an array of products play an important role the accumulation of assets and reduction in income equality.

The emergence of a stable middle class in the West over the past 150 years has profoundly changed the world. The emergence of a middle class in other parts of the world, particularly the most fragile ones, should be expected to have no less, if not more, effect on the world in which our grandchildren will live.

David Grace is Senior Manager at the World Council of Credit Unions. The author would like to thank his colleagues Janette Klaehn, Brian Branch and Catherine Ford for their helpful comments on earlier drafts of the article. Any errors or omissions are the author's.

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Scientists – and, increasingly, politicians, business leaders, and the general public – are convinced that global climate change is a crisis that will touch practically every other human enterprise. Climate change presents such a threat to all nations and people that it may become the defining event of the 21st Century, the one against which all other activities will be measured.

The *Stern Review of the Economics of Climate Change*¹ estimated that we have no more than ten to fifteen years to stabilize and begin to reduce carbon dioxide (CO₂) levels in the atmosphere, failing which, there are likely to be highly adverse effects that will touch nearly everyone. Those effects include massive loss of arable land to drought, accelerating species loss, increasingly severe weather anomalies, new invasive human diseases, and sea level rises. Stern reports that, according to one estimate, 200 million people may become permanently displaced by rising sea levels, floods, and droughts by 2050. Most of those changes will fall hardest on the low income people our industry aims to reach with financial services.

This crisis challenges the microfinance industry to examine and address the implications of climate change in all areas of endeavor, especially our work in bringing financial services to the poor. We present these preliminary thoughts, hoping that they will inspire much more profound reflection, and, soon, action.

Impact of Climate Change on Microfinance Customers

Developing countries, and particularly their poorest residents, presently contribute relatively little to the build-up of greenhouse gasses, but are unfortunately among those most likely to be

adversely effected by climate change, for at least four reasons:

1. Poor countries cannot afford the expensive investments, like sea walls and irrigation systems, which will be necessary to mitigate the impact of climate change.
2. The economies of most poor countries depend on agriculture, which is highly sensitive to climate change².
3. Poorer countries have weaker developed public health systems to deal with the expected epidemics of new and resurgent diseases.
4. Soil moisture and therefore crop yields are projected to drop most rapidly in tropical and subtropical regions.

Microfinance is not usually considered to be one of the key players in addressing the global warming challenge — unlike, for example the transportation and energy sectors. However, on investigation, the extensive networks of MFIs, branch offices, field workers and customers will be implicated in climate change issues to a surprising extent. As good corporate citizens, MFIs can and should take actions, including awareness-raising among their clients, advocacy with policy makers, and modeling of climate-conscious practices in their own businesses. These actions require a minimum of effort and can begin immediately on a large scale. We encourage all participants in microfinance to develop and implement their own climate-crisis “good citizen” agenda.

¹ *The Stern Review: The Economics of Climate Change*, prepared for the British Government by a team directed by Nicholas Stern, and widely available on the internet.

² One concrete, startling example: the Intergovernmental Panel on Climate Change, widely considered the definitive source of information on global warming, predicts global temperatures will rise between 1.8 and 5.4 degrees C on average by the end of the century; an increase of just two degrees would reduce the land available for coffee production in Uganda by more than 90%. Coffee is the principal export of Uganda, and provides income to tens of thousands of small farmers.

Closer to the core business of microfinance, we consider here two arenas for action which involve the financing of the economic activities of the poor. The first of these — Financing Good Energy Choices by Microfinance Clients — is relevant for all developing nations, and for both urban and rural settings. The second – Aggregating Carbon Trading - is potentially relevant in particular for the poorest countries and for rural areas.

Financing Good Energy Choices by Microfinance Clients

Because the primary cause of climate change is the burning of fossil fuels that provide the vast majority of the world's energy, addressing climate change requires a major global shift in energy usage during the coming decades. At the same time, people in developing countries, especially the low income people of those countries, are seeking better lives. Their quest for higher standards of living means bigger houses, with electric lights, indoor plumbing, hot water, and possibly even air conditioning. Many people in emerging market countries dream of owning a car. Businesses seek to become more productive through the use of power tools.

Developing country residents might think that progress on climate change will thwart their aspirations, but we take a more hopeful view. Just as many developing countries moved directly to mobile phones and were able to leap over the now obsolescent land lines, they can also avoid repeating many of the problems that richer countries encountered as they industrialized, particularly wasteful, expensive and polluting energy use.

As a starting point, consider that many of the clients of microfinance use inefficient energy sources. The poorest use wood, and as they become better off, they move to charcoal, which consumes five times more wood to give the same amount of heat. Many have no access to their country's power grid, and where they do have access, they have frequent interruptions in service. Changing their energy sources can make an immediate difference to them and lay the groundwork for the growth of renewable energy in those locations. There are some products that can be manufactured by small and perhaps micro businesses that can reduce carbon emissions. These include solar water heaters, improved cook-stoves, and infrastructure for low-head hydropower. Assistance to these industries,

including financing, could encourage the use of alternative energy sources.

We have begun to examine the fledgling renewable energy industry in Uganda, in which some microfinance institutions participate. Challenges abound at every step in the supply chain: demand, manufacture, distribution, installation, maintenance, and finance. For example, many rural clients would like to install solar systems to light their houses, but the urban-based suppliers of solar systems find it too costly to travel to one client's home at a time. Microfinance and enterprise development organizations have potentially relevant experience in addressing such supply chain obstacles.

Carbon Trading Aggregation

Carbon trading is a mechanism through which polluters bumping against their regulatory limits for carbon emission can be allowed to continue to emit greenhouse gasses on the condition that they invest in carbon reduction programs elsewhere. Carbon trading is carried out through two parallel networks, voluntary and compulsory. Voluntary trading, for companies and individuals, is run through NGOs, and these are already active on a small scale in Africa. Compulsory reductions through the European Union's Emissions Trading Scheme require rigorous certification of outputs (how many trees, of what species, were planted, and where); proof of 'additionality' (that it would not have happened without the credits); and long-term protection of tree lots. Despite the certification challenge, some sort of carbon trading mechanism is essential to large-scale reduction of greenhouse gasses. Many long-term preferred carbon trading partners are in the developing world, not only because there is a need and desire for the revenue that will come through carbon trading, but also because many developing nations have climatic conditions particularly well-suited for growing plants which will absorb carbon quickly.

However, much of the fertile land in Africa and other poor regions is in the hands of large numbers of small holders, and other factors make it difficult to attain the kind of scale in carbon trading in the developing world that is necessary:

- First, it is notoriously difficult and expensive to work in countries with poor infrastructure and, often, many languages.
- Second, carbon trading will require dealing with large numbers of small financial

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transactions, as peasants receive loans to plant trees, and payments as the trees grow.

- Finally, reliable carbon trading partners will have to produce credible quantitative and analytical reports, for distant partners, over multi-year periods.

Astute readers will have noticed that these are the same challenges that microfinance institutions have already faced and largely overcome over the last few decades. Larger MFIs are among the institutions in poor countries that have the professionalism, human resources, scale, networks, credibility, and understanding of the double bottom line to qualify for credits under the Emissions Trading Scheme.³ Microfinance institutions could intermediate between the suppliers of financing who want to offset their emissions, and the low income clients who have the potential to provide a piece of the solution.

These suggestions are too preliminary to be taken as a guide to action. They are designed rather to

stimulate creative thought and sustained, serious investigations. The ability of any one action to make a significant difference in slowing climate change, or in mitigating its effects, is modest. The solutions to climate change have been described as, not a silver bullet, but rather **silver buckshot**: numerous small actions which, taken together, will produce positive results.

No field of human endeavor can afford the luxury of ignoring global climate change. Where there is a commitment to confront this issue, where climate and environmental issues are placed at the top of the list of strategic objectives, then opportunities for effective action will continue to present themselves. The alternative to making these issues a priority is failure — not simply for our various initiatives, but for humanity.

This article is an op-ed by Paul Rippey, DFID Financial Sector Deepening Uganda Project and Elisabeth Rhyné, Accion International, expressing their personal opinions.

³ Another example shows how existing networks can be used to gain scale in carbon trading. TreeTalk, a Ugandan NGO, piggy-backed on a network working in HIV-AIDS education for school children, and distributed tree seeds through the same channels that are used to disseminate information about adolescent sexuality. TreeTalk used this mechanism to plant a quarter million trees from March to December 2006, and expects to expand that number significantly in coming years.

BRAC, the largest national Non-Government Organization (NGO) in the world serving more than 5 million mostly women members in Bangladesh, is one of the most respected microfinance institutions (MFIs) globally. It has branches in all 64 districts of the country covering 170,277 village organizations, each having 30–40 members. These groups serve as forums where members can collectively address the principal structural impediments to their development, receive credit, and open savings accounts. Micro-loans average balance per borrower is US\$165 in local currency. From its inception in 1972, BRAC has reached scale and diversity in its operations with over 42,263 regular staff and 53,205 BRAC teachers; and focusing on the issue of poverty alleviation and empowerment of the poor, especially women, in Bangladesh's rural areas.

In a deal engineered by Citigroup, RSA Capital (Bangladesh), FMO (Netherlands) and KfW (Germany), BRAC completed the first ever AAA-rated local currency microcredit securitization in 2006. This landmark deal gave BRAC access to US\$180 million of funding in local currency — Bangladesh Taka (BDT) — over a six year period, enabling it to provide more financing to more micro-entrepreneurs than ever before, and has paved the way of alternate financing sources for MFIs around the world. This was a unique securitization for the microfinance industry with the potential of being replicated in other markets.

Milestones

- The First local currency AAA rated microcredit securitization
- First AAA rated securitization transaction in Bangladesh capital markets, rated by The Credit Rating Agency of Bangladesh
- 150% collateralized by micro-loans, at the beginning of the transaction (approx. 400,000 loans to cover each US\$15 million issue)

- Reduced funding costs for BRAC over alternative market borrowings
- Participation from multilateral agencies (FMO, KfW), Citibank N.A. Bangladesh (Citibank, N.A. is the banking arm of Citigroup) and two local banks (Pubali Bank Limited, The City Bank Limited), thereby providing diversification of investor base. It is expected that a broader range of investors will participate in future issuances.

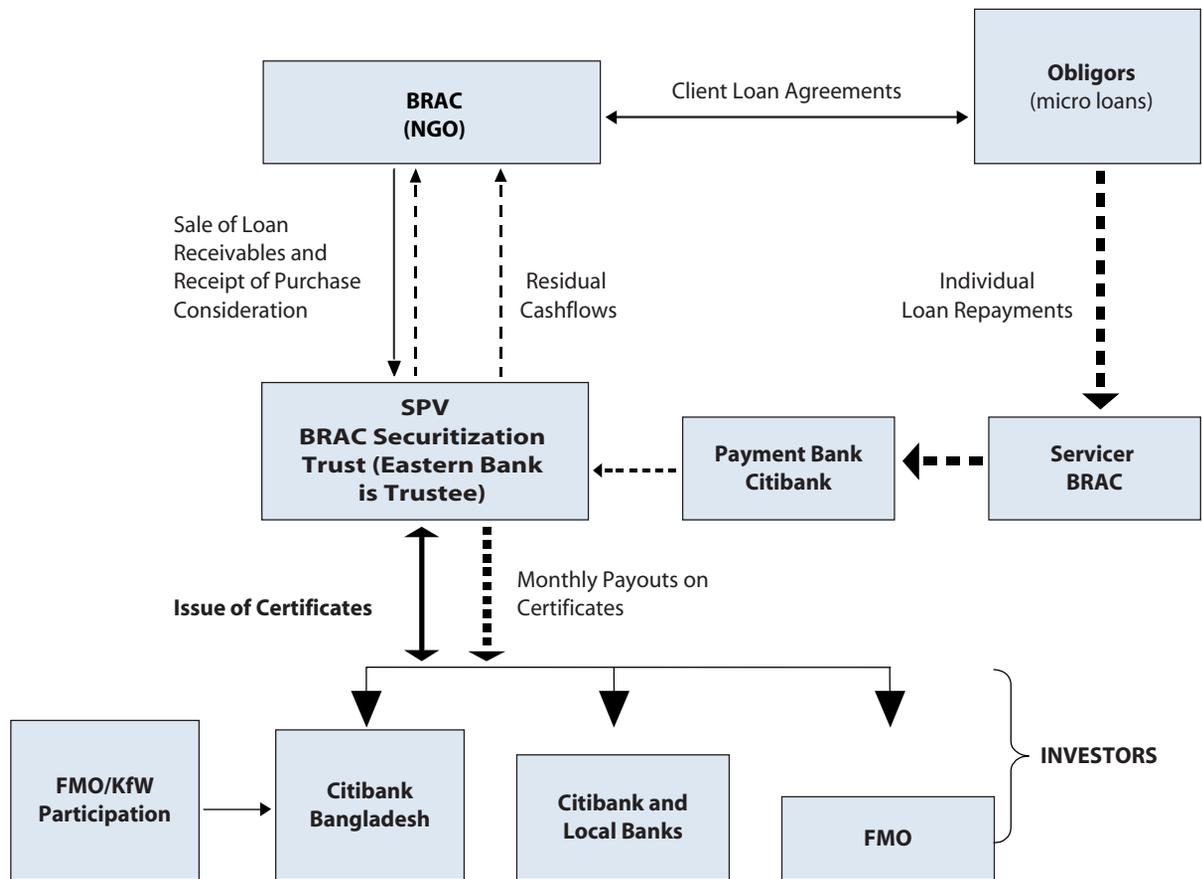
Objective

BRAC's key objectives included establishing a term funding platform through securitization of individual micro loans averaging about US\$165 and diversifying existing sources of financing at lower than currently available interest rates and longer tenors. This structure has essentially offered BRAC higher level of financial flexibility through access to a broader investor base, while reducing on-balance sheet assets, thus freeing-up capital.

As a result, BRAC has developed a strong balance sheet – evolving from donor based and secured financing to unsecured commercial lines — by finally taping the capital markets through this innovative securitization structure. BRAC will use the funding to expand customer reach, while the transaction helps develop local capital markets and introduces microfinance as a new asset class.

Structuring Securitization Transaction for an MFI

The structure involves the assignment of BRAC's micro-credit receivables to a special purpose trust, which issues certificates representing undivided beneficial interest in the underlying receivables. It is denominated in Bangladesh Taka (BDT) and will provide an aggregate of BDT12.6 billion (US\$180 million equivalent) of financing for BRAC over a period of six years. Under the program, BDT1 billion (US\$15



million equivalent) will be disbursed every six months to BRAC, with a maturity of one year.

In the initial tranche of US\$15 million in equivalent BDT, (a) FMO has directly invested US\$5 million, (b) Citibank has funded US\$5 million against FMO guarantee, and (c) the remaining US\$5 million has been syndicated (participated by Citibank and two other local banks).

The certificates are AAA rated, and the rating was performed by Credit Rating Agency of Bangladesh. These are floating rate notes and tranche-specific pricing of which are pegged with Bangladesh Government six-month Treasury Bill rates. Clifford Chance (Hong Kong) and Lee, Khan & Partners (Bangladesh) provided legal counsel and documentation.

The initial pool selection has been done using software developed by MF Analytics (U.S.), which generates a pool similar in key parameters to the total loan portfolio of BRAC. The securitized pool is a "sub-portfolio," which reproduces characteristics of BRAC's total loan book and hence it is diversified across product type and geography. The overall

delinquency rate of BRAC's portfolio is less than 2%. The transaction has no direct credit enhancements, but it is over collateralized with micro-loans to achieve a higher credit rating.

Due Diligence

In a transaction of such operational complexity, due diligence is extremely important. This process assessed BRAC's credit policies and procedures and included meeting various key members of BRAC management and staff, visiting regional offices, field operations and village organizations. Portfolio analysis was completed and credit & collections policies, credit underwriting & collections processes, backend systems, branch operations, HR systems and policies, audit & controls and MIS reporting were reviewed. Due diligence was supported by the fact that BRAC has received "The CGAP Award for Financial Transparency" demonstrating high level of MIS reporting systems, Audit and Controls, and data available in various segments that facilitate analysis and decision-making.

The detailed assessment proved the organization to be very robust:

- BRAC has an extensively documented credit policy and procedures manual with the required processes and formats to set up a village organization. The manual also discusses the details of the three credit products and the selection criteria for each — Dabi, Progoti and Unnati. The borrowers migrate from product to product as they progress through the income curve.
- Reconciliation of cash positions is done at the branch level on a daily basis, including disbursements, collection of repayments and savings from village meetings and office expenses. This reconciliation along with field visits by area and regional managers constitutes the second level checks on the collections made from borrowers for repayments and savings. BRAC monitors its sales and repayment performance regularly against targets.
- BRAC has strong focus on building human capital, which includes staff development, creating a talent pool for future leadership, a formal performance appraisal system, a compensation structure and policy formation and monitoring. Also, there is a separate team of personnel responsible for carrying out investigations into ethics and fraud issues. A detailed manual and checklist of internal audits on every aspect of branch operations are in place.

In addition to these aspects, the standard of data integrity, sufficiency of information available with field and head office, security, and system's ability to tag loan accounts for identification purposes were also reviewed and found to be strong.

Cooperation and Support from the Stakeholders

The transaction passed through the detail scrutiny of various departments of Bangladesh Bank (central bank of Bangladesh) as well as the Securities and Exchange Commission of Bangladesh. The regulators

in Bangladesh provided guidance and full cooperation on this innovative microfinance transaction. The different players brought together to complete this structure (BRAC, Citigroup, FMO, KfW, RSA, Clifford Chance, local banks, auditors, tax and legal counsels, credit rating agency) were all fundamental to its completion.

Recommendations

For MFI's such as BRAC, it is important to maintain their development focus, while demonstrating the ability to reach scale on a financially sustainable basis. Institutions and specific facilities need to be rated, and these ratings will often differ. Portfolio size, credit performance, strong management information systems and diversification of the underlying assets are important factors for securitizations, as are a demonstrated robust credit appraisal, monitoring and recovery process. Institutions, depending upon their needs, size and local market context, are not likely to first access their domestic capital markets through a securitization, but by initially doing asset sales, private placements, local bank syndications and bond issues. Most MFI's require local currency funding and seek diversification of domestic funding sources, so most such transactions will be local currency denominated, requiring access to domestic investors and liquidity, and structured under local law and regulations.

Once an MFI has a well developed funding and business plan, supported by strong institutional policies, procedures, documentation, financials and MIS, it should work closely with innovative banks that will review with the MFI's management possible capital market alternatives. Citibank Bangladesh, for example, worked closely with its partner institutions on the BRAC securitization, and it mobilized its microfinance expertise, local and global capital markets and securitization structuring and sales teams, its local business presence and relationship with regulators, and access to domestic currency financing to support this successful and pioneering transaction for Bangladesh and the wider microfinance sector.

Shams Zaman is Head of Structured Finance at Citigroup Bangladesh and S.N. Kairy is Director Finance at BRAC.

Awards

BRAC's micro-credit receivables Securitization transaction has been selected as (i) Securitization Deal of the Year 2006 by IFR (International Financing Review), (ii) Best Domestic Securitization Deal of the year 2006 by The Asset Magazine, and (iii) only Securitization Deal amongst the 10 most outstanding deals of 2006 compiled by CFO Asia.

The GIAN/RUIG¹ project “Microfinance and Public Policy” was implemented from 2004 to 2006 by the ILO in partnership with the University of Geneva, the Geneva Institute of Development Studies (GIDS) and the University of Cambridge. The project sought to clarify an issue that microfinance practitioners and donor agencies have been struggling with for some time: how to preserve the dual commitment of microfinance institutions to both social and commercial goals – poverty reduction and profitability – whilst ensuring their progressive integration into the financial market and phasing out of subsidies. The project generated original empirical data about the clients of 45 microfinance institutions in 24 countries, their loan portfolio, financial statements and relations to donor agencies and government. The selected microfinance institutions had a minimum of 3000 clients, had been in operation for at least five years and disposed of continuous financial records from 1999-2003. The study was prompted by the idea that one cannot compare very poverty oriented MFIs with very commercially minded MFIs unless one introduces a third, underlying performance standard: efficiency. We felt encouraged to do so because of the use of efficiency in comparative performance measurement of both profit-maximising and profit-constrained agents (like NGOs or public administrations).

In order to explain the level of efficiency of a given MFI in relation to similar MFIs we selected five factors that we assumed would determine its efficiency rank, and its position on the spectrum between poverty focus and financial performance. On the basis of the literature, notably the *Micro Banking Bulletin* and the *MIX Market*, we singled out the following variables:

- location
- legal form
- delivery technique (i.e. use of individual or group loan contracts)

- subsidies
- staff issues.

As the attached scatter gram shows (Figure 1) the application of cluster and factor analysis produced four predominant groups of MFIs: those that are inefficient in terms of both social and financial performance, others that experience a trade-off in one direction or another (i.e. they are either good as social or as financial performers) and finally some that perform well in both respects.

The surveys showed also that there is not a clear cut trade off between poverty outreach and financial performance: some MFIs manage to reach very poor households and still break even; others cater to a better-off clientele without performing well financially.

This would seem to signal that financial performance does not necessarily coincide with efficiency, or to put it differently: there can be situations where an MFI operates efficiently but fails to break even – not because of poor management, but due to contextual factors in the local market that keep resource costs at comparatively high levels. The second implication is that not all financially self sustaining MFI are necessarily also efficient. Public policy has thus a role to play in scenarios where efficient MFIs may fail to break even, but make a tangible contribution to poverty reduction and alleviation and where no other institution, private or public would take their place.

The data generated throws light on the critical importance of subsidies – positive and negative. Rather than categorically excluding the use of subsidies we feel that one needs to differentiate between “smart” and “unsmart” uses of subsidies, following the notion coined by Jonathan Morduch. The form, intensity, timing, conditionality and shape of subsidies make a difference to market distortion or institutional moral hazard. This finding has far reaching implications for donor and government policies.

¹ Geneva International Academic Network



Commercial and sustainable refinancing of microfinance institutions worldwide

Who We Are

A bridge between microfinance and the capital markets

BlueOrchard Finance is a Swiss company specialising in the management of microfinance investment products. We assist banks and financial intermediaries who wish to invest in the microfinance industry by offering a comprehensive package of services designed to invest efficiently in this promising sector. This includes initial identification of, and due diligence on, microfinance institutions, as well as continuous monitoring and reporting on their activities and portfolios. BlueOrchard Finance manages the relationship with all the parties involved and strictly adheres to the investment policies and guidelines of its clients.

A leading and preferred investment provider to microfinance institutions

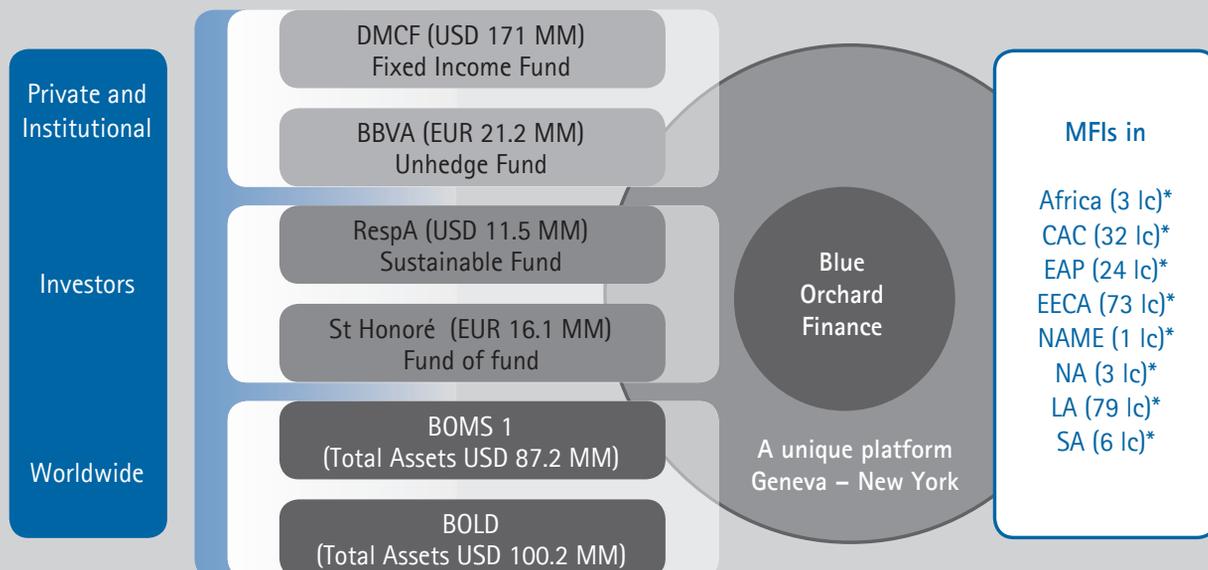
BlueOrchard Finance seeks to develop long-term relationships with microfinance clients and partners by sharing information, knowledge and risks, and by investing jointly in the development of microfinance. BlueOrchard's most important asset is its ability to create value through solid relationships with leading microfinance institutions all over the world. By building trust, listening actively and constantly interacting with institutions in the field, BlueOrchard is able to tailor products and services to fit its clients' needs.

A promoter of microfinance to the commercial investment community

BlueOrchard Finance follows a strict selection mechanism in line with the criteria set out

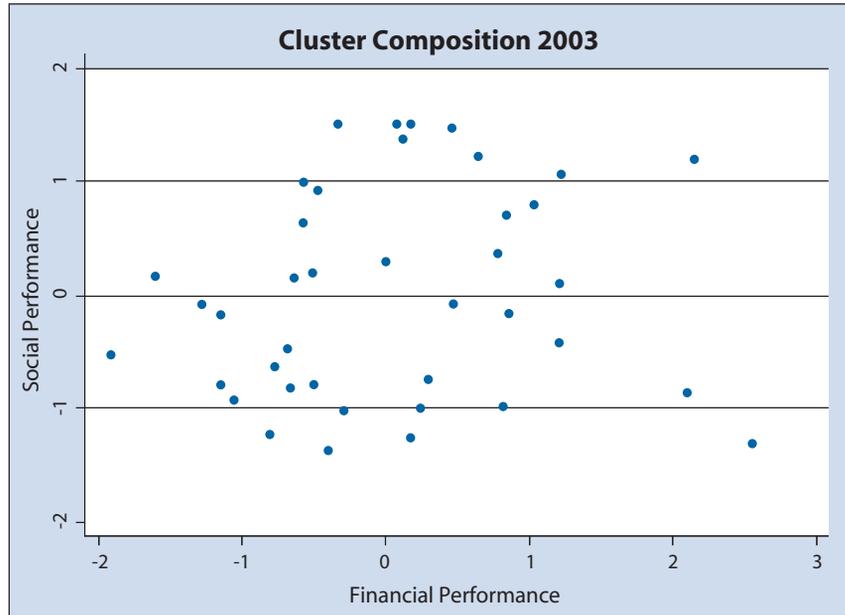
in the investment policies of the microfinance investment products that it manages. This rigorous approach ensures that the portfolios are made up of reliable and sustainable institutions: investment advice is always based on in-depth due diligence, supplemented by the opinions of selected field experts, specialised evaluations companies, rating agencies, networks and international organisations. BlueOrchard's proven track record has convinced an ever-growing number of investors to choose the quality and profitability of a win-win investment: they earn a stable and competitive financial return on their investments while delivering effective social impact in emerging markets by encouraging entrepreneurship at the micro level.

What We Do : Our Products



* lc : loan current
CAC : Central American & The Caribb
EAP : East Asia and the Pacific
EECA : East Europe & Central Asia
NAME : North Africa & Middle East
LA : Latin America
SA : South Asia

Figure 1: Trade off between Social and Financial Performance



Legend: The cluster and factor analysis of 2003 data shows that MFIs either were inefficient in terms of both social and financial performance (bottom left), experience a trade-off with either good social or good financial performance (top left and bottom right, respectively) or were good performers in both respects (top right).

Poverty focus and financial self sufficiency of MFIs are necessary but not always sufficient guide posts for the donor community and national governments to orient their support to MFIs. By themselves they do not allow sound decisions on the allocation of subsidies to some MFIs or the reduction and withdrawal of subsidies from others. Poverty focus and financial self sufficiency are, it is true, fundamental dimensions of the space in which any given MFI has to position itself; but whether it performs well or not, is not a question of whether it just makes profits or – the other extreme – just deals with the rock bottom poor, but rather whether it performs well in its category or class of MFIs.

In microfinance efficiency determines how well a MFI does in allocating inputs (assets, staff, subsidies etc) to produce the maximum output (number of loans, financial self sufficiency, poverty outreach etc.) compared to the combinations performed by similar MFIs in matching situations. The choice of inputs and outputs depends on the MFI/donor agenda and priorities.

Our findings regarding efficiency in microfinance can be summed in the following points:

- Most determinants of efficiency across all MFIs fall in two categories: factors that MFI

management can influence (like the choice of delivery technique, collateral requirements, graduation lending etc) and others that it cannot fully control and for which it cannot be held accountable (like client density, scope of clients' viable income generating activities etc.). A third category of efficiency drivers cannot neatly be attributed to being either management-dependant or exogenous, for example the wages paid to loan officers. Only the first kind of efficiency drivers should and can be used by governments and donors to fix, modify or phase out a subsidy for performance.

- A meaningful qualification of an MFI as more or less efficient requires information on a batch of comparable MFIs positioned similarly on the poverty–profitability continuum. Comparability is based on several criteria, whether an MFI operates in rural or urban areas, whether it is a monopolist or not and whether it faces competition in one or several factor markets; it is also based on similarity of output mixes and production functions (technology, delivery technique like group versus individual lending, or collateral-based versus collateral free lending).

- The level of efficiency may not be immediately visible, but it can be traced and established on the basis of input and output variables, namely number of clients, number of loan officers, number of staff members; administrative expenses, or the subset: "staff expenses", number of loans, overall loan portfolio.
- Comparisons of the efficiency of MFIs across countries with usually very different operating environments make only limited sense. By contrast our country chapters on Mali, Morocco and Chile using a common reference in the regulatory, policy and domestic market environment reveal significant differences in performance and efficiency between MFIs.
- Efficiency is always relative to one institution that is closest to the frontier: the "best in class". Linear programming techniques like Data Envelopment Analysis (DEA) capture the distance from the frontier and help determine whether or not over time an MFI is shortening the distance. DEA accommodates different production functions in microfinance. In frontier analysis the performance of an average firm is expressed as economies in input use that it could achieve if it produced on the frontier instead of on its current location. A 0.79 figure, for example, signals that an MFI could save on 21 percent of inputs, for example loan officer staff time, if it operated on the frontier.

The efficiency drivers identified that make up classes or groups of MFIs like location, legal form etc. are largely country specific. One of the methodological drawbacks of the large geographical coverage in the GIAN/RUIG survey is the great variety of contexts (24 countries), which makes it difficult to appreciate and weigh precisely the impact of, say, interest rate ceilings in one country with a fully liberalized regime of interest rates in another country. To correct for this shortcoming a follow-up survey of MFIs in three countries was carried out in the fall of 2006.

This also helped to go more deeply into an assessment of the variety of real life subsidies. Of the 45 MFIs reviewed in our survey every one without exception had a donor partner that provided some form of subsidy: seven MFIs had one donor partner, 15 MFIs two or three and 20 MFIs more than three; CAME and FDL top the list with 12 and 26 donors respectively. Expressed as a percentage of total liabilities, subsidies represent less than 10 per cent in 10 MFIs, between

11 per cent and 50 per cent in 11 MFIs and between 51 per cent and 100 per cent in 12 MFIs. Contrary to expectations the use of subsidies has over the years decreased in 12 MFIs, but in 14 cases the share of subsidies on total liabilities has increased.

Thirteen MFIs in our sample complained that donors were pushing them towards more emphasis on poverty reduction; 18 MFIs said that their donor partners were prodding them to go into the opposite direction, to accelerate towards financial self sufficiency. MFIs with several donor partners may even send conflicting signals. What emerges generally is that donors either go for more poverty impact or for better financial performance, but never towards more efficiency within given social and financial performance goals.

Subsidies in the form of soft loans are common in microfinance and they are important: in fact, ten of the surveyed 45 MFIs felt that without subsidies they would have to close down, while 34 were convinced that they would not be able to go up-scale without subsidies via a better use of human and financial resources. This responds to the needs of many MFIs which feel they do not dispose of both factors of production in the right quantity and quality: 22 MFIs signal human resource constraints as their dominating need and 26 MFIs identify financial resource constraints.

This suggests that donor money plays a critical role in allowing MFIs to combine social and financial goals, allowing an MFI not to have to choose to go either towards one or towards the other. If the MFI operates in isolation, then this will not have negative externalities; however, if the MFI competes with other MFIs, then there is a risk for market distortions and undercutting operations of competitors, unless donor money is available to all MFIs across the board, for example via an apex. All but four of the 45 MFIs in our survey compete with other MFIs, and of these 33 institutions are subsidized, but only two MFIs felt that their market was undercut by a government subsidy scheme. The longer the maturity of such soft loans, the easier it will be for the MFI to expand its output mix and go into longer term, and more revenue-generating lending, which is of potential interest to clients with investment needs, like the owners of growing micro-enterprises.

Bernd Balkenhol is Chief, Social Finance, Employment Sector at the International Labour Organisation.

The research behind the article is the result of team work over three years. Initiated by the Social Finance

Program (ILO), originating in a conference paper for the Verein für Socialpolitik in 2001, the study was carried out under the joint responsibility by the University of Geneva, the Geneva Institute of Development Studies (IUED), Cambridge University and the ILO, with financial support from the Geneva International Academic network (GIAN), the EU/AIDCO, the Ford Foundation and the ILO.

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Building Bridges for Social Capital

Company Portrait

responsAbility is a Zurich based company specialized in social investments in developing and emerging countries. The company was established as a private initiative in 2003 and is backed by founders and shareholders including representatives of the Swiss financial services industry and two social venture capital funds. responsAbility receives technical support from the Swiss Agency for Development and Cooperation (SDC) and the State Secretariat of Economic Affairs (seco) on issues relating to development policy. responsAbility's investment clients range from banks and asset managers to private and institutional social investors. The company currently manages assets of USD 220 million (as of 28. February 2007) held in microfinance, fair trade and media development products, investing in more than 100 institutions in 40 countries.

Core Competence

responsAbility bridges the gap between the financial and development cooperation markets by offering adequate services and products.

Based on its broad financial expertise, the core competence is the identification of financial needs in developing and emerging countries.

responsAbility's simple and efficient process for granting loans and our broad network make us the ideal investment partner.

Funding

responsAbility seeks to invest in companies and organisations which offer products and services to reduce poverty in developing countries on the basis of entrepreneurship, innovation and outreach. responsAbility is investing directly or indirectly via investment vehicles. With its unique partner concept, including networks and other partners, it aims at corporate growth and development.

As fund vehicles, responsAbility manages two microfinance funds and will do the same later in 2007 for a private equity investment company.

Microfinance Instruments

responsAbility provides funding for banks, non-bank financial institutions, cooperatives and MFIs in hard and specific local currencies.

It includes the following type of instruments:

- Loans and Debt Securities
- Equity Investments
- Guaranties

Investment Regions

The investments are worldwide diversified and include all continents and regions such as:

- South America
- Central America
- Eastern Europe & Central Asia
- Asia
- Sub-Saharan Africa
- Middle East, North Africa

responsAbility Global Microfinance Fund

This innovative investment fund is for private investors interested in a combination of moderate financial returns and demonstrated social benefits and fulfilment of development policy goals. The fund's main investment focus is on Microfinance in all types of MFIs, independent of their size and life cycle. To a very limited extent it may invest in areas closely related to Microfinance, such as small and medium-sized companies (SMEs) and fair trade.

responsAbility Microfinance Leaders Fund

The fund's primary purpose is to offer debt capital to larger MFIs in the form of medium and longterm loans in hard and local currency. It may also invest in equity.

In addition, the fund's flexible investment concept enables it to participate in securitizations, bond issues and other financial instruments. The fund may also buy different types of securities on the secondary market.

responsAbility BOP Investments (scheduled 2007)

This open-ended investment company will be established later in 2007 and will provide private equity capital. It will invest in MFIs and via funds in small and medium-sized companies (SMEs).

For more information contact responsAbility via proposal@responsAbility.com or one of our investment partners.

FEATURE ARTICLES

MICROBANKING BULLETIN, ISSUE 14, SPRING 2007

The significant rise of the microfinance industry over the past 30 years has produced an ever-increasing number of microfinance institutions (MFIs) in the developing world. Over the past ten years the industry has been supported largely by development programs and social investors. The ongoing commercialization of the industry has attracted significant capital over recent years, as the Bulletin Highlights in this issue showcases, as well as those in the previous issue¹. Donors and investors are increasingly demanding industry rankings that allow identification of the best performing MFIs according to relevant criteria². At the same time return-driven fund managers complain about the high levels of often subsidized capital available for top tier MFIs. These issues have stimulated a debate about the purpose and mission of MFIs in the developing world, which is an inherent part of the industry's transformation process.

The emergence of the microfinance industry is often explained as an answer to an unmet demand. Nevertheless, the development of the microfinance industry has been highly unequal in geographic terms. While MFIs are present in all parts of the developing world, they are much more advanced and known in some countries than others. Since financial exclusion is a phenomena existing in all developing countries, we must ask ourselves why MFIs are not more equally spread and developed around the globe?

In Latin America, for example, the progress of the industry's development has been highly uneven. Industry figures for market coverage range from 55.7% for Bolivia at the top to 0.36% in Brazil at the bottom.³ But coverage or demand is not an appropriate

indication of the degree of market development. For example, Accion's first ever Latin American microfinance experiment took place in Brazil where poverty is abundant, but its microfinance market remains insignificant compared to other countries in the region.

Too often we have to guess in order to answer such questions, loosely basing our opinion on cultural, anthropologic or historic ideas. Or we simplify the problem by arguing that some MFIs are just more successful or more profitable and better managed than others. But this is hardly satisfying, especially for an industry with a strong social aim. Other factors must play a role and need to be identified. Microfinance related academic research has so far addressed issues mostly on a country level – and almost no research exists on a comparative level.

A better understanding of the actual reasons behind the differences in the industry's development would help practitioners and academics to identify which factors are constraining the microfinance sector in specific countries. Knowledge from comparative research will also enable policy makers to focus their decisions with regard to market regulation, will enable investors to integrate microfinance as an asset class into their asset allocation strategies with an adequate risk profile, and will allow donor agencies to focus on development initiatives that address a definite need of local markets without competing with commercial investors.

In the following paragraphs, the basic hypothesis is that in some countries MFIs work better due to a more suitable (market) environment and not because of their legal status, management issues or other grounds that cannot be quantified. This article therefore aims at identifying key factors that foster microfinance markets. It remains merely a first attempt to open a broad discussion on the basis of comparative research.

The focus of this initial research is on Latin America, where microfinance markets are characterized by a

¹ Stephens, Blaine, Record Funding Fuels 2005 Growth

Even as Returns Level Off, in: MicroBanking Bulletin, Issue 13, Autumn 2006, p. 33f.

² Micronews, Global Microcredit Summit bulletin, Edition 2. November 13, 2006, p. 4.

³ Marulanda, Beatriz and Maria Otero, The Profile of Microfinance in Latin America in 10 years: Vision and Characteristics, Boston, Accion International, Boston, 2005.

true array of institutions with regard to methodology, size and performance. The microfinance industry in Latin America reaches proportionally fewer clients than its counterparts in Africa or Asia, while its MFIs' average loan portfolio is the biggest of all regions. Furthermore, Latin American microfinance leverages more equity, has more assets and attracts more commercial funds than other region.⁴

Nevertheless, the unavailability of long-term data does not allow an exact computation of related factors over the years. To overcome this problem a cross-country regression is applied for one year. For this purpose we use a comprehensive dataset on the outreach of microfinance institutions in Latin America, comprising data from CGAP (2004)⁵, MIX Market and other ratings agencies. The dataset used takes into account financial results of more than 270 MFIs throughout the region in 2001.⁶

The preliminary results of the research highlight five areas that deserve further research: economic instability, population density, liberalization of financial markets, international aid and regulation.

- First, microfinance tends to serve more clients in economically instable environments – an indicator of the difference between MFIs and formal financial institutions. External influences that cannot be captured with the dataset might explain the unexpected result: financial instability renders people familiar with the higher interest rates that such MFIs frequently ask in Latin America; the formal banking sector may be more reluctant to provide financial services in instable areas to the poorer sections of the population – leaving a bigger market potential for MFIs.
- Second, densely populated areas have bigger microfinance markets than those with a smaller

population – confirming what practical experience has long suggested: namely, that MFIs are able to reduce their cost structures in areas with high population density. However, we also find that population density alone does not suffice as a market, for example, human capital (here measured by literacy rates) is a notable factor present in highly developed microfinance markets.

- Third, the liberalization – or privatization – of the financial sector helps foster the emergence of microfinance. Increased competition, supported by entries of foreign banks, makes commercial banks refocus on their core business – reducing downscaling efforts and thus creating a market niche for MFIs. However, experience in Latin America has also shown that increased competition in traditional banking can encourage individual commercial players to develop strong microfinance programs.
- Fourth, international aid is a significant factor for the development of microfinance markets. Countries with a large exposure to international aid programs show more developed microfinance markets than countries that receive less aid. However, the question whether international aid fosters the growth of microfinance markets or if it focuses on markets that have already developed a strong microfinance market remains unanswered. While a lot of MFIs still need external financial support, especially start-up subsidies, smart-subsidies make us wonder what part domestic governments play in attracting international aid?
- Fifth, regulation of microfinance so far is not an important factor in the development of microfinance markets. Of course, microfinance-specific regulations have mostly only been implemented over the past few years and long-term results still need to emerge from those experiments. At the same time, donors' and investors' demands of commercialization, with a focus on transparency, financial audits, ratings and other quantifiable measures, indicate the increasing self-regulation of the microfinance industry.

The issues discussed above are, of course, largely not open to manipulation by individual market players, but they indicate which factors are important

⁴ See Regional Benchmarking reports of the Microfinance Information Exchange at www.themix.org

⁵ Consultative Group to Assist the Poor (CGAP), Financial Institutions with a "double bottom line": Implications for the future Development of Microfinance, Occasional Papers, no. 8., Consultative Group to Assist the Poor (CGAP), The World Bank, Washington D.C., 2004.

⁶ At the time, 186 of those were operating under an NGO-status, 26 institutions were registered as commercial banks, 20 as Non-Bank Financial Institution (NBFI) and 25 as Cooperative or Credit Union. In total these institutions served 6,471,887 clients. Of course, the high savings activities of Cooperatives and Credit Unions influence the results with regard to outreach levels especially in countries with small populations. Consequently, the smallest countries were left out in the final analysis. For reasons of completeness Cooperatives and Credit Unions, as these are the oldest form of microfinance provision, were taken into account.

when analyzing the industry's macro-environment. Intervention strategies should be based on an understanding of at least the aspects raised here, globally as well as regionally, but significant and specific local influences also need to be taken into account.

In order to better understand the role of macro-economic factors in the development of microfinance markets, further research is needed. The next step will be to assemble a dataset covering a number of years. Practitioners will be contacted and asked to provide long-term data. People that have such data and are willing to share it are, of course, encouraged to contact the author. An econometric study will follow, allowing the variables to be analyzed in their historical perspectives. The ongoing study aims to identify

a threshold for macro-economic and institutional factors, enabling focused intervention strategies of donors and adequate asset allocation strategies of investors. Moreover, it will also help to identify individual growth strategies for different kinds of microfinance institutions operating in different environments.

This article is based on the research paper "The Uneven Development of Microfinance: a Latin-American Perspective" By Annabel Vanroose. Annabel is a Researcher at the Section for Economic, Monetary and Financial Policy of the Vrije Universiteit Brussel and at the Centre Emile Bernheim of the Université Libre de Bruxelles. She can be contacted via email at avroose@vub.ac.be



43 Microfinance
Institutions
in **32** countries

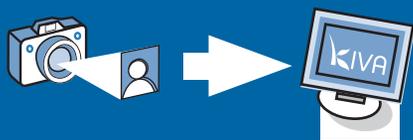
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Elizabeth Omalla
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Loan Use: Fish Seller

\$400 loaned so far
\$25 needed

\$25

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The Economics of Microfinance

The Economics of Microfinance

Beatriz Armendariz de Aghion and Jonathan Morduch

MIT Press, Cambridge, Mass., USA

Paperback, September 2007 (2005)

6 x 9, 360 pp., 15 illustrations

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Those of us working in development know to be wary of the latest fads. This has naturally led many of us to be cautious of the phrase “evidence-based aid”, popularised most recently by the MIT-based Poverty Action Lab. Evidence-based aid, spearheaded by Michael Kremer, and more recently Esther Duflo, promotes an experiment-based methodology which can be used to assess the effectiveness of development initiatives. Microfinance is particularly suited to such experiments, given that many of the ethical dilemmas that confront the social experimenter are absent in these programs. This book provides a fascinating introduction to the world of evidence-based aid, moreover, it is the first really comprehensive framework for the economics of microfinance. As such, it is a welcome contribution to an industry that has outlived many trends and brought the international marketplace to the poor.

The Economics of Microfinance is a well researched, well written book that is accessible to the practitioner and academic alike. And it doesn't pull punches, tackling the bad with the good and addressing many of the questions some in the industry would rather not ask. Commencing with the motivations for microfinance, it outlines the theory behind the colourful photo-ops with Hollywood celebrities and details the arguments both for and against microbanking. There is no doubt that microfinance is an effective tool for development, and one that has been remarkably successful. But there are also concerns regarding microcredit and the incentives it creates, both within poor communities

and within the development field. There is a question mark hanging over many ventures - are they really as successful as they are portrayed in the glossy marketing material?

The authors are quite frank in their assessment of the success of microcredit organisations, and Chapter 8 (Measuring Impacts) states clearly that there are very few credible and statistically sound studies that demonstrate the effectiveness of microcredit. Spillovers and the difficulties inherent in isolating control groups are part of the problem, issues discussed at length in the chapter. It concludes with an analysis of the research on Bangladesh, finding that while microfinance benefits may be overstated at times, the overall impacts are still positive. But the jury is still out on how applicable these findings are elsewhere in the developing world – leaving plenty of room for innovative, high-quality studies by the enterprising researcher.

Chapter 9 tackles the difficult issues of Subsidy and Sustainability, again highlighting a lack of credible analyses, in this case cost-benefit studies that compare the cost to donors with economic returns to the target community. Rigorous analysis is, of course, not a deficiency limited to microfinance, but to development interventions in general. This chapter also does a good job of discussing some of the challenges when managing subsidies, and details ways to minimise negative incentives while maximising the outcomes of a program. The role that gender plays in the successful implementation of microcredit schemes is outlined in Chapter 7, and details evidence that female borrowers are not just more reliable than male borrowers, they also generate the lowest cost-benefit ratios.

But the book fails to address one pertinent issue, the perception that men are more likely to expand a business outside the home and hence create greater economic growth and employment. While one academic has research to refute this perception – Bruce Wydick, whose 2001 paper with Michael Kevane is cited and who has since published further

on this topic – the complexity of his findings are glossed over, and I would have liked to see an acknowledgement that one local study does not make for global evidence, as the authors are careful to observe elsewhere. Additionally, the overall failure of microfinance-funded businesses to grow and move into the formal economy is not really addressed. For me, this represents the largest information gap in the book, but perhaps also reflects the lack of research on these topics to date.

The authors' years of research and classroom experience shines through in this book. It is well written and easy to read, clear, concise and entertaining – something few academic books manage without patronising the reader. And it provides the perfect mix of academic research, brief illustrative case studies and theoretical support for the arguments it puts forward. Intelligent

discussion of credible academic research allows readers to draw their own conclusions, and the authors have pointed out many of the gaps and deficiencies in the literature.

This book, now available as paperback, is essential reading for those interested in going beyond the practical aspects of how to run a microfinance program and into some of the bigger questions of incentives, effectiveness and sustainability. I hope this book will inspire new thinking about microfinance, and some innovative, evidence-based ways to do good things better.

Chakriya Bowman is Visiting Fellow at the Crawford School of Economics and Government, Australian National University.

Breaking it Down...

MICROBANKING BULLETIN, ISSUE 14, SPRING 2007

Efficiency

Isabelle Barrès, Director for Strategic Development, MIX

There are many common measures for efficiency, either looking at cost per unit such as cost per borrower or cost per loan, or looking at cost per dollar lent: operating expenses over loan portfolio, personnel expenses over loan portfolio or over total administrative expenses. Often times, one of these measures is taken in isolation to identify whether or not an MFI is 'efficient'. But is this sufficient?

Although these measures alone shed light on whether a microfinance institution (MFI) is able to provide its services to clients with lower costs, they do not take into account certain important factors, such as whether the MFI offers multiple products (which may increase delivery costs), is benefiting from higher loan sizes (which improve the efficiency ratio) or faces lower cost structures.

Indeed, with these efficiency ratios, the two main drivers for better performance are: 1/costs control and 2/increase in volume (number of accounts, number of clients, and size of portfolio). An MFI can improve its efficiency by lowering its costs for the same volume of output or by increasing its output for the same costs.

Therefore—when comparing efficiency across institutions—a number of complementary measures are important to take into account as well. Some examples include the average loan size, the average salary per GNI per capita or the loan officer productivity.

First pitfall: average loan balance

As mentioned earlier, an MFI can improve its efficiency measure by increasing its output without increasing its costs. While usually increasing output will increase costs (additional clients served, additional accounts to service), there are a few instances where this is not the case. Consider two MFIs that are similar in all but one aspect: their average loan balance. MFI A and MFI B face the same costs, but MFI A has an average loan balance of US\$200 while MFI B has an average

outstanding loan balance of US\$1,000. Both MFI A and MFI B have 1 million clients, and operating expenses of US\$20 million.

Efficiency for these two MFIs, as measured by operating expenses over loan portfolio, would be:

- **MFI A:** US\$20 million/US\$200 million = 10%
- **MFI B:** US\$20 million/US\$1 billion = 2%

MFI B would *appear* to be more efficient than MFI A, but only because it is benefiting from average loan balances that are 5 times bigger.

Second pitfall: credit-only bias

While some MFIs, as MFI B above, benefit from volume measures, some are at a disadvantage because the common volume measures currently focus on the credit services offered by MFIs. Indeed, the denominator in efficiency is commonly 'borrowers', 'loan accounts', or 'loan portfolio'. With these measures, a true financial intermediary that offers other services than microcredit is judged on one hand on its total costs to provide services, but not on the total volume of services that it provides.

Consider the first common measures of efficiency mentioned above: cost per borrower or cost per loan. MFI C and MFI D are similar in all aspects but one: MFI C offers only microcredit services to its clients while MFI D mobilizes microsavings and offers microinsurance.

Both MFIs have the same total loan portfolio outstanding: US\$200 million and 1 million clients (for an average outstanding loan balance of US\$200). MFI A, which offers only credit services, has total operating costs of US\$20 million, while MFI B faces total operating costs of US\$30 million.

MFI A faces a cost of US\$20 per borrower while the cost for MFI B is US\$30 per borrower.

MFI A *appears* to be more efficient, but this measure does not take into account the fact that, in addition to attending to its 1 million borrowers, MFI B also serves 2 million savers and manages half a million microinsurance accounts with the same total costs.

Third pitfall: higher cost structures

As we saw earlier, another way to improve the results for common efficiency ratios — in addition to increasing volume at a faster pace than costs — is to reduce the costs.

While MFIs have great room to maneuver to control their costs (maintaining a good quality of portfolio in order to maintain the loan loss provision costs down, reducing administrative expenses, leveraging funds to reduce cost of financing), some costs are very difficult for the MFI to push downwards.

Consider the salary expenditures, which represent the highest portion of operating cost in most MFIs. Salary levels are often market driven, and not efficiency driven. An MFI usually has much less room to maneuver to reduce expenses when it comes to salaries and MFIs in countries where cost structures are high need to reduce other operating expenses to an even greater degree in order to maintain the same level of efficiency as similar MFIs in other markets.

Short of offering considerable non-cash incentives to its staff, an MFI that offers salaries considerably below market will simply not be able to attract and retain staff.

Therefore, considering the weight of salary expenses in overall operating expenses, taking a look at the average salary is also crucial. Looking at average salary relative to GNI per capita enables to compare across regions.

In our next example, MFIs E and F are similar in all but their location. Both have total loan portfolios

of US\$60 million, total operating expenses of US\$10 million, and an *efficiency* ratio of 16.67%. Yet the average salary for MFI E is 5 times GNI per capita while it is on average 10 times GNI per capita for MFI F. By nature of factors that the MFI has no control over (its location), MFI E is at a considerable advantage over MFI F.

Fourth pitfall: productivity

Analyzing efficiency without productivity leaves out a crucial part of the equation. Indeed, increased productivity is another way for MFIs to increase volumes of output with the same costs (i.e., same number of loan officers).

Productivity is therefore another important measure that needs to be taken into consideration when identifying why an MFI is – or not – efficient.

In Conclusion

Three of the pitfalls identified here are covered in the concept of ‘salary burden’¹, which looks at 3 key efficiency variables that are necessary to understand the common efficiency measures: 1/average staff salary/GNI per capita, 2/average outstanding balance per GNI per capita and 3/average number of clients per staff members.

By allowing to group organizations according to similar characteristics (i.e., average loan balance, country of operations), and comparing apples to apples, benchmarking is one of the analytical tools that are useful to go beyond an overly simplistic ratio analysis that would want one number to tell the entire story.

The examples above reinforce the need to analyze ratios in a broader context and ‘dig through the numbers’. It is only by looking at the underlying drivers of efficiency and nuances in the analysis that one can truly say whether an *MFI* is more efficient than another, or whether it merely *appears* to be.

¹ For more details on the ‘salary burden’, refer to MicroBanking Bulletin No. 4, February 2000, Focus on Efficiency, page 42.

BULLETIN HIGHLIGHTS

MICROBANKING BULLETIN, ISSUE 14, SPRING 2007

Commercialization continues apace

Blaine Stephens, Director of Analysis, MIX

Overview of Benchmark Data

Since its launch in 2005 MIX's Trend Lines MFI analysis has increased the scope for deciphering trends in the microfinance industry by isolating and tracking the performance of a common set of MFIs over a given period. The Trend Lines 2003–05 doubles the coverage of the previous historical data set, expanding to 200 MFIs. For the first time, Trend Lines brings even coverage from all regions, including sub-Saharan Africa and Asia, representing 75 countries and 21 million borrowers in 2005. Taken as a group, Trend Lines MFIs represent over two thirds of the total borrowers covered in MIX's 2005 MFI benchmarks making this the most representative data set to date for historical analysis of industry trends.

Readers interested in exploring the full range of performance benchmarks and statistics can find them in electronic copy online at www.mixmbb.org or www.themix.org as downloadable Microsoft Excel files. Starting with the 2005 MFI benchmarks, these benchmarks now include the 25th and 75th percentile for all performance ratios allowing users to paint a more complete picture of the range of MFI performance.

Talk of commercialization, once the reserve of analysis of Latin American microfinance, has captured the global microfinance news headlines over the last few years. Greenfield microfinance banks have opened their doors and grown in waves, whether as affiliates of networks like ProCredit or as independent ventures like those registering under the Pakistani microfinance bank law. Alongside these regulated MFI start-ups, many NGOs have transformed, shedding their non profit status to pursue operations as regulated financial service providers. After the numerous examples of institutional transformation in Latin America in the late 1990s and early into this decade, these last three years have seen the ranks of transformed institutions expand in Africa and Asia. The set of 200 Trend Lines MFIs from around the globe offers a unique glimpse into this phenomenon and the mark it has left on the industry in the last few years.

Trend Lines MFIs mirror the growth of commercialization in the broader microfinance sector. NGOs started the period as the single largest group in the Trend Lines sample, representing nearly 45% of the 200 institutions. Just two years later, NGOs and specially licensed financial service providers (NBFIs) vied for the top spot in the sample. NGO market share

of borrowers, while still dominating the sample, fell from 54% to 51% in two years as a number of high growth institutions changed legal status to become regulated financial service providers. NBFIs picked up market slack, increasing their share of clients by half, from 14% to 22% over the same period.

Change in legal status is not the only reflection of increasing commercialization. Across the Trend Lines MFIs, marked changes occurred in outreach and performance. Profits increased as start-up microfinance banks and their investors aimed to reach breakeven more quickly than their NGO predecessors, and transforming institutions sought to maintain the profitability that attracted their initial shareholders. Both strove for profits by driving down costs and scaling up services. As Trend Lines analysis shows, these trends spilled over into the broader microfinance sector, especially in markets where competition had increased. High growth, positive returns, increased commercial funding, and increasing efficiency are not the reserve of for-profit MFIs.

Strong, persistent growth ...

The scale of microfinance services has grown substantially in the last three years. Successful

retail institutions have built on existing products and brought in new clients at a rapid pace. While median compound annual growth rates hovered at nearly 25% over the period, the top quarter of high growth MFIs added new borrowers at rates above 40% annually. In total, the 200 Trend Lines MFIs added over seven million new borrowers, more than 50% above the number served by the end of 2003. Deposit-taking services, while growing at a slower rate, reached another six million savers over the same period, as **figure 1** demonstrates. The continuing commercialization of the sector has also meant more optimal asset management, with loan portfolio growing faster than total assets to reach a total of over US\$7 billion by end 2005.

Leading the growth charge, specialized commercial institutions — non bank financial institutions (NBFIs) — grew at an average rate of just under 40%, well above the sample median and just a few points below the top quarter of all Trend Lines MFIs. Their unregulated NGO and cooperative peers grew at rates on par with or below Trend Lines averages. Within the group of NBFIs, institutions that became regulated between 2003 and 2005 grew the fastest, adding nearly 55% more clients in the year 2004–05 alone, as **figure 2** portrays. With few exceptions these newly regulated MFIs parlayed their new legal structure and capital base into some of the highest client growth rates in borrowers served in the sector. Only the institutions transforming under the new Ugandan regulatory status stagnated in borrower outreach as they cleaned up portfolios and focused on developing savings services. Excluding the Ugandan transformers, borrower outreach increased by an average annual 70% in transforming MFIs between 2003 and 2005.

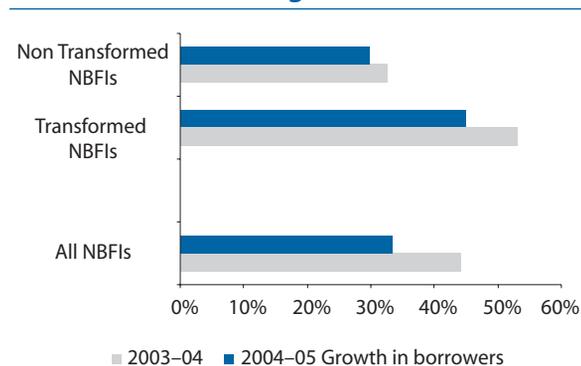
Greenfield MFIs also pulled ahead of global average growth rates, with the median start-up institution

Figure 1: Growth in microfinance services

	2003	2004	2005
Borrowers (millions)	14.0	17.2	21.2
Savers (millions)	35.6	38.3	41.5
Offices (thousands)	11.2	13.1	14.8
Employees (thousands)	85.9	113.2	128.0
Assets (USD billions)	7.3	8.9	10.7
Loan Portfolio (USD billions)	4.3	5.7	7.1
Voluntary Deposits (USD billions)	4.4	5.0	5.7

Source: Microfinance Information eXchange, Trend Lines 2003–05 MFI benchmarks. Results are totals.

Figure 2: High growth in borrowers from transforming MFIs

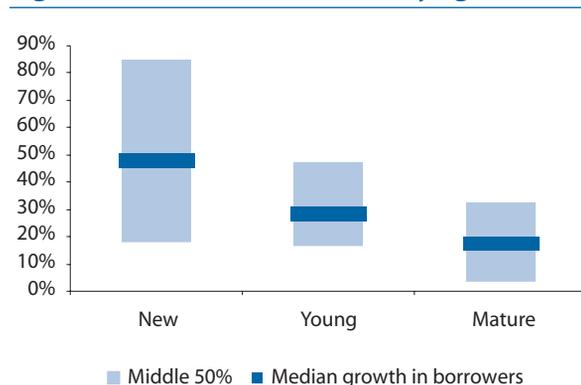


Source: Microfinance Information eXchange, Trend Lines 2003-05 MFI benchmarks. Results are averages.

annually adding 50% more borrowers. It is this group of new institutions, with their small relative client bases, that shows the greatest variance in growth rates, with the middle half of MFIs growing at rates varying from 20% to nearly 90%, as **figure 3** highlights. Maturity generally slows the relative pace at which MFIs build their client base, but even then specific regional examples diverge from the norm.

Around the globe, Asian MFIs and those from the Middle East and North Africa (MENA) exceeded global annual growth rates in borrowers. In Asia, home to some of the world’s largest unserved microfinance markets, leading MFIs grew at rates above 50%, placing them among the top quarter of the world’s fastest growing institutions. Among them, two Indian MFIs grew at rates over 100% for both years despite already serving more than 100,000 clients each. Other Asian markets also saw rapid growth in borrowers, as Bangladesh, Pakistan, Cambodia and the Philippines all had at least one institution in the top 25% of all high growth MFIs. In MENA, a

Figure 3: Growth in borrowers by age



Source: Microfinance Information eXchange, Trend Lines 2003–05 MFI benchmarks. Results are medians, first and third quartiles.

relatively young microfinance region, MFIs in four of the six markets covered in this survey ranked among the top quarter globally. Moroccan MFIs took the top spots, rapidly expanding client outreach even as their market penetration remained higher than in any other country in the region.

... leads a surge in commercial funding ...

Rapid growth in borrowers outreach has been funded by record growth in commercial borrowings. As MIX's 2005 benchmarking analysis already highlighted, 2005 marked a watershed year for commercial funding of microcredit, with the median MFI sourcing more than half its funding from commercial sources, including commercial borrowings and customer deposits. A look at the three year horizon underscores just how rapid this change has been. From just 40% in 2003, the median institution's commercial funding of its loan portfolio jumped to 60% by 2005, an increase of nearly half, as **figure 4** makes evident. This trend holds across nearly every region and every type of institution. In sum, the balance sheets of Trend Lines MFIs held US\$1 billion more in commercial borrowings in 2005 than two years prior. With the rotation of capital on MFI balance sheets over the period, total new commercial borrowings entering these MFIs probably reached a multiple of this amount.

Regulated institutions have helped attract increasing volumes of commercial borrowings to microfinance. Just under half of the additional US\$1 billion was added to balance sheets of NBFIs, with another quarter absorbed by banks. Comparisons to total equity reveal the quickening pace of this trend. In 2003, commercial

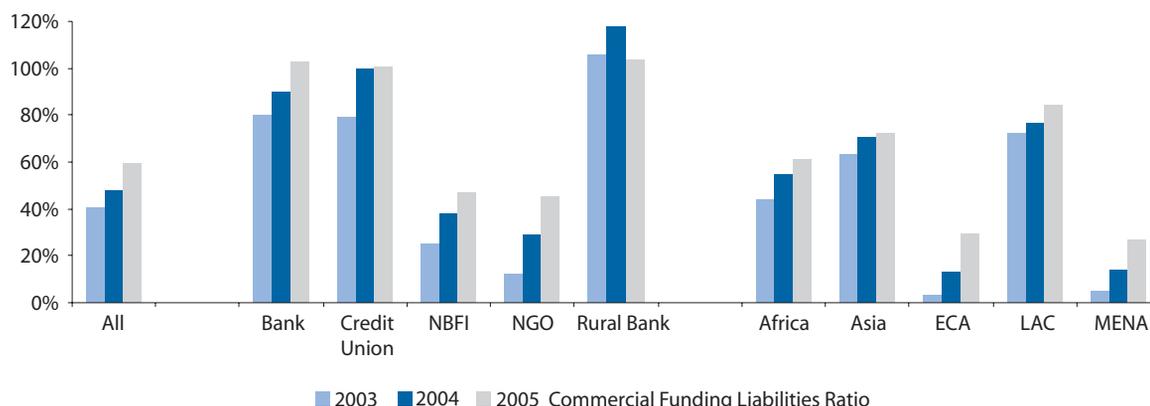
borrowings leveraged NBFIs equity one-to-one, but by 2005 that leverage had increased 50%. The strong uptake in commercial borrowings has also spilled over into unregulated institutions. NGOs, some of the largest service providers globally, added just under a third of the additional commercial funding, but did so at a much lower rate than NBFIs. By the end of 2005, less than 75% of the non profits' capital was leveraged with commercial debt. As commercial investor interest grew during the period, regulated institutions captured the majority of the growing capital flows.

Commercialization is also evident in the quickening pace of commercial financing of the sector. Around the globe, market-priced borrowings grew faster than total loan portfolio. Latin America, the earliest region to commercialize, still accounts for the lion's share of new commercial borrowings, drawing in more than half of the additional market-priced debt. Well ahead of MFIs in other regions, the median Latin American MFI sourced nearly 90% of its loan portfolio from commercial debt and customer deposits by the end of the period. Growth and solid returns attracted investor attention to ECA and MENA, as well. While the median institution remains dependent on donated capital, retained earnings, and concessional debt for financing its microcredit portfolio, the share of commercial borrowings has rapidly increased in both regions, expanding from less than 5% of total loan portfolio in 2003 to over a quarter by 2005.

... attracted by positive but slowly growing returns ...

Around the globe growing returns helped attract greater investor confidence and commercial funding.

Figure 4: Rapid growth in commercial funding of microloan portfolios



Source: Microfinance Information eXchange, Trend Lines 2003–05 MFI benchmarks. Results are medians. NBFIs = Non Bank Financial Institution; NGOs = Non Government Organization; ECA = Eastern Europe and Central Asia; LAC = Latin America and the Caribbean; MENA = Middle East and North Africa.

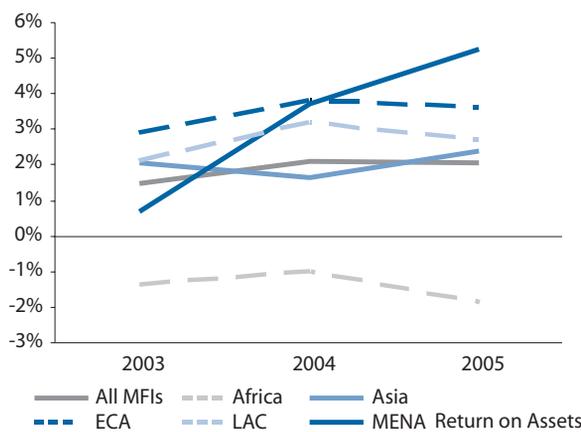
In all regions expect Africa, returns on average assets crept up over the three years, as the gently sloping arcs in **figure 5** depict. In Africa, a combination of high operating costs, low yields and poor portfolio quality continued to drain revenues. MENA institutions, still relatively unfettered by high financing costs, bolstered their earnings by leveraging institutional infrastructure to expand outreach while reducing operating costs.

personnel costs relative to local income levels, as well as a greater incidence of portfolio delinquency. The net result is a median African MFI with negative returns that have deteriorated in the three years. In contrast, the young MFIs in MENA's microfinance sector boosted efficiency in their operations thanks to consistently above average staff productivity, while maintaining strong portfolio quality. The combined gains allowed them to pursue growth in returns over the period, even as financial costs began to rise.

Figure 6 highlights the impact of the rapid expansion in commercial borrowings on overall returns. In all regions except Latin America, financing costs increased relative to average assets over the period, dampening gains in efficiency to produce slower growth in returns. For African MFIs, these additional costs came on top of operations plagued by high

Increasing financial costs also dampened returns for specialized regulated MFIs. Despite small gains in efficiencies over the three years, the median NBFI faced increases in funding costs as the share of commercial debt grew in its funding mix. By the end of the period, funding costs had risen 20% relative to total assets. NGOs managed to continue their strong returns by decreasing operating expenses faster than the rise in financing costs. On the whole, these non profits still ended the period spending a third more on operating expenses than their regulated peers, translating into higher costs of service for microfinance clients.

Figure 5: Growing returns begin to slow

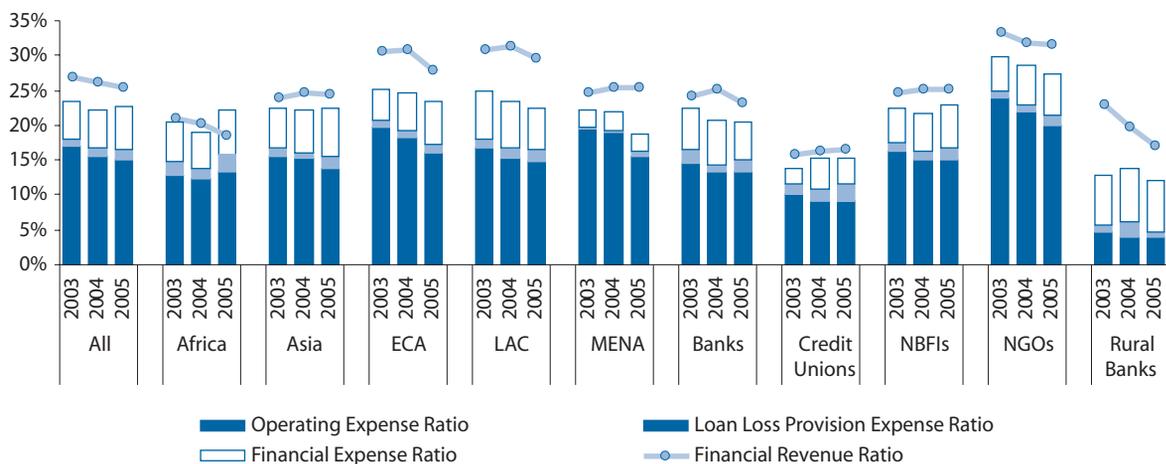


Source: Microfinance Information eXchange, Trend Lines 2003–05 MFI benchmarks. Results are medians. ECA = Eastern Europe and Central Asia; LAC = Latin America and the Caribbean; MENA = Middle East and North Africa.

... and led by market competition that drives down prices.

As the trends of the past years show, greater access to commercial funds helps fuel growth in client outreach. Yet, it also raises the cost structure that the institutions must overcome in order to make a profit. In response to elevating financial expenses that have drained the momentum behind rising returns, MFIs have had to continually strive to reduce operating costs to keep their margins. Successful ones achieved greater

Figure 6: Rising finance costs dampen returns



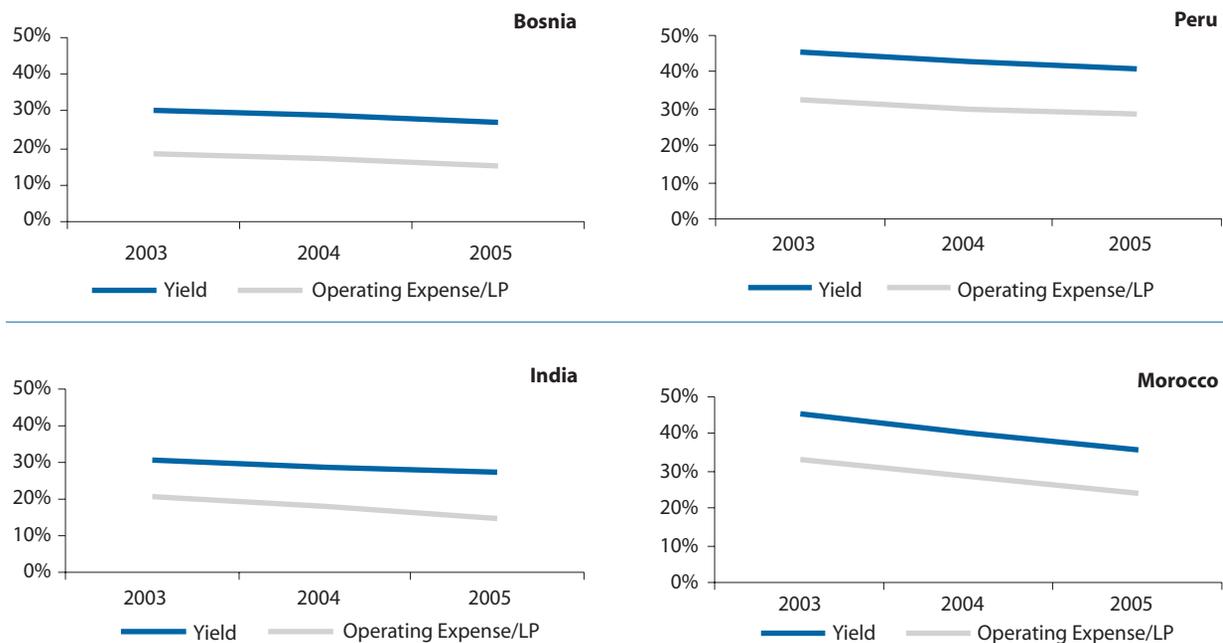
Source: Microfinance Information eXchange, Trend Lines 2003–05 MFI benchmarks. Results are medians. NBFi = Non Bank Financial Institution; NGO = Non Government Organization; ECA = Eastern Europe and Central Asia; LAC = Latin America and the Caribbean; MENA = Middle East and North Africa.

efficiency through better product development and roll-out, improved staff training, streamlined processes, new technologies and other systems and procedures. The momentum behind these changes often allows MFIs to maintain their margins while also passing lower prices along to their clients.

While few countries have national competitive microfinance markets, many have seen competition heat up in recent years in major urban centers. **Figure 7** shows the results of this competition and increased efficiency across four countries on four separate continents, but the same trend holds for a dozen other markets included in this Trend Lines. Across the board, operating costs have come down, by nearly ten points in places like Morocco where rapid market expansion in the past few years has put leading MFIs in closer proximity with one another and with second tier institutions. At the same time, Indian MFIs decreased their already low operating costs by nearly a third and started to lower their price to customers, even before the March 2006 crisis and political pressure brought them down further still. The end result is the same: increasingly efficiency leading MFIs define the lower bounds of service delivery costs, bringing down rates for microfinance clients.

Improving efficiency is just one of the challenges that microfinance institutions face: scaling up service delivery, training and retaining human talent, improving systems and procedures, diversifying product offering, retaining clients, and sourcing adequate funding. Yet, this Trend Lines sample shows that leading institutions are resilient in the face of these challenges. With the strong entry of commercial funding into microfinance, the hurdle in accessing funding will shift back to institutional capacity and the ability of other market actors to structure and sell the appropriate financial products for MFIs to grow. Strong growth in start-up and transforming MFIs demonstrates the continued potential for institution-based outreach in reaching massive market demand, even as new technology-based delivery channels offer the promise of services at altogether different magnitudes. In the end, though, bringing down MFI transaction costs remains the greatest challenge. Few institutions outside South Asia deliver services below the ten cent mark, and in most regions, efficient MFIs hover around 20% operating costs. Facing and overcoming most of the challenges cited above will translate into lower costs. How much lower? MIX Trend Lines will track and report on these and other market developments over the coming years.

Figure 7: Costs drop in competitive markets along with prices



Source: Microfinance Information eXchange, Trend Lines 2003-05 MFI benchmarks. Results are averages.

BULLETIN HIGHLIGHTS

MICROBANKING BULLETIN, ISSUE 14, SPRING 2007

This article uses econometric analysis to explore current issues in microfinance and further exploit the wealth of data in MIX's database. It presents summary findings of regression analysis, highlights research questions and areas for further exploration, and invites reaction. Readers are encouraged to contact the author with feedback on the analytical model or examples of cases that may or may not fit its findings. Researchers can find a full econometric discussion of this research and preliminary results online at: www.themix.org.

Recent developments in the financing of microfinance have focused on the underlying microfinance portfolio. In the case of the BRAC securitization described in detail in this issue of the MicroBanking Bulletin, this can mean the packaging and selling of securities based on the microloan portfolio and its repayment performance. In other instances, service company models delink the MFI from the portfolio by having the MFI manage funds on behalf of another financial institution, like Ameen in Lebanon or Sogesol in Haiti. Banks entering microfinance, like ICICI Bank in India, have used portfolio buy-outs to gain market share, while leaving the microfinance institution to manage collection and recovery.

All these transactions rely on managing the risk implicit in the microcredit portfolio, while explicitly attempting to eliminate or reduce institutional credit risk. Investors and analysts are left to judge portfolio risk, including its resilience to crises, economic downturns and other shocks that might disrupt the economic activity of the microborrower and reduce her ability to repay her loan.

Conventional wisdom and case studies¹ have long pointed to the resilience of microfinance to

macroeconomic shocks. To date, however, global studies analyzing these dynamics among large number of MFIs and countries have yet to appear².

In an attempt to fill this gap, the author scoured MIX's global MFI data set in search of quantitative evidence of impact of macroeconomic shocks on the quality of microfinance loan portfolios. Using regression analysis techniques we control for those observable variables that may have an impact on the quality of the portfolio such as the size of an institution, its years of experience as a microcredit provider, its clients' average loan balance, key factors in its cost structure, staff productivity and salaries, and lending methodology. In the country context, we look at inflation, commercial lending interest rate, the relative pool of financial assets in the economy, and changes in GNI per capita. The following analysis shows that after controlling for MFI and country characteristics, we find no evidence suggesting a strong relationship between changes in GNI per capita (GROWTH) and four indicators of MFI portfolio risk: Portfolio at Risk over 30 Days (PAR 30), Portfolio at Risk over 90 Days (PAR 90), Loan loss Rate (LLR), and Write-off Ratio (WOR). The results suggest that microfinance portfolios have high resilience to economic shocks.

The sample used for this analysis draws on 811 MFIs in 88 countries reporting data to the Microfinance Information Exchange, Inc. (MIX), mainly in the period 1999–2005, with eight MFIs reporting as early as 1996.

¹ McGuire, Paul B., *The Asian Financial Crisis — Some Implications for Microfinance*, The MicroBanking Bulletin, No. 2, July 1998, pp. 9–12; Xavier Reille and Dominique Gallmann, *Impacts of the Asian Financial Crisis on Indonesia's People's Credit Banks*, Journal of the Asian and Pacific Development Centre, 2002.; Thierry Benoit Calderón, *Micro-bubble or Macro-immunity? Risk and Return in Microfinance: Lessons from Recent Crisis in Latin America*, in: *Microfinance Investment Funds. Leveraging Private Capital for Economic Growth and Poverty Reduction*, edited by Matthaus-Maiwer and J.D. von Pischke, 2006. Adrian Gonzalez and Claudio Gonzalez-Vega, *Sobreendeudamiento en las Microfinanzas Bolivianas, 1997–2001*, Rural Finance Program, The Ohio State University, 2003.

² Krauss, Nicolas and Ingo Walter, *Can Microfinance Reduce Portfolio Volatility?*, 2006, is an exception.

All told these MFIs represent 36 million borrowers with US\$13.6 billion in loan portfolio.

Low correlation with growth rate of GNI per capita

Economic growth and portfolio risk across the sample do not move in lock step. Correlation between asset quality — either risk or default — and economic shock range from -7% to -4% for a sample of between 1,431 and 2,412 observations depending on the specific risk variable, as shown in **table 1**. The correlation coefficients for the 10 countries with the largest sub samples are also shown in the table.

As the data demonstrate, there is no consistent pattern on the sign or magnitude of the relationships, ranging from negative 64% to positive 20%. Portfolio risk does not track with changes in underlying economic conditions in the country.

The very low magnitude of the overall correlation coefficients and the inconsistent pattern of results for the countries highlighted in **table 1** are not enough to argue for the resilience of MFIs to macroeconomic shocks. For more robust conclusions, we use regression analysis to evaluate the effect of different factors on this relationship:

- To assess if different loan sizes have an impact on portfolio quality, we explore the impact of loan size on the relationship between economic crises and portfolio risk. In addition, we explore whether the impact of changes in GNI per capita depends on the relative sizes of loans disbursed.
- To explore the possibility of a time delay between the onset of a crisis and its impact

on portfolio risk, we estimate the same model twice, using current and prior year's change in GNI per capita.

- As higher interest rates on loans may increase risk of default, we use yields in our analysis to control for higher risk associated with higher interest rates.
- While actual portfolio monitoring cannot be measured, productivity is analyzed as a proxy for monitoring. Similarly, average salaries are used to account for the level and quality of human resources deployed in originating loans and monitoring for default.
- Finally, various macroeconomic variables, such as changes in price levels and depth of the financial system are analyzed to account for differences between countries.

Microloans resilient to macroeconomic changes

Our model shows no relationship between changes in GNI per capita and asset quality. Specifically, regression results show no statistically significant relationship with PAR 90 and LLR. In all analyses for these two variables, the coefficients associated with GROWTH were not statistically significant, even when estimating different impacts according to relative loan size. For PAR 30 and WOR, one significant relationship was found; however, the magnitude of the impact is very small. We also isolated and examined the relationship between measures of risk and negative growth (economic downturns and crises), excluding positive growth (economic upswings or booms). In this analysis, correlations for measures of risk, including PAR 30

Table 1 Correlation of MFI portfolio risk with growth rate of GNI per capita: 1999–2005

	All 88 countries	Bosnia and Herzegovina	Bangladesh	Bolivia	Colombia	Ecuador	India	Indonesia	Nicaragua	Peru	Philippines
PAR 30	-6%	16%	7%	-39%	-2%	14%	-17%	5%	-9%	-14%	-1%
	2,412	70	115	85	73	105	112	57	77	145	128
PAR 90	-5%	13%	-22%	-31%	-7%	-4%	-26%	9%	-14%	0%	5%
	1,431	64	29	70	56	47	62	43	55	102	98
LLR	-4%	-10%	14%	4%	-33%	-2%	-4%	-64%	-18%	14%	12%
	1,432	64	29	70	56	47	62	43	55	102	98
WOR	-7%	-5%	8%	-3%	-12%	10%	-5%	-7%	-19%	20%	18%
	2,281	70	105	82	65	103	112	57	77	134	124

and PAR 90, increased, but those for measures of loss did not. In short, economic crises showed up in increased delinquency, but not in eventual default. Assets were stressed, but not unrecoverable.

Overall, analysis shows that other unobserved variables are more important in explaining changes in portfolio risk. This result is not surprising. Industry analysts have long argued that the most important factors determining the risk in an MFI's portfolio are related to their management and human resources, quality of MIS, governance, credit policies, mission and commitment to sustainability. Similarly, other factors such as poor market infrastructure (e.g. lack of roads or remoteness) or other factors affecting the client population (e.g. long term poor health conditions due poor sanitary conditions or widespread chronic illness like HIV/AIDS) may impact repayment. These are all very important factors but ones for which no consistent, reliable data exist on a significant scale. With the exception of commitment to sustainability, none of these are specifically incorporated into the current analysis.

What have we learned?

Data available for modeling the risk of MFI portfolios are limited. Despite the breadth of data available through MIX data sets, the explanatory power of

existing variables is limited. The data themselves also pose challenges. Little variability in portfolio risk and loss exists among MFIs reporting to MIX. On one end, an MFI never improves risk or loss beyond zero percent. On the other end, MFIs that report data to MIX are more transparent, have basic reporting systems to capture and report on key financial and operational statistics, and are hence more likely to use and act upon the information to prevent crises, including repayment crises, within their institutions. As a result, where there exists a notional maximum risk or loss of 100%, reported results lie mostly in a tight range between zero and three percent.

The analysis still holds important lessons for investors looking to bundle and sell securities backed by microloan portfolios or buy the microloan portfolios themselves. Evidence to date would indicate that the quality of such assets stands up to economic downturns. Our model finds nothing significant to suggest otherwise. However, given the importance of other factors such as management and governance, business processes, and product design and the likelihood that they influence portfolio risk, this analysis suggests that the quality of the originator of those loans matters even more than the downturns in the economic environment in which the microborrowers operate. Even when buying microloan portfolios, choosing the right partner MFI is still the best guarantee of success.

Setting up Peer Groups

The Bulletin Tables are designed to present performance benchmarks against which managers and directors of microfinance institutions can compare their institution's performance with that of similar institution. Since the microfinance industry consists of a range of institutions and operating environments, some with very different characteristics, an MFI should be compared to similar institutions for the reference points to be useful.

The Bulletin Tables address this issue with a peer group framework. Peer groups are sets of programs that have similar characteristics—similar enough that their managers find utility in comparing their results with those of other organizations in their peer group. The Bulletin Tables present peer groups on two bases: simple and compound peer groups.

Simple Peer Groups look at MFIs based on a single characteristic. This allows users to analyze performance based on a common factor, such as age, location or scale of operations. MFIs have been grouped according to the following ten characteristics for this edition of the Bulletin:

- 1) **Age:** The Bulletin Tables classify MFIs into three categories (new, young, and mature) based on the maturity of their microfinance operations. This is calculated as the difference between the year they started their microfinance operations and the year of data submitted by the institutions.
- 2) **Charter Type:** The charter under which the MFIs are registered is used to classify the MFIs as banks, credit unions/cooperatives, NGOs, and non bank financial institutions.
- 3) **Financial Intermediation:** This classification measures the extent to which an MFI intermediates between savers and borrowers, funding its assets through mobilized deposits.

It is calculated as a percentage of total assets funded by voluntary savings.

- 4) **Lending Methodology:** Performance may vary by the way the institution delivers its loan products and serves borrowers. The Bulletin Tables present MFIs based on the primary methodology used, determined by the number and volume of loans outstanding.
- 5) **Outreach:** Scale of outreach is measured as the total number of borrowers served.
- 6) **Profit Status:** According to their registration, MFIs are classified as 'not for profit' and 'for profit' institutions.
- 7) **Region:** MFIs are divided into five main geographic region: Africa, Asia, Eastern Europe and Central Asia (ECA), Latin America, and Middle East and North Africa (MENA).
- 8) **Scale:** Institutional scale is measured by the size of an institution's loan portfolio in U.S. USD. The measure of scale is regionalized to reflect differences in income levels across regions.
- 9) **Sustainability:** MFIs are grouped according to their level of financial self-sufficiency, representing their ability to cover all costs on an adjusted basis.
- 10) **Target Market:** The Bulletin Tables classify MFIs into three categories—low-end, broad, and high-end—according to the average balance of loans served. For international comparison, this balance is stated as a percentage OF local income levels (GNI per capita).

Compound Peer Groups use a more complex set of variables to analyze MFI performance. This creates benchmarks where institutions have a greater number of similar factors affecting performance. The Bulletin Tables consider two main indicators in forming these groups: 1) Region; and 2) Scale.

A third indicator is used to further group similar institutions. Past editions of the Bulletin Tables have traditionally used Target market as a final grouping factor. Given the growth of retail financial intermediation, both within the industry and in the Bulletin Tables data set, Financial Intermediation has become a more decisive factor for comparing MFIs. Either one factor or the other is used in this edition, depending on the distribution within the resulting compound peer group.

Peer Group Composition

The quantitative criteria used to categorize these groups are summarized in Table 1. The entire sample of institutions that fall into these categories is located in the guide to the peer groups (pages 55 to 69). Confidentiality limits the publication of names of financially self-sufficient MFIs included in the database.

More detailed information about each institution can be found in Appendix II.

Data Quality and Statistical Issues

Since the Bulletin Tables rely primarily on self-reported data, we grade the quality of the information based on the degree to which we have independent verification of its reliability. The data quality grade is not a rating of the institution's performance. In the statistical tables that follow, the median values are displayed for each indicator. This represents a change from previous editions of the Bulletin Tables, where averages have been reported. For more details on both Data Quality and Statistical Issues, see Appendix I.

Table 1 Peer Group Criteria			
Group	Categories	Criteria	
Age	New	1 to 4 years	
	Young	5 to 8 years	
	Mature	over 8 years	
Charter Type	Bank		
	Credit Union		
	NBFI		
	NGO		
	Rural Bank		
Financial Intermediation	Non FI	No voluntary savings	
	Low FI	Voluntary savings < 20% of total assets	
	High FI	Voluntary savings ≥ 20% of total assets	
Lending Methodology	Individual		
	Solidarity Group		
	Individual/Solidarity		
	Village Banking		
Outreach	Large	Number of Borrowers > 30,000	
	Medium	Number of Borrowers 10,000 and 30,000	
	Small	Number of Borrowers < 10,000	
Profit Status	For Profit	Registered as a for profit institution	
	Not for Profit	Registered in a non profit status	
Region	Africa	Sub-Saharan Africa	
	Asia	South & East Asia	
	ECA	Europe & Central Asia	
	LAC	Latin America & the Caribbean	
	MENA	Middle East & North Africa	
Scale (Gross Loan Portfolio, in USD)	Large	Africa, Asia, ECA, MENA	> 8 million
		Latin America	> 15 million
	Medium	Africa, Asia, ECA, MENA	2 million to 8 million
		Latin America	4 million to 15 million
	Small	Africa, Asia, ECA, MENA	< 2 million
		Latin America	< 4 million
Sustainability	Non FSS	Financial Self-Sufficiency < 100%	
	FSS	Financial Self-Sufficiency ≥ 100%	
Target Market (*Depth = Average Loan Balance per Borrower/ GNI per Capita)	Low end	depth* < 20% OR average loan size < USD150	
	Broad	depth* between 20% and 149%	
	High end	depth between 150% and 250%	
	Small Business	depth over 250%	

Abbreviations: ECA = Eastern Europe and Central Asia; FI = Financial Intermediary; FSS = Financially Self-Sufficient; LAC = Latin America and the Caribbean; MENA = Middle East and North Africa; NBFI = Non Bank Financial Institution; NGO = Non Governmental Organization

Trend Lines 2003–05 MFI Benchmarks																			
Median	Number of MFIs			Age			INSTITUTIONAL CHARACTERISTICS			Offices			Personnel			Capital/Asset Ratio			
	Units: Year:	nb 2003	nb 2004	nb 2005	nb 2003	nb 2004	nb 2005	US\$ 2003	US\$ 2004	US\$ 2005	nb 2003	nb 2004	nb 2005	nb 2003	nb 2004	nb 2005	% 2003	% 2004	% 2005
PEER GROUP																			
All		200	200	200	8	9	10	5,783,777	7,432,540	10,230,758	12	15	17	94	121	141	39.7	34.0	29.5
SIMPLE PEER GROUPS																			
Age																			
New		28	16	9	3	3	4	1,672,327	2,152,607	5,157,856	7	8	12	46	65	123	56.4	55.3	47.1
Young		80	79	70	6	7	7	3,842,941	5,436,518	7,299,052	11	12	10	74	76	87	49.3	39.5	35.9
Mature		92	105	121	13	13	13	9,687,213	11,707,321	13,618,025	18	17	20	167	204	202	29.0	28.1	24.8
Charter Type																			
Bank		20	21	22	10	11	12	24,518,884	35,195,336	60,772,920	31	33	38	239	318	386	17.4	15.7	13.4
Credit Union		13	13	13	8	9	10	16,782,588	15,600,061	15,901,075	15	20	20	51	70	96	18.4	22.5	19.7
NBFI		66	72	73	6	7	8	6,260,323	8,694,602	11,483,747	12	14	15	88	112	112	43.1	36.2	30.8
NGO		87	80	78	9	10	11	3,823,001	5,239,066	7,852,759	12	15	21	92	122	151	50.9	47.2	39.1
Rural Bank		13	13	13	12	13	14	1,522,553	1,580,238	1,656,664	1	1	1	23	21	21	16.1	17.8	17.6
Financial Intermediation																			
Non FI		111	112	110	7	8	9	3,950,496	6,445,333	8,371,327	11	14	15	72	98	111	52.7	47.2	37.3
Low FI		36	33	32	6	7	8	3,349,587	3,770,652	4,830,334	13	15	17	114	124	145	43.9	44.3	40.9
High FI		53	55	58	13	14	14	19,018,064	24,590,556	26,977,286	18	20	20	201	204	248	16.2	17.4	16.8
Methodology																			
Individual		63	66	63	11	12	13	8,573,410	12,387,915	11,586,718	9	11	14	77	96	100	20.9	22.7	21.6
Individual/Solidarity		81	89	102	7	8	9	7,564,208	9,579,906	12,901,612	15	17	22	123	150	189	47.2	45.7	33.0
Solidarity		31	23	17	5	6	9	1,318,707	1,870,888	4,165,787	9	9	17	62	65	170	45.0	44.3	39.7
Village Banking		25	22	18	8	9	11	2,474,031	3,688,361	3,183,611	13	14	9	87	129	97	68.4	51.0	51.7
Outreach																			
Small (Outreach)		95	84	68	6	7	9	1,767,114	2,438,629	3,123,091	6	6	6	43	46	46	47.2	41.8	37.0
Medium (Outreach)		53	51	60	10	9	9	8,002,460	10,597,461	9,447,732	15	16	14	117	126	137	35.4	34.4	30.9
Large (Outreach)		52	65	72	12	12	13	28,366,418	31,396,760	34,443,804	37	41	47	357	391	443	32.3	27.8	24.0
Profit Status																			
For Profit		69	74	76	10	11	11	7,564,208	9,934,315	14,085,451	11	15	15	123	172	214	28.0	22.5	19.6
Non Profit		131	126	124	7	8	9	4,746,476	6,516,836	8,791,542	13	15	17	83	98	113	45.0	43.2	36.7
Region																			
Africa		41	41	41	6	7	8	3,867,448	7,664,802	8,525,936	15	15	16	116	150	215	43.0	33.5	27.6
Asia		50	50	50	11	12	13	3,734,084	5,206,467	7,130,166	13	16	21	127	152	218	27.6	30.0	21.6
ECA		43	43	43	6	7	8	2,671,779	4,035,318	8,057,205	9	12	11	47	57	72	62.0	55.8	44.0
LAC		50	50	50	13	14	15	11,298,968	15,893,575	19,664,800	14	15	20	123	159	194	24.4	24.0	21.2
MENA		16	16	16	7	8	9	5,779,488	6,699,149	10,291,481	12	15	16	80	91	124	76.5	73.5	60.8
Scale																			
Small (Scale)		80	61	46	6	7	9	1,364,988	1,369,353	1,509,059	6	6	7	44	43	49	52.4	46.2	43.5
Medium (Scale)		67	68	66	9	9	9	7,236,128	6,706,820	6,740,115	13	14	11	117	124	107	38.6	43.7	35.5
Large (Scale)		53	71	88	10	11	12	30,525,006	32,338,796	35,481,532	32	34	35	311	323	374	23.8	27.6	24.1
Sustainability																			
FSS		126	141	142	10	10	10	8,467,129	10,597,461	13,308,971	15	16	21	109	121	166	34.3	31.5	28.2
Non FSS		74	59	58	6	7	9	2,351,431	3,784,287	4,475,655	10	10	11	74	111	108	52.4	48.8	36.9
Target Market																			
Low end		84	78	68	8	9	10	2,926,527	4,131,392	5,915,843	12	15	15	106	140	181	46.7	45.9	37.3
Broad		94	101	105	7	8	9	6,984,198	10,229,068	12,363,914	12	14	17	88	110	131	33.2	28.4	27.3
High end		12	14	19	10	11	13	21,184,894	33,186,342	48,508,888	17	19	31	94	117	318	30.3	17.6	19.7
Small Business		10	7	8	12	12	13	15,746,393	32,005,490	25,314,638	7	24	9	97	201	130	18.8	28.5	28.9
COMPOUND PEER GROUPS																			
Africa Small		17	12	11	5	6	6	1,038,761	1,211,597	1,821,861	6	6	9	71	59	75	59.8	50.6	47.6
Africa Medium		9	11	12	9	9	11	6,416,004	5,436,518	7,495,539	15	12	14	167	143	155	39.1	35.9	30.9
Africa Large		15	18	18	13	11	12	31,469,056	33,383,940	40,279,904	44	50	41	264	321	360	28.2	27.7	24.6
Africa Non FSS		23	22	27	5	6	8	1,957,061	3,894,470	5,809,590	10	10	14	88	124	134	56.9	46.6	35.8
Africa FSS		18	19	14	10	10	10	20,913,446	32,005,490	34,339,456	29	30	28	213	255	304	28.6	28.2	24.6
Asia Small		22	20	15	10	11	13	892,340	1,194,671	1,054,736	6	6	1	40	40	21	29.0	30.2	22.4
Asia Medium		20	18	17	12	13	11	6,085,095	6,706,820	6,580,175	17	24	15	199	220	213	20.5	25.5	19.4
Asia Large		8	12	18	12	13	14	35,215,884	29,990,794	20,475,574	103	94	101	1,152	933	867	37.6	32.4	28.0
Asia Non FSS		18	16	15	8	9	10	2,398,813	2,242,800	2,940,992	13	12	10	100	128	114	16.2	33.6	22.4
Asia FSS		32	34	35	12	13	13	4,476,548	6,706,820	8,844,071	12	20	41	165	220	335	31.5	27.9	20.8
ECA Small		22	12	7	5	6	7	1,652,408	1,393,820	1,285,086	5	5	6	29	26	30	80.5	78.0	69.2
ECA Medium		13	16	20	6	6	7	6,838,049	3,915,802	4,218,536	13	9	6	47	57	53	69.1	78.0	63.6
ECA Large		8	15	16	6	7	8	16,495,096	13,755,666	16,787,288	22	23	27	86	85	99	39.3	34.4	30.4
ECA Non FSS		14	8	6	5	6	7	2,128,398	3,883,282	3,677,450	5	5	7	34	45	52	68.1	87.6	70.4
ECA FSS		29	35	37	6	7	8	4,793,287	7,263,503	8,095,054	13	13	13	57	62	75	62.0	49.1	34.2
LAC Small		14	13	11	9	11	12	1,996,091	2,334,394	3,151,721	6	5	5	40	39	54	50.9	54.5	59.1
LAC Medium		17	15	10	13	14	17	9,821,069	12,202,040	10,965,669	12	11	14	115	137	108	25.7	28.4	23.3
LAC Large		19	22	29	14	15	15	52,651,332	65,128,636	67,918,512	24	32	29	311	327	372	15.1	15.6	17.0
LAC Non FSS		11	7	6	17	18	16	3,950,496	4,491,874	5,250,966	9	15	8	81	110	74	50.9	26.7	20.4
LAC FSS		39	43	44	12	13	15	14,957,332	17,288,424	21,792,936	15	15	21	151	172	245	23.8	23.8	21.5
MENA Small		5	4	n/a	7	8	n/a	1,418,162	2,241,762	n/a	12	12	n/a	49	48	n/a	75.8	57.5	n/a
MENA Medium		8	8	7	7	7	9	6,016,021	6,699,149	6,677,120	11	12	10	77	91	79	84.5	75.5	68.4
MENA Large		3	4	7	6	8	8	28,491,986	33,435,770	35,254,180	75	65	54	421	590	433	61.9	66.1	38.4
MENA Non FSS		8	6	4	7	9	11	6,016,021	9,180,730	13,993,293	12	14	14	85	125	142	78.0	73.9	78.6
MENA FSS		8	10	12	7	7	8	3,401,732	6,077,935	8,243,589	14	17	20	77	91	124	76.5	70.6	48.3

Trend Lines 2003–05 MFI Benchmarks																					
PEER GROUP	FINANCING STRUCTURE																		OUTREACH INDICATORS		
	Commercial Funding Liabilities Ratio			Debt/ Equity Ratio			Deposits to Loans			Deposits to Total Assets			Gross Loan Portfolio/ Total Assets			Number of Active Borrowers					
	Units: Year:	% 2003	% 2004	% 2005	x 2003	x 2004	x 2005	% 2003	% 2004	% 2005	% 2003	% 2004	% 2005	% 2003	% 2004	% 2005	nb 2003	nb 2004	nb 2005		
All	40.3	47.9	59.1	1.4	1.9	2.3	-	-	-	-	-	-	76.4	78.4	80.1	10,968	14,426	16,755			
SIMPLE PEER GROUPS																					
Age																					
New	10.4	37.3	67.0	0.7	0.5	0.1	-	1.3	-	-	1.0	-	67.0	72.5	65.6	5,346	8,523	10,052			
Young	23.3	30.5	35.8	0.9	1.3	1.8	-	-	-	-	-	-	77.9	78.2	80.6	7,250	8,435	11,573			
Mature	62.9	61.8	70.2	2.5	2.6	2.9	3.8	1.8	0.2	2.3	1.6	0.1	76.3	79.2	80.4	24,290	26,034	25,018			
Charter Type																					
Bank	80.5	90.2	102.7	3.9	3.6	5.6	46.1	54.3	72.2	31.8	40.2	50.3	69.0	75.1	65.7	29,868	39,038	53,922			
Credit Union	78.8	100.1	100.2	4.4	3.4	4.1	70.5	80.1	84.1	57.5	60.6	64.4	70.4	74.1	76.8	13,115	17,438	18,090			
NBFI	25.2	38.3	46.9	1.3	1.8	2.3	-	-	-	-	-	-	77.2	78.5	80.0	8,097	11,170	14,345			
NGO	12.5	29.1	45.5	0.9	1.0	1.6	-	-	-	-	-	-	78.2	80.8	81.9	12,564	15,296	16,193			
Rural Bank	106.0	117.6	103.5	5.2	4.6	4.7	97.4	117.6	103.5	71.4	72.0	76.2	75.3	63.1	76.5	1,479	1,517	1,521			
Financial Intermediation																					
Non FI	9.0	24.3	42.3	0.9	1.1	1.7	-	-	-	-	-	-	81.4	82.3	83.0	7,253	12,020	13,509			
Low FI	19.9	30.0	26.8	1.2	1.2	1.3	7.8	5.4	4.8	5.0	4.0	3.7	68.0	73.4	75.7	13,211	12,748	18,968			
High FI	97.6	96.8	100.4	4.9	4.4	4.9	81.2	73.9	77.2	58.0	58.6	60.3	71.9	73.8	75.1	20,995	24,404	27,368			
Methodology																					
Individual	89.5	86.8	85.8	3.3	3.2	3.6	45.8	36.8	30.7	32.0	33.8	27.5	81.0	80.7	80.7	7,114	9,029	8,900			
Individual/Solidarity	26.2	34.0	55.2	1.1	1.2	1.9	-	-	-	-	-	-	78.0	78.4	80.2	12,358	16,731	19,573			
Solidarity	9.6	30.0	24.7	1.2	1.3	1.5	-	-	-	-	-	-	66.7	72.4	71.7	7,203	9,301	14,454			
Village Banking	19.5	32.3	37.0	0.4	1.0	1.0	-	-	-	-	-	-	72.1	79.3	78.3	17,667	20,905	17,461			
Outreach																					
Small (Outreach)	24.3	34.2	49.8	1.0	1.2	1.6	-	-	-	-	-	-	76.7	76.1	79.3	3,735	4,682	4,694			
Medium (Outreach)	39.9	45.4	56.1	1.8	1.9	2.2	-	-	-	-	-	-	78.6	80.4	80.4	17,642	17,438	16,122			
Large (Outreach)	56.8	66.5	70.6	2.1	2.6	3.0	5.8	2.3	1.3	4.5	1.6	0.9	73.8	78.1	80.3	61,132	64,697	74,111			
Profit Status																					
For Profit	72.8	84.1	84.1	2.6	3.3	3.8	33.4	31.8	32.3	26.0	23.5	22.8	71.1	74.0	75.8	14,002	20,551	27,065			
Non Profit	22.9	33.3	48.1	1.0	1.2	1.7	-	-	-	-	-	-	81.0	81.7	81.9	9,672	12,020	14,348			
Region																					
Africa	44.1	54.6	61.2	1.3	2.0	2.6	12.6	13.6	12.0	10.6	8.8	9.0	66.7	70.2	71.9	17,200	19,912	19,846			
Asia	62.9	70.2	72.3	2.1	2.2	2.9	4.1	2.6	3.4	2.8	1.8	2.6	74.2	77.3	76.0	14,798	23,268	32,869			
ECA	3.1	13.0	29.4	0.6	0.8	1.3	-	-	-	-	-	-	85.0	87.5	86.9	4,906	5,442	7,383			
LAC	72.5	76.7	84.4	3.1	3.1	3.7	-	-	-	-	-	-	81.0	81.0	82.4	17,667	22,501	27,407			
MENA	5.2	13.9	27.0	0.3	0.4	0.7	-	-	-	-	-	-	78.6	71.1	79.4	8,931	10,783	15,898			
Scale																					
Small (Scale)	12.7	39.4	44.8	0.8	1.0	1.3	-	-	-	-	-	-	73.9	73.4	74.7	4,481	4,944	6,114			
Medium (Scale)	37.5	44.6	50.7	1.6	1.3	1.7	-	-	-	-	-	-	76.5	78.0	78.6	17,617	14,862	10,991			
Large (Scale)	72.0	59.7	70.6	3.2	2.6	3.0	36.1	6.4	0.1	27.3	5.1	0.1	79.6	81.1	81.5	45,021	41,888	54,595			
Sustainability																					
FSS	54.4	50.1	60.9	1.8	2.1	2.5	-	-	-	-	-	-	81.0	80.3	80.7	13,323	15,885	23,043			
Non FSS	12.2	17.5	47.8	0.8	1.0	1.5	-	-	3.3	-	-	2.6	67.6	74.3	75.9	7,209	11,531	13,311			
Target Market																					
Low end	12.7	35.3	40.5	0.9	1.1	1.7	-	-	-	-	-	-	72.6	76.2	74.7	18,026	21,687	27,730			
Broad	54.4	54.6	63.3	1.9	2.5	2.4	-	-	-	-	-	-	80.2	80.2	82.3	7,205	10,527	12,945			
High end	73.6	97.6	95.3	2.3	4.7	4.1	3.9	58.4	54.1	3.4	48.0	43.7	79.1	79.5	76.8	10,973	13,786	42,350			
Small Business	97.6	39.4	63.4	4.4	2.5	2.7	82.0	7.9	43.5	55.7	7.1	35.1	77.0	75.1	80.5	5,139	12,903	10,942			
COMPOUND PEER GROUPS																					
Africa Small	12.6	37.2	28.9	0.7	1.0	1.1	1.6	7.5	4.8	1.0	4.6	3.5	64.7	66.4	68.1	6,423	8,692	12,151			
Africa Medium	61.2	51.6	61.1	1.6	1.8	2.3	21.0	2.5	9.8	14.5	1.7	6.9	70.0	75.1	79.5	24,103	20,600	18,527			
Africa Large	70.5	74.1	76.9	2.5	2.6	3.1	65.4	35.6	39.2	45.5	26.2	27.2	65.8	69.4	73.3	44,796	46,588	62,779			
Africa Non FSS	20.8	40.2	54.6	0.8	1.2	1.8	10.9	5.3	7.6	7.5	3.1	5.2	66.5	70.5	73.4	11,346	17,427	15,602			
Africa FSS	65.7	68.6	76.9	2.5	2.6	3.1	38.4	32.1	32.3	26.6	24.1	23.2	68.0	67.9	70.1	27,615	35,787	44,113			
Asia Small	90.8	92.3	93.1	2.0	2.0	3.5	10.5	8.7	71.8	7.5	5.8	60.3	70.7	64.2	67.7	3,594	4,187	1,521			
Asia Medium	61.2	70.2	79.7	3.3	3.0	2.4	2.7	2.1	3.4	1.5	1.7	2.2	73.5	78.0	76.0	35,608	42,155	29,516			
Asia Large	56.8	41.1	48.1	1.7	2.1	2.6	18.6	0.9	0.5	15.4	0.6	0.3	79.9	82.3	81.9	161,426	137,325	146,230			
Asia Non FSS	24.8	63.5	67.0	2.0	1.6	1.7	-	-	2.2	-	-	1.1	65.9	78.5	75.9	10,140	14,349	12,893			
Asia FSS	67.7	70.2	72.7	2.1	2.5	3.8	25.7	14.5	3.5	22.4	10.8	3.0	77.8	74.3	76.5	27,266	42,155	67,982			
ECA Small	-	2.1	17.4	0.2	0.3	0.4	-	-	-	-	-	-	84.6	85.3	83.0	1,991	1,565	1,948			
ECA Medium	14.5	2.4	12.4	0.4	0.3	0.6	-	-	-	-	-	-	81.5	82.4	78.7	6,227	5,470	4,662			
ECA Large	20.3	24.5	54.3	1.5	1.9	2.3	-	-	-	-	-	-	89.9	91.5	90.3	9,681	10,294	14,939			
ECA Non FSS	3.0	-	13.0	0.5	0.1	0.4	-	-	-	-	-	-	79.4	78.3	80.8	1,659	2,080	1,846			
ECA FSS	3.1	21.1	35.9	0.6	1.0	1.9	-	-	-	-	-	-	86.3	87.9	88.2	5,376	6,388	8,752			
LAC Small	46.5	40.9	41.6	1.0	0.8	0.7	-	-	-	-	-	-	83.2	81.6	83.0	5,990	6,005	7,216			
LAC Medium	50.3	74.6	88.1	2.9	2.5	3.3	-	-	-	-	-	-	80.1	80.9	77.8	17,617	14,706	9,797			
LAC Large	90.5	91.6	88.0	5.6	4.9	4.8	57.7	54.9	35.8	48.7	40.9	27.5	80.9	80.9	82.3	46,266	50,314	51,419			
LAC Non FSS	45.8	59.7	84.4	1.0	2.8	3.9	-	-	39.1	-	-	30.0	69.2	83.5	78.7	6,925	10,892	6,159			
LAC FSS	76.4	78.7	84.4	3.2	3.2	3.5	-	-	-	-	-	-	82.3	80.9	82.8	22,913	24,404	31,482			
MENA Small	8.4	8.2	n/a	0.3	1.2	n/a	-	-	n/a	-	-	n/a	74.5	58.5	n/a	6,886	6,676	n/a			
MENA Medium	1.0	6.6	9.5	0.2	0.4	0.5	-	-	-	-	-	-	76.3	70.6	78.6	8,931	10,783	10,655			
MENA Large	10.1	36.8	54.8	0.6	0.7	1.6	-	-	-	-	-	-	82.7	81.3	83.7	101,568	115,127	56,370			
MENA Non FSS	1.0	0.3	0.6	0.3	0.4	0.3	-	-	-	-	-	-	55.3	42.9	62.5	7,696	10,382	11,142			
MENA FSS	9.6	23.0	36.4	0.3	0.5	1.1	-	-	-	-	-	-	83.6	75.2	82.0	10,103	12,990	21,180			

All data presented are median values. For Definitions of Peer Groups, refer to pages 55 to 69. For details on indicator definitions, refer to pages 53 to 54. For averages, standard deviations or other results, please visit www.mixmbb.org or www.mixmarket.org. "n/a" denotes results for Peer Groups with less than three observations.

Trend Lines 2003–05 MFI Benchmarks																
Median	Percent of Women Borrowers			Number of Loans Outstanding			Gross Loan Portfolio			Average Loan Balance per Borrower			Average Loan Balance per Borrower/ GNP per Capita			
	Units: Year:	% 2003	% 2004	% 2005	nb 2003	nb 2004	nb 2005	US\$ 2003	US\$ 2004	US\$ 2005	US\$ 2003	US\$ 2004	US\$ 2005	US\$ 2003	US\$ 2004	US\$ 2005
PEER GROUP																
All		66.1	66.0	62.9	10,954	14,457	16,666	3,636,579	5,150,774	7,182,595	337	405	481	44.5	43.5	47.0
SIMPLE PEER GROUPS																
Age																
New		70.5	76.3	80.0	5,316	8,523	10,052	1,081,583	1,386,146	2,838,018	136	132	147	43.5	37.5	32.9
Young		66.2	65.7	56.0	7,256	8,834	11,573	2,962,488	3,841,972	5,483,416	331	476	501	53.2	50.1	60.3
Mature		63.6	67.0	67.1	23,531	26,028	26,504	6,714,996	8,598,438	10,497,005	360	413	484	34.8	38.6	42.6
Charter Type																
Bank		52.8	50.0	52.5	29,803	41,093	55,839	17,326,650	27,867,848	45,818,768	608	697	778	82.0	63.7	91.6
Credit Union		73.0	56.5	60.0	1,220	4,164	6,330	11,788,972	9,114,971	9,498,585	900	1,219	1,436	85.0	85.5	88.7
NBFI		55.8	60.8	56.1	9,139	11,705	15,460	5,375,695	7,000,167	7,931,999	464	484	493	65.0	58.5	65.0
NGO		79.0	82.1	79.7	12,651	15,987	17,002	2,825,913	3,905,035	6,109,210	183	200	210	20.0	19.9	23.5
Rural Bank		8.3	15.8	0.6	1,479	1,517	1,521	957,533	945,538	1,103,862	593	530	549	68.6	45.3	47.0
Financial Intermediation																
Non FI		68.1	76.0	72.3	7,253	12,189	14,495	3,239,654	4,425,796	6,432,872	333	383	456	29.3	28.5	33.1
Low FI		72.2	76.1	71.4	14,271	14,707	18,968	2,343,970	3,474,434	3,807,703	92	113	119	46.3	63.6	76.3
High FI		50.1	50.0	49.5	18,535	22,962	29,495	11,788,972	12,602,793	16,335,838	740	844	813	76.1	66.2	70.3
Methodology																
Individual		47.9	53.9	51.8	7,182	7,763	9,063	6,840,062	10,078,664	10,739,001	856	1,016	919	68.6	60.8	66.7
Individual/Solidarity		67.9	66.2	62.0	11,656	16,529	19,299	5,577,873	6,312,797	9,997,795	358	357	369	44.4	43.6	51.3
Solidarity		82.0	92.0	100.0	9,196	9,301	14,454	843,330	1,144,605	2,950,138	90	100	109	24.0	20.0	16.9
Village Banking		90.3	94.5	90.2	17,145	20,905	17,461	1,770,085	2,876,037	2,488,408	94	135	147	15.0	19.3	23.1
Outreach																
Small (Outreach)		60.0	63.2	53.6	3,784	4,867	4,694	1,319,336	1,870,263	2,648,902	458	514	738	53.9	54.4	58.8
Medium (Outreach)		75.3	71.9	70.3	18,225	17,438	16,622	5,898,852	6,820,420	7,182,595	289	388	449	41.1	40.2	55.1
Large (Outreach)		69.8	68.4	65.8	63,784	70,565	82,076	18,323,574	23,255,420	24,818,150	168	194	239	25.2	32.7	33.9
Profit Status																
For Profit		52.8	52.8	51.5	15,375	20,919	28,460	5,577,873	6,334,957	9,609,099	415	431	485	71.1	61.3	70.6
Non Profit		73.4	76.3	73.1	8,659	12,189	14,687	3,530,623	4,735,319	6,482,181	321	391	471	29.2	29.8	33.9
Region																
Africa		65.3	52.7	54.5	15,268	19,640	18,968	2,944,947	5,841,653	6,377,258	133	172	187	94.6	98.8	108.1
Asia		84.7	95.6	86.9	16,230	24,489	37,376	2,654,950	3,648,424	5,106,639	91	111	121	19.5	21.5	24.3
ECA		66.2	65.9	61.5	4,906	5,442	7,383	1,905,474	3,851,022	6,183,392	802	904	1,020	55.2	60.3	58.4
LAC		54.9	60.1	59.2	21,127	22,920	29,510	8,192,224	12,935,428	16,391,485	651	714	783	42.1	39.5	40.1
MENA		82.0	86.3	71.8	9,388	11,701	16,775	3,467,444	4,552,183	7,031,179	263	279	272	15.7	17.1	16.1
Scale																
Small (Scale)		66.4	76.3	70.5	4,403	4,944	6,114	943,776	959,400	1,088,094	236	158	164	35.9	33.7	32.8
Medium (Scale)		76.3	71.1	80.0	16,870	15,018	11,389	5,433,406	4,840,171	5,106,639	327	362	475	29.7	29.4	43.4
Large (Scale)		53.7	55.7	56.0	47,182	45,047	56,370	21,950,184	27,867,848	28,446,498	766	736	688	82.5	67.0	60.1
Sustainability																
FSS		65.5	65.8	62.9	13,115	16,292	23,043	6,128,884	8,429,018	11,087,965	449	530	581	49.0	45.0	42.4
Non FSS		66.8	70.0	64.2	7,250	11,531	13,526	1,521,671	2,807,834	3,300,562	138	147	263	37.6	32.1	62.7
Target Market																
Low end		83.0	94.5	87.7	19,015	23,892	32,444	2,124,747	3,611,398	4,636,327	93	108	112	17.2	16.7	16.3
Broad		59.1	60.0	56.3	7,206	10,294	14,454	5,285,523	7,700,218	9,342,789	557	640	677	58.1	54.9	56.1
High end		50.1	51.4	50.5	7,426	22,877	42,350	18,330,244	25,757,542	36,935,620	1,472	1,651	1,511	174.3	185.7	171.1
Small Business		40.7	48.1	48.9	3,594	15,195	6,443	10,549,588	30,058,020	15,629,440	2,373	941	2,109	302.3	278.7	308.2
COMPOUND PEER GROUPS																
Africa Small		63.2	55.5	54.2	8,832	8,692	12,151	784,351	755,678	1,224,611	71	88	104	77.8	67.5	82.7
Africa Medium		80.0	71.8	83.0	22,110	24,069	18,527	4,402,931	4,083,270	5,039,864	183	172	230	81.2	98.8	103.9
Africa Large		54.9	40.4	52.1	45,245	52,571	70,030	21,603,264	28,649,698	34,489,068	477	606	502	146.3	122.5	162.2
Africa Non FSS		63.2	60.0	57.4	13,439	15,805	14,737	1,013,324	2,936,520	3,985,414	90	108	160	77.8	76.1	102.9
Africa FSS		66.0	51.2	50.9	27,581	37,661	54,945	13,234,491	27,241,376	25,272,298	504	640	325	149.4	127.0	147.3
Asia Small		60.4	83.8	42.2	3,981	4,187	1,521	617,190	730,860	815,435	96	94	373	26.0	17.2	31.9
Asia Medium		87.5	97.9	94.1	39,548	42,384	36,221	3,850,424	4,467,662	4,918,201	103	108	120	20.6	23.3	24.0
Asia Large		100.0	98.5	95.8	215,180	159,326	146,230	28,672,666	26,539,960	16,335,838	84	116	96	17.7	21.5	19.1
Asia Non FSS		98.4	97.0	88.4	10,140	14,673	13,526	996,586	1,528,807	2,444,107	68	93	147	14.5	15.5	24.0
Asia FSS		78.0	93.0	86.9	29,523	42,384	72,859	3,499,545	4,467,662	6,475,875	113	128	112	22.3	27.0	24.9
ECA Small		70.2	70.3	69.9	2,059	1,565	1,948	1,300,869	1,264,969	1,091,499	493	552	582	36.2	37.1	36.2
ECA Medium		82.6	69.1	64.4	6,227	5,509	4,790	5,708,219	3,262,703	3,463,194	993	606	670	64.5	38.7	49.2
ECA Large		39.1	42.3	47.1	9,681	10,294	15,734	14,744,234	12,868,869	15,457,596	1,388	1,382	1,519	98.6	85.9	81.4
ECA Non FSS		61.6	69.6	73.4	1,727	2,080	1,846	1,699,943	2,884,829	2,873,362	918	878	1,320	59.4	51.2	70.1
ECA FSS		71.0	64.3	58.7	5,376	6,466	8,752	3,527,547	5,538,680	6,488,487	615	906	814	53.9	60.3	58.4
LAC Small		51.8	83.7	88.7	6,036	6,005	7,274	1,365,628	1,920,648	2,542,609	332	389	205	17.9	17.2	9.0
LAC Medium		63.1	62.5	53.9	17,617	14,706	9,797	7,954,716	9,980,149	8,186,868	502	610	767	42.1	28.0	40.1
LAC Large		51.4	56.0	55.3	42,831	50,686	53,935	40,010,656	56,612,348	55,149,992	972	1,202	1,325	50.3	59.7	61.0
LAC Non FSS		53.0	82.4	78.1	7,076	10,892	6,578	3,524,688	4,001,130	4,246,878	420	610	1,177	27.1	28.0	50.2
LAC FSS		55.3	59.9	57.9	22,913	26,441	34,259	11,605,918	14,270,674	18,390,382	719	721	783	46.0	45.0	40.1
MENA Small		94.0	95.6	n/a	6,886	6,676	n/a	725,846	1,361,676	n/a	149	181	n/a	11.3	11.9	n/a
MENA Medium		67.5	56.0	86.0	9,388	11,701	10,669	4,018,688	4,552,183	5,5						

Trend Lines 2003–05 MFI Benchmarks

Trend Lines 2003–05 MFI Benchmarks																
Median																
OUTREACH INDICATORS																
Voluntary Savings																
PEER GROUP	Average Outstanding Balance			Average Outstanding Balance / GNP per Capita			Number of Voluntary Savers			Number of Voluntary Savings Accounts						
	Units: Year:	US\$ 2003	US\$ 2004	US\$ 2005	% 2003	% 2004	% 2005	nb 2003	nb 2004	nb 2005	nb 2003	nb 2004	nb 2005	US\$ 2003	US\$ 2004	US\$ 2005
All	343	395	467	40.7	38.7	44.1	-	-	350	-	-	379	-	-	-	
SIMPLE PEER GROUPS																
Age																
New	241	132	147	35.8	37.5	30.3	-	197	18	-	197	18	-	27,131	20,735	
Young	326	467	495	44.0	46.9	59.1	-	-	-	-	-	-	-	-	-	
Mature	369	411	467	34.0	35.3	39.1	3,342	3,046	2,443	2,012	4,054	3,634	182,533	128,737	54,005	
Charter Type																
Bank	695	697	778	68.8	62.7	71.1	17,269	24,672	38,803	15,872	37,234	51,024	8,339,109	12,982,985	29,410,258	
Credit Union	1,149	1,407	1,476	76.9	89.2	88.7	14,572	36,356	32,724	1,263	1,784	23,096	3,652,578	6,107,773	8,719,208	
NBFI	556	477	495	57.1	57.5	63.2	-	-	63	-	-	63	-	-	4,677	
NGO	186	197	198	19.7	17.1	22.0	-	-	-	-	-	-	-	-	-	
Rural Bank	566	499	540	58.6	42.7	47.0	5,038	5,581	6,503	5,121	5,581	6,503	1,086,962	1,111,834	1,146,218	
Financial Intermediation																
Non FI	333	369	439	28.6	27.7	32.3	-	-	-	-	-	-	-	-	-	
Low FI	84	100	118	32.6	63.6	69.6	3,908	5,861	7,282	4,295	6,608	11,884	103,501	98,358	189,564	
High FI	783	844	870	74.6	59.9	67.7	18,141	24,672	30,161	18,144	20,284	36,251	8,228,382	9,286,748	11,948,645	
Methodology																
Individual	861	950	919	68.0	59.9	66.7	1,448	2,301	5,710	1,089	3,365	6,759	445,424	683,871	774,568	
Individual/Solidarity	326	331	363	36.3	38.5	46.1	-	-	188	-	-	145	-	-	40,878	
Solidarity	84	93	109	19.3	16.2	16.9	-	-	-	-	-	-	-	-	-	
Village Banking	95	121	146	14.4	16.9	22.7	-	-	-	-	-	-	-	-	-	
Outreach																
Small (Outreach)	466	494	709	46.8	51.3	57.5	-	-	-	-	-	1	-	-	-	
Medium (Outreach)	289	388	402	38.7	36.1	47.4	-	-	106	-	-	106	-	-	-	
Large (Outreach)	151	168	212	25.2	28.8	29.4	14,872	14,618	20,893	17,269	20,211	30,846	515,110	128,737	187,973	
Profit Status																
For Profit	455	405	479	66.4	59.8	69.3	4,534	7,766	11,944	4,994	10,680	11,944	679,842	899,725	944,250	
Non Profit	308	388	461	28.1	28.4	32.9	-	-	-	-	-	-	-	-	-	
Region																
Africa	96	130	164	82.7	92.5	102.7	3,394	7,187	13,998	1,813	4,867	13,998	256,096	249,790	789,979	
Asia	87	95	121	19.5	17.5	22.6	4,196	5,393	3,023	3,999	5,546	3,634	103,501	79,341	160,233	
ECA	802	898	962	53.9	54.6	55.9	-	-	-	-	-	-	-	-	-	
LAC	646	694	769	42.1	36.2	38.1	-	-	8,869	-	5,453	10,680	-	-	-	
MENA	259	276	259	15.0	15.9	16.0	-	-	-	-	-	-	-	-	-	
Scale																
Small (Scale)	241	158	164	33.5	33.7	32.8	-	172	1,053	-	90	1,053	-	-	5,803	
Medium (Scale)	353	353	457	33.0	29.2	41.6	-	-	-	-	-	-	-	-	-	
Large (Scale)	779	840	700	67.6	62.1	53.4	21,951	4,455	24,310	18,290	2,301	25,576	8,228,382	1,621,884	424,828	
Sustainability																
FSS	449	507	581	44.1	40.7	39.1	-	-	348	-	-	678	-	-	-	
Non FSS	154	146	233	32.6	31.9	61.3	-	172	574	-	13	360	-	-	45,144	
Target Market																
Low end	89	100	107	14.9	15.3	15.5	-	177	-	-	89	-	-	-	-	
Broad	573	641	680	52.8	51.3	48.5	-	-	349	-	-	188	-	-	-	
High end	1,520	1,648	1,511	172.6	172.5	169.8	718	7,111	31,698	-	8,156	32,550	766,193	5,138,601	18,472,348	
Small Business	2,478	1,322	2,269	280.0	275.0	317.7	8,487	22,875	13,955	19,019	1,784	19,643	3,213,445	3,056,613	2,747,602	
COMPOUND PEER GROUPS																
Africa Small	71	88	104	60.9	67.5	82.7	171	2,811	3,817	164	3,503	4,664	21,432	44,646	32,939	
Africa Medium	183	157	171	76.1	70.9	77.6	9,321	4,460	1,969	11,898	4,003	1,969	524,924	246,763	296,835	
Africa Large	753	673	735	142.4	139.1	164.6	127,435	98,341	167,990	130,682	14,742	145,075	10,343,186	11,203,260	15,325,369	
Africa Non FSS	84	108	128	67.8	69.1	99.9	1,731	3,839	4,664	1,731	1,290	3,918	51,499	53,786	167,091	
Africa FSS	531	640	182	142.4	127.0	133.3	17,965	24,149	183,652	17,269	9,116	120,890	2,440,963	3,226,482	10,133,543	
Asia Small	96	94	373	26.0	17.2	31.9	2,359	4,105	3,676	2,359	4,105	3,676	52,411	61,441	216,509	
Asia Medium	87	97	120	19.5	23.3	24.0	4,446	7,706	2,206	4,420	11,723	3,624	103,501	86,253	87,586	
Asia Large	76	97	93	17.6	15.9	16.1	75,398	38,434	102	150,176	38,434	1,656	2,618,589	328,519	147,424	
Asia Non FSS	75	89	147	14.8	14.5	24.0	1,155	5,832	574	179	5,832	574	-	-	41,469	
Asia FSS	113	107	102	23.7	26.9	20.4	4,534	5,393	3,624	4,534	5,546	3,676	475,229	296,517	191,155	
ECA Small	493	543	582	36.1	35.5	36.2	-	-	-	-	-	-	-	-	-	
ECA Medium	993	606	670	64.5	38.7	46.3	-	-	-	-	-	-	-	-	-	
ECA Large	1,376	1,370	1,452	97.8	85.9	80.3	-	-	-	-	-	-	-	-	-	
ECA Non FSS	895	878	1,320	59.4	51.2	70.1	-	-	-	-	-	1	-	-	n/a	
ECA FSS	615	904	814	49.0	54.6	55.9	-	-	-	-	-	-	-	-	-	
LAC Small	332	389	184	17.9	17.0	9.0	-	-	-	-	-	-	-	-	-	
LAC Medium	502	610	736	40.3	28.0	38.1	-	-	7,322	-	-	7,543	-	-	-	
LAC Large	985	1,090	1,119	47.3	57.5	53.2	42,345	26,025	38,803	39,253	48,604	43,435	18,672,984	20,588,792	14,171,253	
LAC Non FSS	464	610	1,177	27.8	28.0	50.2	-	-	8,072	-	4,174	8,072	-	-	2,880,866	
LAC FSS	719	721	769	45.8	38.7	38.1	-	-	9,666	-	5,453	11,693	-	-	-	
MENA Small	149	181	n/a	11.3	11.9	n/a	-	-	n/a	-	-	n/a	-	-	n/a	
MENA Medium	408	384	490	16.8	16.0	15.8	-	-	-	-	-	-	-	-	-	
MENA Large	279	266	252	21.1	18.7	19.2	-	-	-	-	-	-	-	-	-	
MENA Non FSS	261	399	707	16.0	18.9	37.7	-	-	-	-	-	-	-	-	-	
MENA FSS	259	276	241	13.7	14.0	12.2	-	-	-	-	-	-	-	-	-	

All data presented are median values. For Definitions of Peer Groups, refer to pages 55 to 69. For details on indicator definitions, refer to pages 53 to 54. For averages, standard deviations or other results, please visit www.mixmbb.org or www.mixmarket.org. "n/a" denotes results for Peer Groups with less than three observations.

Trend Lines 2003–05 MFI Benchmarks																			
Median		OUTREACH INDICATORS						MACROECONOMIC INDICATORS											
		Average Savings Balance per Saver			Average Savings Account Balance			GNP per Capita			GDP Growth Rate			Deposit Rate			Inflation Rate		
PEER GROUP		Units:			Units:			Units:			%			%			%		
Year:		US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	%	%	%	%	%	%	%	%	%
All		2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005
SIMPLE PEER GROUPS																			
Age																			
New		132	89	1,195	224	168	1,195	740	600	620	3.4	4.5	6.4	3.7	3.4	5.6	9.5	8.5	9.1
Young		71	95	116	49	157	101	1,025	1,260	1,145	5.2	4.1	6.6	4.8	4.1	3.6	3.9	4.1	6.7
Mature		167	175	224	149	178	224	890	1,140	1,140	4.1	4.1	5.1	5.2	6.0	4.9	3.0	4.4	6.4
Charter Type																			
Bank		434	378	564	431	379	462	645	960	780	4.0	4.0	5.4	4.0	4.2	5.4	4.2	4.4	7.9
Credit Union		213	300	317	153	302	317	1,790	2,180	2,180	6.0	6.0	6.0	3.5	3.5	3.5	2.0	2.7	2.4
NBFI		132	81	95	132	159	116	995	1,000	1,040	3.5	3.5	6.0	3.8	3.7	3.6	3.4	4.1	5.7
NGO		18	19	16	14	14	15	950	1,145	1,170	5.3	5.3	5.1	5.2	6.0	5.6	4.3	5.7	6.8
Rural Bank		156	176	192	164	176	192	810	1,140	1,140	4.1	4.1	5.1	10.6	6.4	8.1	2.4	6.2	10.5
Financial Intermediation																			
Non FI		n/a	6	n/a	n/a	6	n/a	1,320	1,415	1,310	4.3	4.5	5.1	4.5	4.7	4.7	3.5	4.1	4.9
Low FI		20	19	22	15	18	22	310	320	320	4.7	4.9	6.3	3.7	3.4	3.5	5.7	7.8	9.1
High FI		210	231	355	194	331	317	810	1,140	1,140	4.1	4.1	5.1	5.2	5.1	5.0	3.0	4.5	7.6
Methodology																			
Individual		251	305	347	289	346	377	1,540	2,000	2,000	3.7	3.9	5.1	5.5	6.1	5.1	3.3	5.9	6.4
Individual/Solidarity		124	97	115	116	118	116	890	1,040	960	4.9	4.5	6.0	4.5	3.7	3.6	3.8	3.8	6.1
Solidarity		9	12	n/a	10	9	n/a	470	600	620	4.5	4.5	6.4	3.7	3.6	5.8	4.3	6.4	7.0
Village Banking		14	29	34	14	29	61	810	620	955	4.5	5.5	5.1	3.8	5.4	4.4	3.3	4.3	8.4
Outreach																			
Small (Outreach)		167	176	271	136	179	271	1,100	1,170	1,282	4.1	4.1	5.1	4.5	4.0	4.8	3.3	6.2	7.6
Medium (Outreach)		186	168	154	310	187	205	830	1,170	1,120	4.0	4.0	6.1	4.5	4.7	4.0	4.4	4.1	7.6
Large (Outreach)		106	99	117	116	165	129	540	620	670	4.5	4.5	5.3	3.8	6.0	4.9	3.3	3.8	5.6
Profit Status																			
For Profit		183	176	249	194	179	229	810	705	620	3.0	4.0	6.0	3.7	4.2	4.9	3.8	5.9	8.2
Non Profit		47	76	104	20	103	142	1,080	1,170	1,170	4.9	4.7	5.1	5.0	4.5	4.0	3.3	3.8	5.3
Region																			
Africa		93	96	90	78	99	91	240	270	270	4.9	4.9	6.0	3.7	3.5	3.5	8.0	9.6	10.3
Asia		129	136	147	94	108	151	530	620	620	5.3	5.3	6.2	5.2	6.2	5.8	3.0	5.9	7.6
ECA		447	4,268	1,030	383	1,136	3,128	1,540	2,040	2,040	6.0	7.2	6.2	4.5	4.9	4.0	4.8	5.7	5.0
LAC		492	736	739	848	749	698	1,810	2,180	2,180	2.6	2.6	4.0	4.5	4.7	3.5	5.2	4.4	4.9
MENA		n/a	n/a	n/a	n/a	n/a	n/a	1,355	1,520	1,520	3.2	3.2	3.9	4.5	3.6	4.1	2.5	2.8	2.4
Scale																			
Small (Scale)		140	168	134	136	168	136	820	1,140	1,140	4.5	4.1	6.2	4.9	4.2	5.2	4.6	6.2	9.5
Medium (Scale)		108	92	249	63	153	313	1,080	1,155	1,140	3.7	4.4	6.0	5.2	6.0	5.1	3.3	5.1	6.8
Large (Scale)		273	204	330	322	468	232	890	960	1,130	4.0	4.0	4.7	3.8	3.7	4.0	3.3	3.7	5.1
Sustainability																			
FSS		183	185	257	150	258	232	950	1,170	1,170	4.1	4.1	5.1	4.5	4.7	4.9	3.0	4.4	5.4
Non FSS		49	63	115	43	87	131	670	620	600	4.0	4.5	6.2	4.9	4.1	4.0	5.2	5.9	8.3
Target Market																			
Low end		21	19	23	21	16	16	530	620	620	4.5	4.5	6.2	3.8	4.0	5.6	3.8	5.9	7.0
Broad		176	194	377	222	373	383	1,320	2,000	1,520	4.1	4.0	5.1	5.1	4.2	4.0	4.4	5.7	5.4
High end		310	509	353	387	468	400	810	960	790	4.9	4.1	3.7	4.3	6.1	3.8	2.4	4.4	6.4
Small Business		399	154	249	244	135	225	625	360	600	4.1	5.6	5.4	3.5	4.2	6.5	2.4	3.3	8.4
COMPOUND PEER GROUPS																			
Africa Small		16	16	14	21	16	14	90	110	110	(3.9)	(3.9)	13.4	3.7	3.4	3.5	17.8	9.6	11.6
Africa Medium		49	77	103	63	82	103	240	270	270	4.9	4.9	5.7	9.8	7.7	8.4	7.8	4.1	8.4
Africa Large		158	144	101	106	159	109	300	360	360	5.6	5.6	4.8	3.5	3.5	3.5	2.0	2.1	8.2
Africa Non FSS		49	50	88	49	29	91	90	210	250	(3.9)	2.0	6.0	3.7	3.5	3.5	17.8	9.6	11.6
Africa FSS		158	154	101	106	146	92	295	360	300	5.6	4.9	6.0	3.5	3.5	4.7	3.2	3.3	8.6
Asia Small		140	168	155	140	168	155	810	1,140	1,140	4.5	4.5	6.2	5.2	6.2	5.8	2.9	6.2	9.1
Asia Medium		81	76	118	46	76	181	670	620	620	4.5	4.9	6.2	5.2	6.2	5.6	3.0	5.9	7.6
Asia Large		20	21	24	20	16	69	465	610	620	6.5	5.6	6.2	6.9	6.1	6.0	3.8	3.8	7.0
Asia Non FSS		15	41	133	4	41	133	500	610	600	5.8	5.8	6.4	4.1	4.4	5.8	3.0	5.9	8.3
Asia FSS		140	166	150	121	139	155	810	1,140	1,140	4.5	4.5	6.0	6.0	6.2	6.0	3.0	5.9	7.6
ECA Small		n/a	n/a	n/a	n/a	n/a	n/a	1,117	1,150	1,040	8.1	8.6	8.5	7.0	7.2	7.6	4.8	6.7	9.6
ECA Medium		n/a	n/a	n/a	n/a	n/a	n/a	1,540	2,040	2,040	3.5	7.6	7.2	4.0	4.9	4.6	0.2	6.7	7.8
ECA Large		n/a	n/a	n/a	n/a	n/a	n/a	1,540	2,040	2,040	3.5	3.5	4.7	4.0	3.7	3.6	0.4	(0.3)	3.6
ECA Non FSS		n/a	n/a	n/a	n/a	n/a	n/a	1,845	1,830	3,015	7.3	8.0	5.0	7.2	7.2	4.0	4.8	6.1	10.5
ECA FSS		n/a	4,268	727	n/a	489	972	1,540	2,040	2,040	5.4	6.0	6.2	4.5	3.8	4.0	2.2	5.7	3.6
LAC Small		n/a	n/a	n/a	n/a	n/a	n/a	2,150	2,350	2,360	3.2	3.7	5.1	5.0	4.1	3.4	6.2	3.7	2.4
LAC Medium		n/a	n/a	714	n/a	346	714	1,790	2,000	2,180	2.5	2.5	4.0	4.5	4.7	3.5	5.2	4.4	5.1
LAC Large		735	930	838	848	764	723	1,810	2,130	2,000	2.6	2.6	4.0	3.8	4.4	4.0	3.3	4.4	5.1
LAC Non FSS		n/a	n/a	714	n/a	n/a	714	1,810	2,350	2,350	2.6	2.6	4.7	5.5	4.1	3.5	7.1	3.7	3.6
LAC FSS		542	632	838	848	762	681	1,810	2,000	2,040	2.6	2.6	4.0	3.8	4.7	4.0	4.6	4.4	5.1
MENA Small		n/a	n/a	n/a	n/a	n/a	n/a	1,320	1,415	n/a	5.5	4.4	n/a	3.8	3.6	n/a	1.2	2.2	n/a
MENA Medium		n/a	n/a	n/a	n/a	n/a	n/a	1,850	2,140	2,140	3.2	3.2	6.3	7.1	4.3	4.6	4.0	3.3	2.4
MENA Large		n/a	n/a	n/a	n/a	n/a	n/a	1,320	1,520	1,520	5.5	5.5	3.5	3.8	3.6	3.5	1.2	1.2	1.0
MENA Non FSS		n/a	n/a	n/a	n/a	n/a	n/a	1,390	1,310	1,215	3.0	3.0	1.3	8.2	7.6	5.9	4.3	7.2	3.0
MENA FSS		n/a	n/a	n/a	n/a	n/a	n/a	1,320	1,520	1,520	5.5	5.5	3.9	3.8	3.6	3.5	1.2	1.2	1.5

All data presented are median values. For Definitions of Peer Groups, refer to pages 55 to 69. For details on indicator definitions, refer to pages 53 to 54. For averages, standard deviations or other results, please visit www.mixmbb.org or www.mixmarket.org. "n/a" denotes results for Peer Groups with less than three observations.

Trend Lines 2003–05 MFI Benchmarks

Median	MACROECONOMIC INDICATORS						OVERALL FINANCIAL PERFORMANCE						REVENUES									
	Financial Depth			Return on Assets			Return on Equity			Operational Self-Sufficiency			Financial Self-Sufficiency			Financial Revenue Ratio			Profit Margin			
PEER GROUP	Units:	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	
	Year:	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005
All		41.9	41.9	43.4	1.5	2.1	2.1	5.4	7.2	7.5	117	121	121	109	111	111	26.9	26.3	25.4	8.3	10.3	9.6
SIMPLE PEER GROUPS																						
Age																						
New		52.6	58.3	50.3	(2.8)	(3.1)	(5.5)	(4.6)	(3.0)	-	104	105	94	89	89	78	23.7	23.3	22.8	(12.8)	(13.0)	(28.5)
Young		48.7	48.7	55.1	0.9	1.9	2.0	2.8	5.8	5.7	114	122	122	106	110	111	27.8	25.9	24.8	5.9	9.4	10.3
Mature		40.2	40.2	42.1	2.5	2.9	2.6	9.5	10.1	9.4	122	124	121	112	113	112	27.3	26.8	25.9	10.7	11.7	10.5
Charter Type																						
Bank		34.9	37.8	35.3	0.6	1.5	1.3	5.1	4.6	8.4	112	120	116	107	111	112	24.1	25.2	23.3	6.8	9.9	10.7
Credit Union		29.5	29.5	30.8	1.0	1.5	(0.6)	5.6	6.6	(3.5)	113	120	108	106	113	101	15.8	16.2	16.6	6.0	11.4	0.6
NBFI		48.7	48.7	47.2	0.1	1.6	1.7	0.7	5.5	5.2	118	125	120	105	112	110	24.7	25.2	25.2	5.2	10.3	9.1
NGO		40.4	40.4	43.8	2.3	3.3	3.5	6.1	9.5	10.5	117	121	128	110	113	112	33.3	31.8	31.4	8.9	11.5	10.8
Rural Bank		53.4	53.4	44.9	2.8	1.7	2.8	21.4	14.0	16.4	144	130	127	130	111	117	22.9	19.7	17.0	22.8	9.6	14.8
Financial Intermediation																						
Non FI		40.4	41.9	43.8	2.2	2.6	3.1	4.8	7.3	9.7	118	122	124	110	111	115	31.6	30.4	28.8	8.7	10.3	12.8
Low FI		58.3	58.3	52.9	(1.6)	-	(1.4)	(3.8)	1.9	(1.8)	104	116	112	95	101	97	23.3	23.4	21.8	(5.8)	0.6	(3.2)
High FI		40.2	38.2	34.0	2.0	1.8	1.5	9.1	10.3	8.9	117	125	119	112	113	112	22.9	21.8	21.0	10.5	11.5	10.7
Methodology																						
Individual		40.4	39.2	34.4	2.5	2.6	2.7	10.3	10.4	10.3	121	125	123	113	113	116	24.2	24.7	24.5	11.3	11.8	13.8
Individual/Solidarity		37.8	40.2	47.2	1.7	2.0	1.6	6.1	5.8	5.0	119	121	121	111	111	109	26.5	25.8	25.5	9.7	9.9	8.6
Solidarity		58.3	58.3	55.5	(3.6)	(0.8)	1.0	(9.1)	5.5	13.0	104	114	105	89	98	105	24.1	27.6	24.4	(12.7)	(1.9)	4.6
Village Banking		29.6	29.7	28.1	(0.2)	1.0	2.4	1.7	9.5	4.2	101	105	110	100	105	105	39.1	38.6	40.2	(0.5)	4.8	4.7
Outreach																						
Small (Outreach)		48.7	48.7	44.9	0.4	1.7	1.8	2.5	4.2	4.5	112	121	119	105	108	110	24.4	25.3	24.6	4.3	7.8	8.7
Medium (Outreach)		37.8	32.4	33.5	1.1	1.2	1.1	3.8	5.9	5.0	113	120	113	105	111	106	32.3	31.0	27.3	5.0	9.8	5.3
Large (Outreach)		41.9	41.9	43.0	3.4	2.9	2.9	10.3	11.1	13.1	128	125	130	119	115	117	25.5	25.2	25.2	16.3	13.2	14.4
Profit Status																						
For Profit		52.3	52.3	44.9	0.2	1.2	1.2	1.5	5.5	5.4	114	118	115	103	110	107	23.0	21.8	21.7	3.2	9.4	6.6
Non Profit		35.8	38.0	42.1	2.4	3.2	3.1	6.7	8.6	9.1	118	124	125	111	113	115	28.7	29.9	27.8	9.5	11.8	13.3
Region																						
Africa		30.4	30.4	30.8	(1.4)	(1.0)	(1.9)	(3.6)	(2.8)	(4.9)	107	111	107	98	98	91	21.0	20.3	18.6	(2.3)	(2.0)	(9.8)
Asia		58.3	58.3	50.3	2.1	1.7	2.4	6.5	7.5	10.8	117	117	126	112	110	116	23.8	24.7	24.3	10.8	9.4	13.6
ECA		29.8	29.8	31.6	2.9	3.8	3.6	7.1	6.6	10.0	128	132	133	113	116	117	30.6	30.9	27.9	11.5	13.9	14.6
LAC		32.4	32.4	33.4	2.1	3.2	2.7	10.0	10.5	11.1	115	122	119	110	113	111	30.8	31.4	29.6	9.1	11.8	10.3
MENA		90.7	90.7	93.8	0.7	3.7	5.3	1.3	5.4	10.5	124	130	137	105	117	125	24.7	25.4	25.3	4.1	14.7	20.1
Scale																						
Small (Scale)		41.2	53.4	44.9	(2.0)	0.1	0.7	(2.0)	0.8	1.8	106	111	113	97	103	102	30.3	29.9	25.6	(3.0)	2.8	2.0
Medium (Scale)		48.7	35.7	31.6	1.6	1.5	1.3	4.8	5.2	4.7	119	116	113	109	110	106	27.8	29.9	29.1	8.2	9.0	6.0
Large (Scale)		38.2	41.9	43.0	3.5	3.8	2.9	15.1	12.7	13.8	129	131	126	121	118	117	24.0	23.1	24.5	17.1	15.5	14.7
Sustainability																						
FSS		40.2	40.4	42.5	4.2	3.8	3.6	11.2	12.1	13.2	128	130	131	119	118	119	28.7	26.2	27.6	16.3	15.4	16.2
Non FSS		58.3	58.3	45.9	(4.9)	(5.1)	(5.5)	(12.8)	(10.7)	(11.3)	96	97	101	85	84	83	23.5	26.3	19.6	(17.2)	(19.2)	(19.8)
Target Market																						
Low end		58.3	58.3	55.5	(0.8)	1.2	1.4	(1.1)	4.1	5.0	106	115	111	98	107	106	28.9	28.2	27.0	(1.9)	6.2	5.5
Broad		30.4	32.4	33.5	1.6	2.2	2.6	6.9	7.0	8.2	120	124	122	110	113	113	28.2	27.3	26.4	8.9	11.3	11.4
High end		45.3	47.1	41.5	4.3	4.3	1.2	17.7	19.1	7.9	136	138	124	122	122	111	21.4	21.4	19.1	17.7	17.8	10.0
Small Business		24.0	23.6	29.3	2.1	2.0	1.7	9.5	14.4	10.7	120	120	117	112	117	113	21.4	22.0	20.7	10.8	14.3	11.2
COMPOUND PEER GROUPS																						
Africa Small		58.3	58.3	58.3	(9.2)	(8.2)	(7.3)	(16.3)	(13.8)	(16.3)	89	92	85	68	75	70	19.7	20.0	15.2	(46.3)	(33.0)	(43.1)
Africa Medium		20.8	24.3	25.5	(1.2)	(2.9)	(2.5)	(3.6)	(5.5)	(7.2)	111	103	105	99	94	94	41.2	37.4	43.0	(1.5)	(6.2)	(6.7)
Africa Large		29.5	29.5	30.8	2.3	2.4	0.9	6.4	11.5	4.8	129	128	117	114	116	106	19.9	18.5	18.5	12.1	13.8	5.7
Africa Non FSS		58.3	45.2	41.5	(8.6)	(5.0)	(4.6)	(16.1)	(10.6)	(13.5)	93	98	103	72	82	83	19.7	20.1	18.4	(38.2)	(21.9)	(19.9)
Africa FSS		23.6	29.5	26.1	2.6	3.2	1.6	10.0	12.7	8.3	126	131	119	117	117	110	22.1	20.3	22.2	14.5	14.6	9.0
Asia Small		58.3	58.3	50.3	0.2	(0.8)	1.4	4.9	0.6	13.5	108	104	126	107	100	110	23.1	23.4	21.3	6.0	(0.7)	8.7
Asia Medium		60.4	59.4	50.3	0.9	1.2	0.2	4.3	6.3	2.1	115	113	107	103	110	102	26.1	26.0	25.2	3.0	9.0	1.7
Asia Large		46.8	55.9	55.5	4.8	4.1	4.0	17.7	13.3	14.8	128	127	131	126	117	119	27.0	23.9	25.2	20.4	14.3	16.3
Asia Non FSS		59.4	59.4	50.3	(4.2)	(4.3)	(5.7)	(17.8)	(11.2)	(28.9)	91	95	94	85	86	78	22.2	26.7	22.7	(17.2)	(16.3)	(28.1)
Asia FSS		53.4	53.4	44.9	4.4	3.1	3.8	13.9	13.2	16.3	127	128	133	119	113	120	27.9	23.7	24.5	16.1	11.8	16.7
ECA Small		17.9	17.9	18.0	(0.3)	1.6	2.8	(0.6)	1.8	3.4	116	128	138	106	107	114	40.8	37.1	40.6	5.9	6.4	12.1
ECA Medium		48.7	17.9	27.0	6.0	3.5	2.2	8.6	6.2	4.9	133	134	134	125	117	111	28.2	36.1	29.1	19.8	14.2	9.7
ECA Large		48.7	48.7	56.4	3.9	4.9	4.0	15.3	13.5	15.9	144	138	128	121	128	123	25.6	23.7	24.5	17.5	22.1	18.4
ECA Non FSS		22.0	13.7	31.6	(4.8)	(8.1)	(6.3)	(8.7)	(12.8)	(10.4)	104	99	103	88	81	88	28.2	32.8	28.6	(13.4)	(23.0)	(13.6)
ECA FSS		29.8	29.8	31.6	6.0	4.9	4.0	11.1	11.3	14.2	139	135	136	122	128	121	34.7	30.0	27.9	18.2	21.6	17.4
LAC Small		29.6	29.6	27.7	0.8	2.3	1.3	2.0	7.4	4.3	110	111	111	102	107	109	38.7	42.6	41.1	1.6	6.2	8.5
LAC Medium		32.4	32.4	30.6	2.2	3.6	2.5	4.8	10.9	7.8	117	119	119	109	113	110	29.2	32.3	29.7	8.2	11.3	8.8
LAC Large		32.4	32.4	33.5	2.8	3.5	2.9	23.6														

Trend Lines 2003–05 MFI Benchmarks

Median	REVENUES									EXPENSES												
	Yield on Gross Portfolio (nominal)			Yield on Gross Portfolio (real)			Total Expense Ratio			Financial Expense Ratio			Loan Loss Provision Expense Ratio			Operating Expense Ratio			Personnel Expense Ratio			
PEER GROUP	Units:	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
	Year:	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005
All		33.9	34.3	30.9	28.7	27.2	24.0	26.5	24.6	23.0	5.3	5.6	6.2	1.2	1.1	1.6	16.9	15.6	15.0	9.7	8.9	8.2
SIMPLE PEER GROUPS																						
Age																						
New		31.9	31.6	29.2	22.5	21.5	22.1	29.8	27.6	28.3	6.4	5.6	7.1	1.0	1.1	1.0	17.3	17.6	20.7	10.8	9.9	11.5
Young		36.7	34.6	30.6	33.4	28.6	24.3	26.8	23.7	22.6	4.6	5.4	6.2	1.1	1.2	1.6	18.1	17.3	14.9	11.4	9.9	8.0
Mature		33.3	34.6	31.1	26.8	26.4	23.1	23.8	24.7	23.0	5.6	6.0	6.0	1.4	1.1	1.7	15.9	14.8	14.4	8.3	8.4	8.0
Charter Type																						
Bank		33.7	36.9	28.3	24.1	25.8	20.7	23.4	22.7	20.9	5.8	6.4	5.5	2.1	1.1	1.8	14.5	13.2	13.2	7.9	7.1	6.6
Credit Union		22.0	20.2	20.4	21.7	19.9	16.5	15.5	15.2	17.5	2.4	4.3	3.6	1.5	1.9	2.5	10.0	9.0	9.2	5.4	5.0	5.0
NBFI		32.6	32.1	29.3	25.3	26.8	22.8	25.8	23.3	23.0	5.0	5.5	6.2	1.2	1.1	1.7	16.3	15.1	15.0	9.7	8.9	8.2
NGO		42.5	40.2	38.6	34.3	33.8	31.3	32.3	30.6	27.3	5.0	5.6	6.1	1.1	1.0	1.4	23.8	22.0	20.0	13.0	12.5	10.2
Rural Bank		27.3	26.8	23.2	24.3	19.4	11.5	15.5	16.4	14.4	7.1	7.8	7.5	0.8	2.1	0.7	4.8	4.0	3.9	3.5	3.1	2.9
Financial Intermediation																						
Non FI		38.4	37.0	34.2	33.7	31.8	28.0	30.8	28.3	26.4	4.6	5.4	6.0	1.0	1.1	1.5	20.6	19.9	17.3	12.9	12.0	9.9
Low FI		30.2	30.6	26.4	23.2	23.9	16.2	27.6	23.1	22.9	8.9	5.9	6.3	2.3	1.2	1.4	13.6	12.9	11.6	8.0	7.4	6.4
High FI		27.4	27.2	25.1	23.5	21.5	18.3	19.4	19.1	19.8	5.8	5.8	6.4	1.6	1.3	1.8	11.1	11.7	11.8	5.6	5.7	5.6
Methodology																						
Individual		30.1	30.7	28.5	24.8	23.8	20.9	21.5	21.1	20.2	6.9	6.9	6.7	1.3	1.5	1.6	12.9	12.3	11.9	7.0	6.9	6.1
Individual/Solidarity		33.8	33.4	30.7	28.7	27.7	23.0	30.7	23.1	22.9	4.6	5.0	5.7	1.1	1.1	1.7	17.0	15.7	14.7	10.4	9.9	8.3
Solidarity		35.3	40.4	35.9	29.0	32.6	26.0	30.6	29.4	26.4	6.2	5.8	6.8	1.0	1.0	1.2	19.3	22.7	18.2	12.3	11.3	12.3
Village Banking		52.0	49.6	47.2	48.0	42.7	41.2	41.2	37.3	39.9	4.6	7.0	7.3	1.2	1.1	1.3	36.1	30.0	30.7	18.1	16.6	16.5
Outreach																						
Small (Outreach)		34.0	32.8	30.8	27.5	26.9	22.5	28.9	26.3	23.6	5.4	5.8	6.7	1.0	1.0	1.6	17.9	16.4	14.9	11.3	10.0	8.2
Medium (Outreach)		36.3	37.8	32.3	29.1	32.1	24.9	29.7	29.7	25.6	5.0	5.8	6.7	1.3	1.4	2.0	17.3	20.9	17.0	9.6	9.4	9.4
Large (Outreach)		33.3	30.9	30.5	28.1	26.1	23.3	20.5	21.1	20.6	5.3	5.1	5.8	1.4	1.0	1.4	13.7	13.2	13.2	7.7	7.4	7.6
Profit Status																						
For Profit		30.1	29.7	26.2	22.2	20.6	16.3	25.3	22.7	21.9	6.9	6.2	6.9	1.4	1.3	1.7	12.9	12.8	12.8	7.3	7.1	6.3
Non Profit		37.1	36.7	33.2	32.2	29.6	26.4	27.0	26.5	23.9	4.6	5.3	5.7	1.1	1.1	1.6	18.7	18.1	16.0	11.6	10.8	9.3
Region																						
Africa		27.4	24.6	23.9	22.4	21.8	14.0	23.9	18.7	22.8	5.5	5.4	6.3	2.1	1.3	2.5	12.8	12.4	13.3	7.1	6.4	6.2
Asia		31.7	32.1	29.3	27.2	26.1	22.0	26.2	24.2	23.5	5.9	6.0	6.9	1.2	0.9	1.6	15.5	15.2	13.9	8.4	8.1	7.5
ECA		42.2	37.9	34.7	34.0	30.8	27.0	30.8	26.6	24.1	4.4	5.4	6.1	0.9	1.1	1.2	19.8	18.2	16.0	11.7	11.8	9.6
LAC		35.9	36.5	32.2	27.5	27.6	24.8	27.3	27.4	24.0	6.7	6.6	6.1	1.5	1.6	1.7	16.7	15.3	14.7	8.5	8.4	8.1
MENA		38.0	38.0	32.1	33.0	35.1	30.8	22.2	22.1	19.7	2.4	2.6	2.6	0.2	0.3	0.7	19.6	19.0	15.5	14.3	11.5	9.3
Scale																						
Small (Scale)		39.7	38.6	35.6	32.8	32.1	25.3	34.0	31.0	27.3	6.0	6.6	7.5	1.0	1.1	1.9	24.1	22.7	18.6	13.9	12.1	10.6
Medium (Scale)		34.0	37.3	36.4	28.7	29.2	28.8	26.0	27.1	26.0	5.0	5.7	6.5	1.3	1.1	1.5	19.4	19.3	17.3	10.4	10.0	9.3
Large (Scale)		29.9	27.8	28.4	23.7	24.2	22.0	19.4	19.1	20.5	5.2	4.6	5.5	1.4	1.2	1.6	11.4	12.4	12.8	6.6	7.1	6.7
Sustainability																						
FSS		35.0	33.4	32.1	29.7	27.0	25.8	23.0	22.2	22.2	5.0	5.3	5.9	1.1	1.0	1.3	16.1	14.3	14.7	9.5	8.3	8.3
Non FSS		31.9	36.7	24.7	24.5	28.2	16.7	30.7	32.4	25.1	6.4	6.5	6.8	1.9	1.5	3.3	19.0	23.5	15.4	11.3	12.1	7.4
Target Market																						
Low end		37.8	37.8	35.4	29.7	30.5	29.1	30.3	28.1	26.6	5.6	5.5	6.0	1.2	0.9	1.6	20.3	20.8	19.2	12.3	11.1	10.6
Broad		34.5	33.7	31.1	20.0	27.4	24.1	25.4	23.4	23.0	5.3	6.1	6.6	1.2	1.3	1.7	17.1	15.0	15.0	10.1	8.7	8.1
High end		24.1	24.1	22.7	22.8	22.2	15.9	16.2	16.8	15.9	5.5	4.7	4.6	1.0	0.8	0.8	10.6	11.6	10.1	5.8	6.3	5.5
Small Business		24.8	22.7	22.6	21.9	22.1	18.3	16.4	16.8	19.1	2.8	2.3	3.7	1.8	1.2	1.9	11.5	13.9	11.9	5.6	6.2	5.7
COMPOUND PEER GROUPS																						
Africa Small		30.4	26.7	23.8	10.7	15.6	10.9	31.4	24.4	22.9	10.8	6.7	7.7	2.8	2.8	4.8	14.2	11.8	10.1	9.3	7.2	6.1
Africa Medium		50.8	51.1	56.2	39.8	36.0	43.9	34.4	39.7	44.5	6.8	5.9	8.6	1.9	1.4	2.8	23.6	32.8	30.3	12.9	16.1	13.6
Africa Large		22.4	22.4	21.1	21.7	22.0	13.7	15.3	15.3	18.7	2.4	2.4	3.5	1.5	1.3	1.8	10.0	10.7	11.1	5.1	5.1	5.2
Africa Non FSS		30.4	31.5	23.8	11.8	23.4	12.3	28.9	29.5	22.9	10.5	6.5	6.8	2.9	1.7	4.3	14.1	20.6	13.3	8.2	9.2	6.2
Africa FSS		26.2	24.3	32.1	24.3	21.0	24.0	18.4	17.1	19.1	3.2	3.7	5.4	1.6	1.1	1.7	11.2	11.7	13.4	5.8	5.5	6.2
Asia Small		30.2	33.4	24.7	26.9	24.8	15.8	27.2	29.1	26.7	5.9	7.1	7.5	1.1	0.9	1.6	14.2	19.5	14.2	9.1	8.3	7.4
Asia Medium		34.5	32.4	33.4	31.3	27.6	28.0	26.8	23.7	28.0	5.8	6.1	6.0	2.0	1.0	1.4	16.4	15.4	17.7	9.0	7.6	9.3
Asia Large		31.9	30.7	29.1	26.5	26.0	22.0	21.0	20.2	22.3	6.2	5.0	6.5	1.0	0.7	1.6	12.8	13.0	12.9	7.5	8.4	7.6
Asia Non FSS		29.0	35.8	31.0	24.8	28.3	20.1	31.1	32.9	29.6	6.3	6.4	7.0	2.8	2.3	2.7	16.8	23.2	18.1	10.3	13.0	11.5
Asia FSS		33.5	30.8	29.2	29.2	26.0	22.1	22.1	19.8	20.4	5.4	5.9	6.8	1.0	0.8	0.9	13.0	12.3	12.0	7.0	6.5	7.2
ECA Small		52.0	45.7	47.0	38.0	36.2	33.1	37.4	32.9	34.6	4.9	8.3	11.7	0.9	1.3	2.0	27.3	23.8	22.1	15.8	15.8	12.4
ECA Medium		34.0	42.2	38.9	33.7	33.9	30.1	23.0	27.4	24.7	4.0	5.5	6.4	1.0	1.3	0.9	19.8	19.4	18.2	12.4	12.6	10.9
ECA Large		30.0	27.5	26.3	26.7	27.0	22.3	21.4	19.2	19.7	4.3	4.0	5.3	1.0	1.0	1.2	14.8	13.1	12.3	8.8	8.3	7.8
ECA Non FSS		41.7	46.2	34.0	37.4	38.4	21.4	32.3	43.6	32.6	5.4	6.6	10.1	0.9	2.6	2.0	23.7	33.8	19.9	12.7	17.6	12.3
ECA FSS		42.2	36.7	35.9	34.0	30.3	27.3	29.1	23.7	23.0	4.2	5.3	5.5	0.9	1.0	1.2	18.4	16.8	15.7	11.6	10.8	8.9
LAC Small		47.8	49.4	46.5	34.8	39.3	39.7	40.1	36.8	38.3	5.4	6.1	5.1	1.4	0.9	0.8	26.5	28.9	32.5	16.1	17.2	18.7
LAC Medium		35.9	36.7	32.2																		

Trend Lines 2003–05 MFI Benchmarks

Median	EXPENSES									EFFICIENCY											
	Administrative Expense Ratio			Adjustment Expense Ratio			Operating Expense/ Loan Portfolio			Personnel Expense/ Loan Portfolio			Average Salary/ GNP per Capita			Cost per Borrower			Cost per Loan		
	Units: Year:	% 2003	% 2004	% 2005	% 2003	% 2004	% 2005	% 2003	% 2004	% 2005	% 2003	% 2004	% 2005	x 2003	x 2004	x 2005	US\$ 2003	US\$ 2004	US\$ 2005	US\$ 2003	US\$ 2004
All	6.8	6.9	6.4	1.6	1.6	1.8	22.2	20.7	19.4	12.9	12.2	10.9	5.5	5.3	5.2	86	92	97	87	90	93
SIMPLE PEER GROUPS																					
Age																					
New	7.2	7.7	7.8	3.5	3.6	4.8	27.8	25.4	36.8	16.9	14.1	17.0	7.4	7.3	3.0	62	33	48	71	33	48
Young	7.0	6.5	6.2	2.3	2.3	2.1	25.7	22.3	19.1	13.7	13.6	10.3	5.9	5.7	6.2	112	111	112	107	111	100
Mature	6.7	6.8	6.4	1.0	1.3	1.6	20.7	19.6	18.9	11.4	10.5	10.4	4.9	4.4	4.7	79	91	86	79	88	84
Charter Type																					
Bank	6.5	6.7	6.2	1.5	1.3	1.1	22.3	20.8	18.9	12.6	11.5	10.6	8.8	7.7	7.7	219	173	165	226	192	165
Credit Union	5.4	5.3	3.8	1.0	0.6	1.6	16.7	14.3	13.0	7.2	5.9	6.2	4.9	4.2	4.6	120	142	138	178	169	155
NBFI	6.7	6.5	6.0	1.7	1.9	1.8	21.0	19.8	18.4	12.2	12.0	10.1	9.4	8.4	7.6	139	114	118	143	112	112
NGO	9.1	8.3	7.7	1.8	1.5	1.8	32.4	29.9	26.9	19.3	16.0	13.8	4.1	4.0	3.8	62	76	68	64	74	69
Rural Bank	1.1	1.1	1.3	0.6	1.8	1.8	6.1	6.3	6.1	4.9	4.5	4.5	2.6	2.1	2.1	55	68	75	46	65	73
Financial Intermediation																					
Non FI	8.4	7.5	7.0	1.8	1.6	1.6	30.8	25.8	22.3	18.2	14.7	12.7	5.2	4.5	4.3	104	98	100	103	96	99
Low FI	6.2	6.1	4.9	2.4	3.1	4.4	20.0	18.5	16.1	10.9	10.1	9.5	9.3	9.4	8.8	21	18	20	17	18	18
High FI	5.4	5.7	5.5	0.7	1.0	1.4	16.7	15.8	15.5	8.5	7.8	7.5	5.2	5.3	5.4	119	102	126	113	112	133
Methodology																					
Individual	6.3	5.9	5.7	0.9	1.2	1.4	16.7	15.5	14.6	9.9	8.3	7.5	4.9	4.3	4.4	143	146	146	149	143	145
Individual/Solidarity	6.7	6.5	6.4	2.0	2.1	2.1	21.5	22.3	19.2	13.0	13.2	11.2	6.8	7.2	6.9	119	94	86	119	92	79
Solidarity	6.9	8.2	6.6	2.3	2.8	1.8	29.7	32.2	30.4	18.7	19.2	20.2	5.3	4.2	2.7	21	28	31	19	28	29
Village Banking	13.1	13.4	13.5	1.0	1.6	1.7	44.6	37.0	41.0	26.4	21.3	22.2	4.2	4.0	5.2	58	44	55	60	46	55
Outreach																					
Small (Outreach)	6.7	6.6	6.5	2.2	2.4	2.0	25.9	23.2	19.8	16.2	14.1	11.8	4.6	4.3	3.9	130	128	137	131	128	139
Medium (Outreach)	8.4	8.1	7.3	1.5	1.3	1.9	28.1	26.4	23.3	14.1	12.9	12.8	5.8	5.9	6.2	81	95	99	76	87	90
Large (Outreach)	5.8	6.2	6.2	1.0	1.0	1.1	19.1	17.9	18.3	11.1	9.9	9.7	5.6	5.3	5.6	42	50	53	47	44	52
Profit Status																					
For Profit	6.1	6.2	5.9	1.7	1.8	1.8	20.4	18.7	16.7	10.3	9.9	9.4	8.3	7.2	6.8	70	70	86	79	61	78
Non Profit	7.5	7.2	6.7	1.5	1.5	1.8	27.2	23.9	21.1	14.8	13.7	12.0	4.6	4.4	4.4	97	100	100	92	100	99
Region																					
Africa	6.0	6.8	7.4	3.8	1.9	4.0	21.0	19.6	18.8	11.3	9.9	9.2	15.2	13.7	12.3	58	68	69	58	57	65
Asia	6.0	7.1	5.9	0.8	1.6	1.8	19.3	20.8	18.9	11.9	10.5	10.7	3.0	2.8	2.9	26	28	29	26	28	28
ECA	8.0	6.5	6.0	3.2	3.2	1.9	27.0	22.3	20.9	16.2	14.1	12.0	6.8	5.7	5.8	215	194	162	201	180	162
LAC	7.1	7.2	6.7	0.6	0.8	1.1	21.4	19.4	18.6	11.4	10.3	9.9	4.8	4.5	4.7	140	124	148	140	119	142
MENA	5.8	6.1	6.3	1.9	2.3	1.9	31.9	25.7	21.6	19.6	14.9	13.0	3.8	3.5	3.6	65	77	66	65	73	63
Scale																					
Small (Scale)	8.6	8.0	6.8	2.9	2.6	3.5	34.5	29.6	26.9	19.6	18.5	15.0	4.3	3.5	3.2	71	56	44	74	56	43
Medium (Scale)	7.6	7.8	7.8	1.4	1.8	1.9	25.9	26.4	23.1	13.7	14.3	12.9	5.0	4.4	5.2	79	97	105	81	91	100
Large (Scale)	5.5	5.6	5.7	0.7	0.7	1.2	16.7	16.1	15.8	9.8	9.5	8.6	8.0	8.1	7.1	145	112	111	149	121	106
Sustainability																					
FSS	6.6	6.3	6.4	1.0	1.2	1.3	20.6	19.0	18.9	11.9	10.3	10.5	5.6	5.1	4.7	104	96	105	100	96	100
Non FSS	7.7	9.6	6.7	4.2	3.6	4.8	31.8	36.0	21.0	17.8	19.8	12.7	5.5	5.9	7.4	58	57	73	66	57	76
Target Market																					
Low end	7.9	7.9	7.4	1.8	1.9	2.1	30.8	28.6	27.1	18.5	15.1	14.4	3.8	3.4	3.3	30	28	30	30	28	28
Broad	6.9	6.5	6.3	1.6	1.6	1.7	21.8	19.6	18.8	12.5	11.3	10.0	6.1	5.5	5.7	149	128	130	157	135	129
High end	4.6	5.1	4.6	0.7	0.9	1.2	12.8	14.6	12.4	7.3	7.7	6.7	11.4	9.4	10.4	214	217	179	190	209	179
Small Business	5.4	7.2	6.1	0.4	0.2	1.5	16.7	17.4	14.3	8.2	8.4	6.9	14.0	21.4	16.6	278	317	271	273	325	286
COMPOUND PEER GROUPS																					
Africa Small	6.8	4.8	4.5	9.5	4.8	6.3	24.7	18.2	15.9	14.8	12.1	8.8	14.8	10.9	11.6	21	17	15	17	17	15
Africa Medium	11.2	14.3	15.3	2.6	1.9	2.0	36.6	44.9	43.9	20.2	22.1	21.3	19.1	13.7	19.1	65	97	77	71	82	77
Africa Large	5.5	5.5	6.0	1.4	0.5	2.1	16.7	15.4	16.4	8.4	7.2	6.5	15.2	16.4	13.6	120	96	103	120	108	103
Africa Non FSS	6.4	11.0	7.5	7.2	4.6	4.9	24.7	36.0	17.4	14.3	17.1	9.0	14.0	12.0	11.8	21	27	38	18	25	22
Africa FSS	5.6	5.3	7.3	1.3	0.7	1.6	20.6	17.1	27.8	9.9	8.2	12.7	17.8	16.1	20.7	111	94	108	73	98	74
Asia Small	5.8	7.9	4.2	0.4	1.6	2.1	23.7	25.4	20.4	15.1	11.3	14.2	2.6	2.1	1.9	30	29	37	30	29	37
Asia Medium	8.5	7.1	7.2	1.2	1.8	1.8	21.3	24.6	21.5	11.8	11.4	12.8	3.6	3.1	3.8	22	28	34	23	28	32
Asia Large	4.7	5.0	5.7	1.0	1.4	1.4	16.8	16.0	15.3	10.1	10.4	9.7	3.3	3.2	3.1	12	20	23	12	20	20
Asia Non FSS	7.1	10.3	7.8	0.7	2.3	4.3	30.1	32.5	31.4	18.6	20.5	17.0	3.6	3.2	3.7	27	28	42	29	28	42
Asia FSS	5.6	5.5	5.1	0.8	1.4	1.5	17.2	14.9	15.1	9.9	9.8	9.6	2.9	2.6	2.7	26	26	27	25	26	26
ECA Small	10.9	9.5	10.2	3.7	4.9	6.0	35.9	28.1	24.9	22.4	17.4	14.6	4.4	3.7	2.9	160	161	162	157	157	162
ECA Medium	7.5	7.4	7.9	0.4	4.0	2.4	25.9	31.3	24.5	16.5	15.3	13.5	8.1	5.3	5.4	215	182	182	215	162	170
ECA Large	6.6	5.3	4.6	2.7	0.2	1.0	17.8	17.1	15.1	10.8	9.5	8.2	10.5	9.4	7.6	242	202	160	242	202	159
ECA Non FSS	10.7	15.2	9.1	4.1	4.5	8.0	34.9	40.6	27.3	20.0	22.6	14.9	4.4	5.3	4.1	410	324	429	410	324	429
ECA FSS	7.2	6.3	5.9	2.8	1.9	1.7	21.3	20.1	18.4	12.9	13.2	11.1	9.2	7.0	6.2	160	180	159	160	174	157
LAC Small	10.5	9.5	13.0	2.3	2.3	1.9	33.3	33.4	37.8	19.5	20.3	20.2	3.3	3.0	3.0	110	117	82	110	117	79
LAC Medium	7.6	8.1	6.8	0.9	0.8	1.2	22.8	22.2	20.5	11.4	10.8	10.6	4.6	4.3	3.7	109	96	163	119	96	155
LAC Large	5.7	5.8	5.7	0.3	0.6	0.7	14.3	15.9	15.8	8.1	8.8	8.0	5.7	6.2	6.4	179	172	159	181	172	152
LAC Non FSS	8.5	15.0	8.7	2.7	2.3	2.4	30.8	44.2	24.6	18.0	15.2	13.9	4.2	3.7	3.6	145	176	152	159	176	152
LAC FSS	6.8	7.1	6.7	0.4	0.7	0.8	20.6	18.9	18.6	10.6	9.8	9.9	4.9	5.1	5.4	140	120	147	136	117	135
MENA Small	15.9	8.3	n/a	1.9	1.7	n/a	48.0	46.7	n/a	27.5	34.1	n/a	4.1	5.0	n/a						

Trend Lines 2003–05 MFI Benchmarks																									
Median		Borrowers per Staff Member						Loans per Staff Member			Borrowers per Loan Officer			PRODUCTIVITY Loans per Loan Officer			Voluntary Savers per Staff Member			Savings Accounts per Staff Member			Personnel Allocation Ratio		
PEER GROUP	Units:	nb	nb	nb	nb	nb	nb	nb	nb	nb	nb	nb	nb	nb	nb	nb	nb	nb	nb	nb	nb	nb	%	%	%
	Year:	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005
All		116	123	127	115	124	132	225	237	236	226	240	241	-	-	2	-	-	4	53.0	55.8	56.0			
SIMPLE PEER GROUPS																									
Age																									
New		98	101	83	91	100	82	197	243	205	176	243	223	-	2	0	-	2	0	51.3	57.3	50.0			
Young		107	122	119	119	123	123	191	229	226	208	234	233	-	-	-	-	-	-	53.3	54.8	55.4			
Mature		126	128	139	122	136	142	253	244	243	253	250	256	27	28	31	15	47	38	53.0	57.2	57.0			
Charter Type																									
Bank		85	88	111	85	88	111	198	244	203	197	247	203	59	81	104	67	100	116	55.6	55.7	53.4			
Credit Union		85	89	120	75	89	119	232	366	263	160	291	256	414	439	452	158	182	426	36.7	33.2	35.0			
NBFI		118	129	131	121	134	136	251	246	263	251	261	268	-	-	0	-	-	0	51.5	54.9	56.5			
NGO		134	141	144	141	143	144	208	222	231	228	240	235	-	-	-	-	-	-	58.0	61.0	56.7			
Rural Bank		61	52	62	61	52	52	218	121	85	218	121	85	224	262	265	217	262	265	35.3	63.4	70.3			
Financial Intermediation																									
Non FI		124	135	142	124	136	142	211	235	233	211	240	238	-	-	-	-	-	-	55.0	58.0	56.9			
Low FI		131	133	154	152	143	159	264	262	289	261	278	298	33	41	35	63	71	77	53.2	53.6	54.5			
High FI		84	89	90	80	89	94	225	225	189	234	225	202	217	198	177	169	167	188	42.9	51.8	52.5			
Methodology																									
Individual		91	90	90	93	94	94	229	209	188	232	208	188	53	67	97	27	67	128	47.0	50.3	52.6			
Individual/Solidarity		94	122	132	93	129	140	182	227	248	175	240	256	-	-	1	-	-	1	56.2	57.2	56.7			
Solidarity		164	153	142	169	160	146	263	245	222	263	257	227	-	-	-	-	-	-	61.2	63.2	70.0			
Village Banking		148	172	158	155	183	158	249	293	329	261	294	329	-	-	-	-	-	-	55.0	57.8	49.1			
Outreach																									
Small (Outreach)		83	83	83	84	86	81	173	183	150	173	189	150	-	-	-	-	-	0	51.5	54.8	55.1			
Medium (Outreach)		141	128	128	143	139	132	253	240	243	254	242	243	-	-	1	-	-	1	50.0	50.5	49.7			
Large (Outreach)		196	179	180	211	186	191	324	289	301	343	304	318	39	33	43	65	64	44	61.1	62.7	63.6			
Profit Status																									
For Profit		104	121	115	101	121	116	253	245	243	246	257	246	83	107	104	75	107	111	48.3	53.7	53.2			
Non Profit		125	127	138	127	133	142	205	222	232	208	232	236	-	-	-	-	-	-	55.9	58.8	56.7			
Region																									
Africa		144	153	144	150	153	146	266	267	297	264	299	308	46	76	85	34	53	90	50.6	50.5	48.7			
Asia		133	131	142	142	144	145	222	214	229	242	237	233	61	112	17	87	126	39	61.2	65.0	66.1			
ECA		85	86	93	85	86	93	152	169	156	152	169	165	-	-	-	-	-	-	52.4	53.2	56.0			
LAC		109	112	120	111	113	119	264	290	278	270	297	293	-	-	39	-	33	48	48.3	44.0	45.3			
MENA		139	145	161	146	149	165	210	205	230	217	212	230	-	-	-	-	-	-	69.8	73.4	75.2			
Scale																									
Small (Scale)		91	101	113	91	98	113	199	206	242	205	206	242	-	1	26	-	1	26	50.6	51.6	49.7			
Medium (Scale)		132	124	117	137	133	118	227	212	212	235	226	217	-	-	-	-	-	-	57.1	61.7	56.0			
Large (Scale)		141	145	149	133	146	164	266	268	251	256	287	271	51	12	43	63	10	44	55.9	54.8	62.1			
Sustainability																									
FSS		116	128	128	116	131	139	228	239	234	240	243	240	-	-	2	-	-	3	51.8	56.8	56.8			
Non FSS		116	116	122	104	122	117	210	225	244	223	225	244	-	1	6	-	0	5	54.8	55.0	50.3			
Target Market																									
Low end		163	157	170	167	167	179	266	261	275	266	267	285	-	1	-	-	1	-	61.1	61.2	61.8			
Broad		88	101	113	91	101	112	176	211	219	177	208	223	-	-	5	-	-	1	50.8	52.7	50.0			
High end		85	65	80	86	72	80	183	131	133	168	179	135	5	53	127	-	67	116	39.1	40.5	60.3			
Small Business		52	64	55	51	65	49	145	140	123	156	152	114	152	71	202	274	16	202	37.4	43.6	43.8			
COMPOUND PEER GROUPS																									
Africa Small		129	145	145	146	145	145	266	273	297	264	273	297	5	43	63	7	68	90	48.3	48.6	47.6			
Africa Medium		142	133	136	153	161	145	256	262	254	204	290	259	59	43	24	87	53	24	68.5	62.7	61.5			
Africa Large		166	164	142	184	153	152	286	394	340	286	453	360	274	191	180	174	43	191	40.9	41.1	43.8			
Africa Non FSS		152	145	144	156	149	142	273	267	297	266	270	282	29	34	35	29	11	30	51.8	50.8	47.6			
Africa FSS		128	153	142	116	153	158	216	335	291	185	344	343	70	145	180	65	80	191	49.3	49.8	55.2			
Asia Small		73	90	68	73	89	67	192	172	130	192	172	130	87	156	177	87	156	177	53.3	61.1	65.9			
Asia Medium		161	139	132	177	163	146	247	236	222	254	250	222	33	63	9	26	105	11	62.0	69.7	68.8			
Asia Large		228	169	184	206	193	205	327	240	253	303	275	281	104	27	0	236	166	2	64.5	64.8	66.1			
Asia Non FSS		140	124	132	142	128	132	189	216	231	188	216	231	13	97	4	2	97	4	64.7	63.3	57.3			
Asia FSS		126	139	146	141	152	171	254	214	227	257	238	234	105	128	95	181	161	99	58.1	67.3	68.0			
ECA Small		58	49	65	63	49	65	114	118	121	120	118	125	-	-	-	-	-	-	49.3	45.3	38.5			
ECA Medium		90	79	80	90	78	84	171	149	155	171	152	155	-	-	-	-	-	-	54.5	58.0	54.7			
ECA Large		93	108	113	93	108	113	151	204	187	151	204	187	-	-	-	-	-	-	64.9	57.6	62.6			
ECA Non FSS		46	56	47	45	53	47	94	104	81	96	104	81	-	-	-	-	-	0	48.6	50.4	56.4			
ECA FSS		90	92	107	91	92	108	170	189	178	170	189	178	-	-	-	-	-	-	54.4	55.5	56.0			
LAC Small		99	105	120	97	106	119	212	254	263	214	254	263	-	-	-	-	-	-	49.6	42.1	46.7			
LAC Medium		123	109	95	123	107	97	327	243	231	327	243	239	-	-	191	-	-	192	43.0	44.9	36.1			
LAC Large		138	130	143	124	130	143	290	297	316	286	322	319	53	74	104	67	87	124	48.5	40.7	47.0			
LAC Non FSS		100	91	90	95	91	88	266	216	210	256	216	210	-	-	245	-	74	245	50.0	40.7	47.5			
LAC FSS		122	131	123	122	131	126	264	300	315	284	318	318	-	-	39	-	33	44	48.1	44.2	44.8			
MENA Small		166	148	n/a	166	148	n/a	261	207	n/a	261	207	n/a	-	-	n/a	-	-	n/a	64.9	72.1	n/a			
MENA Medium		85	128	138	85	134	138	128	181	237	128	197	237	-	-	-	-	-	-	68.1	70.3	65.2			
MENA Large		241	251	185	241	250	187	322	301	222	32														

Trend Lines 2003–05 MFI Benchmarks																						
Median		Portfolio at Risk> 30 Days						Portfolio at Risk> 90 Days			Write-off Ratio			Loan Loss Rate			Risk Coverage			Non-earning Liquid Assets as a % of Total Assets		
PEER GROUP	Units:	%	%	%	%	%	%	%	%	%	%	%	%	%	x	x	x	%	%	%		
	Year:	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005			
All		2.1	1.9	1.8	0.9	0.9	0.9	0.9	1.2	1.3	0.7	0.9	1.0	1.0	1.0	1.0	1.0	8.3	6.8	7.9		
SIMPLE PEER GROUPS																						
Age																						
New		1.4	1.6	1.2	0.9	0.9	0.9	0.2	0.8	0.3	0.2	0.8	0.1	1.0	0.9	2.5	15.2	10.2	16.5			
Young		1.7	1.3	1.3	0.6	0.6	0.6	0.8	1.1	1.2	0.7	0.8	1.0	1.1	1.1	1.0	6.8	8.4	9.3			
Mature		3.1	2.7	2.4	1.4	1.2	1.2	1.2	1.4	1.6	1.0	1.0	1.1	1.0	1.0	0.9	6.9	5.3	7.0			
Charter Type																						
Bank		3.8	3.0	2.8	2.2	1.7	1.3	1.1	1.3	2.0	1.0	1.1	1.3	0.9	1.1	1.0	4.9	3.8	6.5			
Credit Union		3.7	4.2	5.1	1.0	3.2	3.6	1.9	2.0	3.8	1.9	2.0	2.8	0.5	0.6	0.5	6.7	5.9	12.4			
NBFI		1.6	1.6	1.3	0.7	0.6	0.6	0.8	1.2	1.3	0.6	0.8	1.2	1.2	1.1	1.0	6.3	5.7	7.8			
NGO		1.4	1.3	1.5	0.6	0.7	0.7	0.8	1.3	1.1	0.7	0.9	0.9	1.0	1.2	1.1	8.4	7.2	6.0			
Rural Bank		8.2	8.2	6.9	1.9	2.3	1.9	-	-	-	-	-	-	0.8	0.5	0.5	22.7	34.0	22.4			
Financial Intermediation																						
Non FI		1.1	1.2	1.3	0.5	0.6	0.6	0.8	1.0	1.1	0.6	0.7	0.8	1.1	1.2	1.1	6.4	5.2	5.5			
Low FI		2.8	1.7	1.9	1.1	0.8	0.8	0.9	1.6	2.2	0.6	1.1	2.0	1.0	1.0	0.8	12.0	7.8	11.6			
High FI		4.2	3.9	3.4	1.6	1.7	1.5	1.3	1.7	1.8	1.1	1.1	1.3	0.8	0.7	0.8	9.8	9.6	10.6			
Methodology																						
Individual		3.3	2.8	2.1	1.6	1.3	1.3	0.9	1.5	1.3	0.6	1.0	0.9	0.9	1.0	1.0	4.9	5.3	7.8			
Individual/Solidarity		1.9	2.1	1.7	1.0	0.9	0.9	1.1	1.3	1.7	0.8	1.0	1.5	1.0	1.1	0.9	7.0	6.0	7.4			
Solidarity		0.9	0.6	0.7	0.3	0.5	0.4	0.6	0.6	1.1	0.6	0.6	0.9	1.0	0.9	0.9	18.0	12.3	14.0			
Village Banking		1.1	0.7	1.7	0.5	0.4	0.8	0.4	0.7	0.4	0.4	0.5	0.2	1.1	1.3	1.2	12.1	7.7	10.5			
Outreach																						
Small (Outreach)		2.5	2.0	2.1	1.0	1.0	1.3	0.6	1.0	0.9	0.4	0.7	0.5	1.0	1.0	0.9	10.0	8.5	8.3			
Medium (Outreach)		2.5	2.3	1.7	1.1	1.2	0.9	0.9	1.5	2.1	0.8	1.3	1.6	0.8	0.9	0.9	7.7	7.2	9.9			
Large (Outreach)		1.5	1.5	1.5	0.7	0.7	0.6	1.3	0.8	1.2	1.3	0.8	0.9	1.1	1.2	1.2	4.8	5.2	6.5			
Profit Status																						
For Profit		4.3	2.8	2.6	1.9	1.5	1.2	1.0	1.3	1.9	0.9	1.0	1.5	0.8	0.8	0.8	11.2	9.9	11.3			
Non Profit		1.4	1.4	1.5	0.5	0.7	0.7	0.8	1.2	1.1	0.7	0.8	0.8	1.1	1.2	1.0	6.7	6.1	6.0			
Region																						
Africa		4.7	3.8	4.7	1.5	1.2	2.9	1.4	1.6	2.7	1.3	1.5	2.2	0.6	0.6	0.6	16.7	13.8	12.5			
Asia		3.0	2.6	2.4	1.6	1.4	0.9	0.6	1.1	1.6	0.4	0.7	1.2	0.9	0.9	0.8	11.0	7.9	11.5			
ECA		0.8	1.0	1.2	0.2	0.3	0.6	0.6	0.9	0.7	0.4	0.6	0.5	1.6	1.7	1.4	5.7	4.0	4.0			
LAC		3.3	2.7	2.1	1.7	1.3	1.3	1.1	2.0	1.7	1.1	1.4	1.0	1.1	1.3	1.3	4.2	5.4	7.4			
MENA		0.5	0.5	0.5	0.4	0.1	0.2	0.3	0.3	0.3	0.2	0.3	0.2	1.0	1.2	1.0	8.1	5.5	5.8			
Scale																						
Small (Scale)		2.9	2.5	3.5	1.2	1.2	1.7	0.6	1.3	1.1	0.5	1.1	0.6	0.9	0.8	0.8	14.2	9.6	15.4			
Medium (Scale)		1.7	2.0	1.6	0.8	0.8	0.9	0.8	1.1	1.2	0.6	0.7	1.0	1.1	1.1	0.9	8.9	7.0	8.8			
Large (Scale)		2.0	1.5	1.7	0.9	0.8	0.6	1.3	1.3	1.6	1.2	0.9	1.2	1.0	1.5	1.2	3.5	4.6	5.3			
Sustainability																						
FSS		1.8	1.5	1.5	0.6	0.7	0.6	0.8	1.1	1.0	0.6	0.7	0.7	1.1	1.2	1.1	5.9	5.9	6.5			
Non FSS		3.0	2.6	4.7	1.5	1.4	3.5	1.3	1.5	3.1	1.0	1.3	2.8	0.8	0.8	0.7	12.9	8.4	12.7			
Target Market																						
Low end		1.5	1.3	1.4	0.6	0.6	0.6	0.6	1.2	1.2	0.6	1.1	1.0	1.0	1.0	0.9	10.9	7.7	10.9			
Broad		2.6	2.1	1.9	1.3	1.2	0.9	0.9	1.2	1.5	0.7	0.8	1.0	1.0	1.1	1.0	6.6	6.4	6.3			
High end		1.9	2.4	1.8	0.9	1.1	0.9	1.2	0.7	0.9	0.9	0.3	0.4	1.4	1.3	0.8	3.3	5.0	9.6			
Small Business		3.5	3.6	3.6	1.2	0.8	2.7	0.9	1.9	2.1	0.6	1.9	2.0	0.7	0.7	0.7	8.9	5.5	7.6			
COMPOUND PEER GROUPS																						
Africa Small		5.3	3.1	4.6	2.0	1.1	2.9	2.7	3.4	4.4	2.6	3.4	4.4	0.5	0.6	0.6	25.4	25.3	20.2			
Africa Medium		4.0	2.1	3.7	1.1	0.9	2.0	0.4	1.0	2.4	0.2	0.9	1.9	0.8	0.8	0.8	13.4	10.3	10.0			
Africa Large		3.7	4.5	5.2	1.3	3.0	3.6	1.9	1.6	2.2	1.9	1.6	2.2	0.5	0.6	0.5	4.9	9.2	10.7			
Africa Non FSS		5.3	3.7	5.3	2.1	1.6	4.2	1.7	1.6	3.1	1.5	1.4	2.9	0.6	0.6	0.6	19.6	17.4	15.3			
Africa FSS		3.9	4.0	3.1	1.2	1.1	1.1	1.3	1.7	1.3	1.3	1.6	1.3	0.5	0.6	0.5	11.5	6.6	9.1			
Asia Small		5.1	3.9	4.9	1.9	2.2	2.1	-	0.5	-	-	0.3	-	0.9	0.8	0.7	20.0	12.1	22.4			
Asia Medium		1.7	2.4	2.6	0.6	1.4	0.9	1.1	1.0	0.7	1.1	0.7	0.3	1.0	0.9	0.8	11.0	7.2	11.5			
Asia Large		0.6	1.3	0.8	0.5	1.1	0.2	1.0	1.6	1.9	0.4	1.4	1.8	1.0	1.6	2.6	3.0	4.8	5.3			
Asia Non FSS		3.0	2.9	3.9	2.1	2.4	1.6	3.9	1.6	3.0	3.9	1.6	2.8	0.8	0.8	0.7	10.8	6.6	13.5			
Asia FSS		3.1	2.5	1.8	1.1	1.3	0.5	0.3	0.5	0.7	0.2	0.3	0.6	1.0	1.1	1.0	11.8	10.9	9.3			
ECA Small		0.8	1.3	1.4	0.3	0.8	1.4	0.6	0.9	0.5	0.4	0.9	0.5	1.2	1.1	1.2	6.6	3.9	2.2			
ECA Medium		0.8	1.2	1.3	0.2	0.5	0.7	0.8	0.8	1.0	0.7	0.6	0.5	3.0	1.1	1.2	4.4	6.9	5.8			
ECA Large		1.2	0.6	0.8	0.2	0.1	0.4	0.3	1.1	0.7	0.2	0.5	0.5	2.9	3.4	2.4	3.5	3.6	2.4			
ECA Non FSS		1.0	0.6	1.3	0.2	0.6	1.0	0.3	1.6	1.0	0.3	1.6	0.9	1.8	1.6	1.4	10.9	5.5	1.6			
ECA FSS		0.7	1.0	1.1	0.3	0.3	0.6	0.7	0.8	0.7	0.6	0.5	0.5	1.4	1.7	1.4	5.1	4.0	4.1			
LAC Small		4.8	3.3	3.6	2.7	1.8	1.5	1.1	1.6	1.2	1.1	1.6	0.6	0.8	0.8	1.0	5.3	7.6	9.8			
LAC Medium		3.3	3.1	3.4	1.7	1.3	2.1	1.0	1.5	1.7	0.9	1.4	1.6	1.2	1.1	1.0	6.7	5.4	9.7			
LAC Large		2.8	1.8	1.9	1.6	1.2	0.9	1.6	2.2	1.7	1.3	0.8	1.1	1.6	1.6	1.6	3.1	4.9	5.8			
LAC Non FSS		7.2	5.6	6.8	4.7	2.6	5.2	1.1	1.4	4.8	1.1	1.4	2.9	0.8	1.0	0.8	8.1	6.7	13.8			
LAC FSS		2.8	2.4	2.0	1.3	1.2	1.1	1.1	2.0	1.4	1.1	1.1	0.9	1.5	1.4	1.5	3.5	5.2	6.7			
MENA Small		0.3	0.3	n/a	0.2	0.1	n/a	-	0.3	n/a	-	0.3	n/a	1.0	n/a	n/a	4.3	15.5	n/a			
MENA Medium		1.2	1.0	0.7	0.8	0.3	0.4	0.6	0.3	0.3	0.2	0.1	0.2	1.0	1.3	0.5	8.8	5.5	12.5			
MENA Large		0.1	0.2	0.3	-	0.1	0.1	0.3	0.3	0.3	0.3	0.3	0.3	0.9	0.9	1.4	10.3	2.5	1.4			
MENA Non FSS		1.2	0.9	2.5	0.6	0.4	1.4	2.3	0.1	2.4	-	-	0.5	0.8	1.0	1.0	4.0	4.4	8.7			
MENA FSS		0.2	0.4	0.4	0.2	0.1	0.1	0.3	0.4	0.3	0.3	0.3	0.2	1.0	1.2	1.0	8.8	10.7	3.0			

All data presented are median values. For Definitions of Peer Groups, refer to pages 55 to 69. For details on indicator definitions, refer to pages 53 to 54. For averages, standard deviations or other results, please visit www.mixmbb.org or www.mixmarket.org. "n/a" denotes results for Peer Groups with less than three observations.

Index of Terms and Definitions (Balance Sheet)

Terms	Definitions
Cash and Due from Banks	Cash, petty cash, balances in banks, including non-interest bearing deposits
Reserves from Central Bank	Cash reserves in a central bank
Short Term Financial Assets	Treasury bills and other short term investments, including interest-bearing deposits, convertible to cash within 12 months. Usually used in liquidity management.
Net Loan Portfolio	Gross Loan Portfolio minus Loan Loss Reserve
Gross Loan Portfolio	All outstanding principal for all outstanding client loans, including current, delinquent and restructured loans, but not loans that have been written off. It does not include interest receivable. It does not include employee loans.
(Loan Loss Reserve)	The portion of the gross loan portfolio that has been expensed (provisioned for) in anticipation of losses due to default. This item represents the cumulative value of the loan loss provision expense, less the cumulative value of loans written off.
Interest Receivable	Interest receivable on all asset accounts. Recorded by institutions using accrual accounting.
Accounts Receivable and Other Assets	Accounts receivable, notes receivables and other receivables. This includes all receivables other than client loan accounts, including employee loans.
Long Term Financial Assets	Long term investments not convertible to cash within 12 months
Net Fixed Assets	The purchase value of property, plant and equipment, less accumulated depreciation. This includes intangibles, such as MIS development or goodwill, less accumulated amortization.
TOTAL ASSETS	Total of all net asset accounts
Demand Deposits	Total of Voluntary and Compulsory Savings
Voluntary Savings	Demand deposits from the general public and members that are not maintained as a condition for accessing a current or future loan and are held with the institution
Compulsory Savings	Client savings accounts that are maintained as a condition for a current or future loan and are held with the institution
Time Deposits	Certificates of deposit or other fixed term deposits
Borrowings	Total of Commercial and Concessional Borrowings
Borrowings at concessional interest rates	Principal balance of all borrowings, including overdraft accounts, for which the institution pays a nominal rate of interest that is less than the local commercial interest rate
Borrowings at commercial interest rates	Principal balance of all borrowings, including overdraft accounts, for which the institution pays a nominal rate of interest that is greater than to or equal to the local commercial interest rate
Interest Payable	Interest payable on all liability accounts. Recorded by institutions using accrual accounting.
Accounts Payable and Other Liabilities	Other liabilities including tax and salary liabilities, social withholdings, deferred income, other accounts payable, including liabilities that do not fund the portfolio, such as mortgages on real estate.
TOTAL LIABILITIES	Total of all liability accounts
Paid-in Capital	Capital paid by shareholders or members
Donated Equity	Accumulated donations
Prior Years	Accumulated donations from prior periods
Current Year	Donations from the current year
Retained Earnings	Accumulated net income after taxes and before donations
Prior Years	Accumulated net income after taxes and before donations from prior periods
Current Year	Net income after taxes and before donations from the current year
Adjustments	Value of all adjustments, including inflation adjustment
Inflation Adjustment	Value of inflation adjustment expense
Subsidized Costs of Funds Adjustment	Value of subsidized cost of funds adjustment expense
In-Kind Subsidy Adjustment	Value of in-kind subsidy adjustment
Reserves	Reserves such as those imposed by law or statute.
Other Equity Accounts	Other equity accounts not included elsewhere
TOTAL EQUITY	Total of all equity accounts
TOTAL LIABILITIES AND EQUITY	Total of Total Liabilities and Total Equity

Index of Terms and Definitions (Income Statement)

Terms	Definitions
Financial Revenue	Total of revenue from loan portfolio and other financial assets, as well as other financial revenue from financial services
Financial Revenue from Loan Portfolio	Total interest, fees and commission on loan portfolio
Interest on Loan Portfolio	Interest earned on loan portfolio
Fee and Commissions on Loan Portfolio	Penalties, commissions and other fees charged on loan portfolio
Financial Revenue from Other Financial Assets	Net gains on other financial assets
Other Revenue Related to Financial Services	Other revenue from provision of financial services, including revenue from insurance or transfer services or non-financial revenue from the provision of financial services, such as the sale of passbooks or SmartCards. This account also includes net exchange gains.
Financial Expense	Total of financial expense on liabilities, net inflation adjustment, cost-of-funds adjustment and other expenses from financial services
Financial Expense on Liabilities	Total of interest and fees paid on deposits and borrowings
Interest and Fee Expense on Deposits	Interest and fees paid on demand or term deposits.
Interest and Fee Expense on Borrowings	Interest and fees paid on borrowings.
Net Inflation Adjustment Expense	Reserved for institutions that use inflation based accounting. Net amount of inflation adjustment.
Inflation Adjustment Expense	Cost of maintaining the value of the institution's equity
Inflation Adjustment Revenue	Gain on the value of fixed assets due to inflation
Subsidized Cost-of-Funds Adjustment Expense	Adjustment expense for difference between market rate and concessional rate on borrowings.
Other Financial Expenses	Other expenses from provision of financial services, including non-financial expenses on financial products, as well as net exchange depreciation.
NET FINANCIAL INCOME	Financial Revenue minus Financial Expense
Net Loan Loss Provision Expense	Sum of loan loss provision expense and recovery on loans written off.
Loan Loss Provision Expense	Loan Loss Provision Expense for the period
Recovery on Loans Written-Off	Total recovery on loans written off
Operating Expense	Total of Personnel Expense and Administrative Expense
Personnel Expense	Salaries, withholdings, fringe benefits and personnel taxes paid on all those who work for the institution
Administrative Expense	Total of Rent and Utilities, Transportation, Office Supplies, Depreciation and Other Administrative Expenses
Rent and Utilities	Rent and utility charges
Transportation	Transportation of staff to attend to clients and to manage operations
Office Supplies	Printed matter, supplies, photocopies, books, etc.
Depreciation and Amortization	Allowance for deterioration, eventual replacement of equipment
Other Administrative Expenses	Other non-personnel administrative expenses
NET OPERATING INCOME	Financial Revenue less Financial Expense, Net Loan Loss Provision Expense and Operating Expense
Net Non-Operating Income	Non-operating Revenue less Non-operating Expense
Non-Operating Revenue	Revenue from activity unrelated to the MFI's core activity of providing financial services. This could include consulting income, sale of IT products, or fees for business development services (BDS).
Non-Operating Expense	Expenses from activity unrelated to the MFIs core activity of providing financial services, such as BDS development costs or consulting expenses
NET INCOME (BEFORE TAXES AND DONATIONS)	Net Operating Income less Net Non-operating Income
Taxes	Includes all taxes paid on Net Income or other measure of profits as defined by local tax authorities.
NET INCOME (AFTER TAXES AND BEFORE DONATIONS)	Net Income (before Taxes and Donations) less Taxes
Donations to Subsidize Financial Services	Donations made to the MFI to subsidize its operations
NET INCOME (AFTER TAXES AND DONATIONS)	Net Income (after Taxes and before Donations) plus Donations.

Index of Indicators and Definitions

Indicators	Definitions	
INSTITUTIONAL CHARACTERISTICS		
Number of MFIs	Sample size of group	(number)
Age	Years functioning as an MFI	(years)
Total Assets	Total Assets, adjusted for Inflation and standardized loan portfolio provisioning and write-offs	(US \$)
Offices	Number, including head office	(number)
Personnel	Total number of employees	(number)
FINANCING STRUCTURE		
Capital/Asset Ratio	Adjusted Total Equity/Adjusted Total Assets	(%)
Commercial Funding Liabilities Ratio	All liabilities with "market" price/Adjusted Gross Loan Portfolio	(%)
Debt/Equity Ratio	Adjusted Total Liabilities/Adjusted Total Equity	(x)
Deposits to Loans	Voluntary Savings/Adjusted Gross Loan Portfolio	(%)
Deposits to Total Assets	Voluntary Savings/Adjusted Total Assets	(%)
Gross Loan Portfolio/Total Assets	Adjusted Gross Loan Portfolio/Adjusted Total Assets	(%)
OUTREACH INDICATORS		
Number of Active Borrowers	Number of borrowers with loans outstanding, adjusted for standardized write-offs	(number)
Percent of Women Borrowers	Number of active women borrowers/Adjusted Number of Active Borrowers	(%)
Number of Loans Outstanding	Number of loans outstanding, adjusted for standardized write-offs	(number)
Gross Loan Portfolio	Gross Loan Portfolio, adjusted for standardized write-offs	(US \$)
Average Loan Balance per Borrower	Adjusted Gross Loan Portfolio/Adjusted Number of Active Borrowers	(US \$)
Average Loan Balance per Borrower/GNI per Capita	Adjusted Average Loan Balance per Borrower/GNI per Capita	(%)
Average Outstanding Balance	Adjusted Gross Loan Portfolio/Adjusted Number of Loans Outstanding	(US \$)
Average Outstanding Balance/GNI per Capita	Adjusted Average Outstanding Balance/GNI per Capita	(%)
Number of Voluntary Savers	Number of savers with voluntary savings demand deposit and time deposit accounts	(number)
Number of Voluntary Savings Accounts	Number of voluntary savings demand deposit and time deposit accounts	(number)
Voluntary Savings	Total value of voluntary savings demand deposit and time deposit accounts	(US \$)
Average Savings Balance per Saver	Voluntary Savings/Number of Voluntary Savers	(US \$)
Average Savings Account Balance	Voluntary Savings/Number of Voluntary Savings Accounts	(US \$)
MACROECONOMIC INDICATORS		
GNI per Capita	USD	(US \$)
GDP Growth Rate	Annual Average	(%)
Deposit Rate	%	(%)
Inflation Rate	%	(%)
Financial Depth	M3/ GDP	(%)
OVERALL FINANCIAL PERFORMANCE		
Return on Assets	Adjusted Net Operating Income, net of taxes/ Adjusted Average Total Assets	(%)
Return on Equity	Adjusted Net Operating Income, net of taxes/ Adjusted Average Total Equity	(%)
Operational Self-Sufficiency	Financial Revenue/ (Financial Expense + Net Loan Loss Provision Expense + Operating Expense)	(%)
Financial Self-Sufficiency	Adjusted Financial Revenue/Adjusted (Financial Expense + Net Loan Loss Provision Expense + Operating Expense)	(%)

Index of Indicators and Definitions (continued)

Indicators	Definitions	
REVENUES		
Financial Revenue Ratio	Adjusted Financial Revenue/Adjusted Average Total Assets	(%)
Profit Margin	Adjusted Net Operating Income/Adjusted Financial Revenue	(%)
Yield on Gross Portfolio (nominal)	Adjusted Financial Revenue from Loan Portfolio/Adjusted Average Gross Loan Portfolio	(%)
Yield on Gross Portfolio (real)	(Adjusted Yield on Gross Portfolio (nominal) - Inflation Rate)/(1 + Inflation Rate)	(%)
EXPENSES		
Total Expense Ratio	Adjusted (Financial Expense + Net Loan Loss Provision Expense + Operating Expense)/Adjusted Average Total Assets	(%)
Financial Expense Ratio	Adjusted Financial Expense/Adjusted Average Total Assets	(%)
Loan Loss Provision Expense Ratio	Adjusted Net Loan Loss Provision Expense/Adjusted Average Total Assets	(%)
Operating Expense Ratio	Adjusted Operating Expense/Adjusted Average Total Assets	(%)
Personnel Expense Ratio	Adjusted Personnel Expense/Adjusted Average Total Assets	(%)
Administrative Expense Ratio	Adjusted Administrative Expense/Adjusted Average Total Assets	(%)
Adjustment Expense Ratio	(Unadjusted Net Operating Income - Adjusted Net Operating Income)/Adjusted Average Total Assets	(%)
EFFICIENCY		
Operating Expense/Loan Portfolio	Adjusted Operating Expense/Adjusted Average Gross Loan Portfolio	(%)
Personnel Expense/Loan Portfolio	Adjusted Personnel Expense/Adjusted Average Gross Loan Portfolio	(%)
Average Salary/GNI per Capita	Adjusted Average Personnel Expense/GNI per capita	(%)
Cost per Borrower	Adjusted Operating Expense/Adjusted Average Number of Active Borrowers	(USD)
Cost per Loan	Adjusted Operating Expense/Adjusted Average Number of Loans	(USD)
PRODUCTIVITY		
Borrowers per Staff Member	Adjusted Number of Active Borrowers/Number of Personnel	(number)
Loans per Staff Member	Adjusted Number of Loans Outstanding/Number of Personnel	(number)
Borrowers per Loan Officer	Adjusted Number of Active Borrowers/Number of Loan Officers	(number)
Loans per Loan Officer	Adjusted Number of Loans Outstanding/Number of Loan Officers	(number)
Voluntary Savers per Staff Member	Number of Voluntary Savers/Number of Personnel	(number)
Savings Accounts per Staff Member	Number of Saving Accounts/Number of Personnel	(number)
Personnel Allocation Ratio	Number of Loan Officers/Number of Personnel	(%)
RISK AND LIQUIDITY		
Portfolio at Risk > 30 Days	Outstanding balance, loans overdue > 30 Days/Adjusted Gross Loan Portfolio	(%)
Portfolio at Risk > 90 Days	Outstanding balance, loans overdue > 90 Days/Adjusted Gross Loan Portfolio	(%)
Write-off Ratio	Value of loans written-off/Adjusted Average Gross Loan Portfolio	(%)
Loan Loss Rate	Adjusted Write-offs, net of recoveries/Adjusted Average Gross Loan Portfolio	(%)
Risk Coverage	Adjusted Loan Loss Reserve/PAR > 30 Days	(%)
Non-earning Liquid Assets as % Total Assets	Adjusted Cash and Banks/Adjusted Total Assets	(%)

Guide to Peer Groups - Trend Line 2003–05 Benchmarks

Trend Lines - 2003 data PEER GROUP	DATA QUALITY †				PARTICIPATING INSTITUTIONS
	N	***	**	*	
All MFIs	200	48	122	30	1st Valley Bank, ABA, ACCOVI, ACEP, ACF, ACLEDA, ACME, ACODEP, ACSI, Actuar Tolima, ADCSI, ADRA - PER, ADRI, AFK, Agrocapital, AKIBA, Al Amana, Al Karama, Al Majmoua, Al Tadamun, Alternativa, AMC de R.L., AMEEN, AMK, AMRET, AMSSF, Apoyo Integral, AREGAK, ASA, Asasah, ASEI, AVFS, BAI, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, Bandhan, BanGente, Bank of Khyber, Barakot, BASIX - Samruddhi, Benefit, BESA, BRAC, BRI, BURO, Buusaa Gonofa, CAPA, CARD NGO, CARD RB, Centenary Bank, CEP, CMAC Arequipa, CMAC Sullana, CMEDFI, CMM Bogotá, CMM Medellín, CMS, COAC Jardín Azuayo, COAC La Merced, COAC MCCH, COAC San José, Compartamos, Constanta, CRECER, Credi Fe, CREDIMUJER, CREDIT, CREDO, CRG, Crystal Fund, DAMEN, DBACD, DECSI, EDAPROSPRO, EDPYME Edyficar, EDPYME Proempresa, EKI, Enda, Equity Bank, Eshet, FAMA, FATEN, Faulu - UGA, FBPMC, FCBFI, FDL, FED, FIE FFP, FIELCO, FinAmérica, FINCA - ARM, FINCA - AZE, FINCA - GEO, FINCA - MWI, FINCA - PER, FINCA - Tomsk, FINCA - TZA, FINCA - UGA, FINDESA, FMCC, FMFB - PAK, FMM Popayán, FONDEP, FORA, Fundación Nieborowski, Fundación Paraguaya, Gasha, Grama Vidiyal, Grameen Koota, HKL, HOPE Ukraine, IDF, IMON, JMCC, Kafo Jiginew, Kamurj, Kashf, KLF, KMBI, K-Rep, LOKmicro, LPD Bedha, LPD Buah, LPD Celuk, LPD Ketewel, LPD Kukul, LPD Kuta, LPD Panjer, LPD Pecatu, LPD Ubung, Meklit, Metemamen, MFW, MiBanco, MI-BOSPO, MIKRA, Mikro ALDI, MIKROFIN, Nirdhan, NOA, Norfil Foundation, Inc., Normicro, NWTF, Nyésigiso, OBM, OCSSC, OIS, OMB, OMRO, PADME, PAMECAS, PAPME, Partner, PEACE, Prasac, PRIDE - TZA, PRISMA, PRIZMA, Pro Mujer - BOL, Pro Mujer - NIC, Pro Mujer - PER, ProCredit - BOL, PRODEM FFP, PSHM, RB Cantilan, RB Victorias, RCPB, SAFWCO, SEDA, SEF - ZAF, SFPI, SHARE, Sidama, SINERGIJplus, SKS, SOCREMO, Sodeystviye, Spandana, Sungi, Sunrise, Tchuma, TPC, TSKI, TSPI, UML, UNRWA, USTOI, U-Trust, Vital Finance, VRFSMES, WAGES, Wasasa, Wisdom, Women for Women BiH, WWB Cali, XacBank, Zakoura.
Age: New (0 to 4 Years)	28	3	21	4	ADCSI, AFK, Al Karama, AMC de R.L., Asasah, Bandhan, BanGente, Barakot, Buusaa Gonofa, Credi Fe, CREDIT, Eshet, FINCA - ARM, FINCA - Tomsk, FMFB - PAK, IMON, JMCC, Meklit, Metemamen, OBM, OIS, OMB, PEACE, Pro Mujer - PER, USTOI, VRFSMES, Wasasa, Wisdom.
Age: Young (5 to 8 Years)	80	20	47	13	ACF, ACME, ACSI, ADRA - PER, AKIBA, Al Amana, Al Majmoua, Al Tadamun, Alternativa, AMEEN, AMSSF, AREGAK, AVFS, BAI, Banco Solidario, Bank of Khyber, BASIX - Samruddhi, Benefit, CAPA, CMEDFI, COAC Jardín Azuayo, COAC La Merced, COAC MCCH, Constanta, CREDO, Crystal Fund, DAMEN, DBACD, DECSI, EDPYME Edyficar, EDPYME Proempresa, EKI, Enda, FATEN, Faulu - UGA, FBPMC, FINCA - AZE, FINCA - GEO, FINCA - TZA, FMCC, FONDEP, Gasha, Grama Vidiyal, Grameen Koota, HKL, HOPE Ukraine, Kamurj, KLF, LOKmicro, LPD Kuta, MI-BOSPO, MIKRA, Mikro ALDI, MIKROFIN, NOA, Norfil Foundation, Inc., Normicro, OCSSC, OMRO, PAMECAS, Partner, Prasac, PRIZMA, Pro Mujer - NIC, PSHM, SEDA, SFPI, Sidama, SINERGIJplus, SKS, SOCREMO, Sodeystviye, Spandana, Sunrise, Tchuma, UML, Vital Finance, Women for Women BiH, XacBank, Zakoura.
Age: Mature (> 8 Years)	92	25	54	13	1st Valley Bank, ABA, ACCOVI, ACEP, ACLEDA, ACODEP, Actuar Tolima, ADRI, Agrocapital, AMK, AMRET, Apoyo Integral, ASA, ASEI, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, BESA, BRAC, BRI, BURO, CARD NGO, CARD RB, Centenary Bank, CEP, CMAC Arequipa, CMAC Sullana, CMM Bogotá, CMM Medellín, CMS, COAC San José, Compartamos, CRECER, CREDIMUJER, CRG, EDAPROSPRO, Equity Bank, FAMA, FCBFI, FDL, FED, FIE FFP, FIELCO, FinAmérica, FINCA - MWI, FINCA - PER, FINCA - UGA, FINDESA, FMM Popayán, FORA, Fundación Nieborowski, Fundación Paraguaya, IDF, Kafo Jiginew, Kashf, KMBI, K-Rep, LPD Bedha, LPD Buah, LPD Celuk, LPD Ketewel, LPD Kukul, LPD Panjer, LPD Pecatu, LPD Ubung, MFW, MiBanco, Nirdhan, NWTF, Nyésigiso, PADME, PAPME, PRIDE - TZA, PRISMA, Pro Mujer - BOL, ProCredit - BOL, PRODEM FFP, RB Cantilan, RB Victorias, RCPB, SAFWCO, SEF - ZAF, SHARE, Sungi, TPC, TSKI, TSPI, UNRWA, U-Trust, WAGES, WWB Cali.
Charter Type: Bank (Bank)	20	10	9	1	ACLEDA, AKIBA, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, BanGente, Bank of Khyber, BRI, Centenary Bank, CRG, FMFB - PAK, K-Rep, MiBanco, Nirdhan, OBM, OMB, SOCREMO, XacBank.
Charter Type: Credit Union (Credit Union)	13	4	5	4	ACEP, Alternativa, CMS, COAC Jardín Azuayo, COAC La Merced, COAC MCCH, COAC San José, Kafo Jiginew, NOA, Nyésigiso, PAMECAS, RCPB, Sodeystviye.
Charter Type: NBF (Non - Bank Financial Intermediary)	66	16	46	4	ACCOVI, ACF, ACSI, ADCSI, AMC de R.L., AMEEN, AMK, AMRET, Apoyo Integral, AVFS, BASIX - Samruddhi, Benefit, Buusaa Gonofa, CMAC Arequipa, CMAC Sullana, Compartamos, Credi Fe, CREDIT, DECSI, EDPYME Edyficar, EDPYME Proempresa, EKI, Equity Bank, Eshet, FATEN, Faulu - UGA, FIE FFP, FIELCO, FinAmérica, FINCA - AZE, FINDESA, FMCC, Gasha, HKL, JMCC, KLF, LOKmicro, Meklit, Metemamen, MFW, MI-BOSPO, MIKRA, Mikro ALDI, MIKROFIN, Normicro, OCSSC, OIS, OMRO, Partner, PEACE, Prasac, PRIZMA, ProCredit - BOL, PRODEM FFP, PSHM, SFPI, SHARE, Sidama, SINERGIJplus, Sunrise, Tchuma, TPC, VRFSMES, Wasasa, Wisdom, Women for Women BiH.
Charter Type: NGO (Non Government Organization)	87	18	57	12	ABA, ACME, ACODEP, Actuar Tolima, ADRA - PER, ADRI, AFK, Agrocapital, Al Amana, Al Karama, Al Majmoua, Al Tadamun, AMSSF, AREGAK, ASA, Asasah, ASEI, BAI, Bandhan, Barakot, BESA, BRAC, BURO, CAPA, CARD NGO, CEP, CMEDFI, CMM Bogotá, CMM Medellín, Constanta, CRECER, CREDIMUJER, CREDO, Crystal Fund, DAMEN, DBACD, EDAPROSPRO, Enda, FAMA, FBPMC, FCBFI, FDL, FED, FINCA - ARM, FINCA - GEO, FINCA - MWI, FINCA - PER, FINCA - Tomsk, FINCA - TZA, FINCA - UGA, FMM Popayán, FONDEP, FORA, Fundación Nieborowski, Fundación Paraguaya, Grama Vidiyal, Grameen Koota, HOPE Ukraine, IDF, IMON, Kamurj, Kashf, KMBI, Norfil Foundation, Inc., NWTF, PADME, PAPME, PRIDE - TZA, PRISMA, Pro Mujer - BOL, Pro Mujer - NIC, Pro Mujer - PER, SAFWCO, SEDA, SEF - ZAF, SKS, Spandana, Sungi, TSKI, TSPI, UML, USTOI, U-Trust, Vital Finance, WAGES, WWB Cali, Zakoura.

Trend Lines - 2003 data PEER GROUP	DATA QUALITY †				PARTICIPATING INSTITUTIONS
	N	***	**	*	
Charter Type: Rural Bank (Rural Bank)	13	0	4	9	1st Valley Bank, CARD RB, LPD Bedha, LPD Buahhan, LPD Celuk , LPD Ketewel , LPD Kuku, LPD Kuta , LPD Panjer, LPD Pecatu, LPD Ubung , RB Cantilan, RB Victorias.
Intermediation: Non FI (Voluntary Savings/ Total Assets = 0)	111	24	72	15	ABA, ACF, ACME, ACODEP, Actuar Tolima, ADRA - PER, ADRI, AFK, Agrocapital, Al Amana, Al Karama, Al Majmoua, Al Tadamon, AMC de R.L., AMEEN, AMK, AMSSF, Apoyo Integral, AREGAK, ASEI, BAI, Bandhan, Bank of Khyber, Barakot, BASIX - Samruddhi, Benefit, BESA, CAPA, CARD NGO, CMM Bogotá, CMM Medellín, Compartamos, Constanta, CRECER, Credi Fe, CREDIMUJER, CREDO, Crystal Fund, DAMEN, DBACD, EDAPROSPPO, EDPYME Edyficar, EDPYME Proempresa, EKI, Enda, Eshet, FAMA, FATEN, FBPMC, FDL, FED, FINCA - ARM, FINCA - AZE, FINCA - GEO, FINCA - MWI, FINCA - PER, FINCA - Tomsk, FINCA - TZA, FMCC, FMM Popayán, FONDEP, FORA, Fundación Nieborowski, Fundación Paraguaya, Grama Vidiyal, HOPE Ukraine, IMON, JMCC, Kamurj, KLF, KMBI, LOKmicro, Metemamen, MFW, MI-BOSPO, MIKRA, Mikro ALDI, MIKROFIN, NOA, Norfil Foundation, Inc., Normicro, OIS, OMRO, PADME, Partner, Prasac, PRIDE - TZA, PRISMA, PRIZMA, Pro Mujer - BOL, Pro Mujer - NIC, Pro Mujer - PER, PSHM, SAFWCO, SEDA, SEF - ZAF, SHARE, SINERGIJApplus, SOCREMO, Sungi, Sunrise, TPC, TSKI, TSPI, UNRWA, USTOI, Vital Finance, VRFSMES, Women for Women BiH, WWB Cali, Zakoura.
Intermediation: Low FI (Voluntary Savings/ Total Assets > 0 and < 20%)	36	5	29	2	ACEP, ADCSI, AMRET, ASA, Asasah, AVFS, BanGente, BRAC, Buusaa Gonofa, CEP, CREDIT, Faulu - UGA, FCBFI, FIELCO, FINCA - UGA, FINDESA, Gasha, Grameen Koota, HKL, IDF, Kashf, Meklit, Nirdhan, NWTF, OCSSC, OMB, PAME, PEACE, SFPI, Sidama, SKS, Spandana, Tchuma, UML, Wasasa, Wisdom.
Intermediation: High FI (Voluntary Savings/ Total Assets ≥ 20%)	53	19	21	13	1st Valley Bank, ACCOVI, ACLEDA, ACSI, AKIBA, Alternativa, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, BRI, BURO, CARD RB, Centenary Bank, CMAC Arequipa, CMAC Sullana, CMEDFI, CMS, COAC Jardín Azuayo, COAC La Merced, COAC MCCH, COAC San José, CRG, DECSI, Equity Bank, FIE FFP, FinAmérica, FMFB - PAK, Kafo Jiginew, K-Rep, LPD Bedha, LPD Buahhan, LPD Celuk , LPD Ketewel , LPD Kuku, LPD Kuta , LPD Panjer, LPD Pecatu, LPD Ubung , MiBanco, Nyèsigiso, OBM, PAMECAS, ProCredit - BOL, PRODEM FFP, RB Cantilan, RB Victorias, RCPB, Sodeystviye, U-Trust, WAGES, XacBank .
Methodology: Individual	63	18	31	14	1st Valley Bank, ACCOVI, ACF, ACME, ACODEP, ADRI, AFK, Agrocapital, Alternativa, AMC de R.L., AMEEN, BAI, Banco Ademi, Banco del Trabajo, BanDesarrollo Microempresas, Bank of Khyber, Benefit, BESA, BRI, CAPA, Centenary Bank, CMAC Arequipa, CMAC Sullana, CMEDFI, CMM Bogotá, CMM Medellín, CMS, COAC Jardín Azuayo, COAC La Merced, COAC MCCH, COAC San José, Credi Fe, CREDIMUJER, EDPYME Proempresa, Equity Bank, FAMA, FED, FIE FFP, FIELCO, FinAmérica, FINDESA, FMM Popayán, Fundación Nieborowski, Kafo Jiginew, LPD Bedha, LPD Buahhan, LPD Celuk , LPD Ketewel , LPD Kuku, LPD Kuta , LPD Panjer, LPD Pecatu, LPD Ubung , MiBanco, OIS, Partner, ProCredit - BOL, PRODEM FFP, RB Victorias, SOCREMO, Sodeystviye, Sunrise, WWB Cali.
Methodology: Individual/Solidarity (Individual & Solidarity; or Individual, Solidarity & Village Banking)	81	24	47	10	ABA, ACEP, ACLEDA, ACSI, Actuar Tolima, AKIBA, Al Amana, Al Majmoua, AMRET, Apoyo Integral, AREGAK, ASA, Banco Solidario, BancoSol, BanGente, BASIX - Samruddhi, BRAC, BURO, CARD RB, CEP, Constanta, CREDIT, CREDO, CRG, Crystal Fund, DBACD, EDPYME Edyficar, EKI, Enda, FATEN, FCBFI, FDL, FINCA - ARM, FINCA - GEO, FMFB - PAK, FONDEP, FORA, Fundación Paraguaya, HKL, HOPE Ukraine, IDF, IMON, JMCC, KLF, K-Rep, LOKmicro, MFW, MI-BOSPO, Mikro ALDI, MIKROFIN, Nirdhan, NOA, Normicro, NWTF, Nyèsigiso, OBM, OCSSC, OMB, OMRO, PADME, PAMECAS, PAMPE, Prasac, PRIZMA, PSHM, RB Cantilan, RCPB, SHARE, Sidama, SINERGIJApplus, Tchuma, UML, UNRWA, U-Trust, Vital Finance, VRFSMES, WAGES, Wisdom, Women for Women BiH, XacBank, Zakoura.
Methodology: Solidarity	31	1	26	4	ADCSI, Al Karama, Al Tadamon, AMK, AMSSF, Asasah, AVFS, Bandhan, Barakot, Buusaa Gonofa, CARD NGO, CRECER, DAMEN, DECSI, Eshet, Faulu - UGA, FBPMC, Gasha, Kamurj, Kashf, KMBI, Meklit, Norfil Foundation, Inc., PEACE, PRIDE - TZA, SAFWCO, SEF - ZAF, SFPI, SKS, USTOI, Wasasa.
Methodology: Village Banking	25	5	18	2	ADRA - PER, ASEI, Compartamos, EDAPROSPPO, FINCA - AZE, FINCA - MWI, FINCA - PER, FINCA - Tomsk, FINCA - TZA, FINCA - UGA, FMCC, Grama Vidiyal, Grameen Koota, Metemamen, MIKRA, PRISMA, Pro Mujer - BOL, Pro Mujer - NIC, Pro Mujer - PER, SEDA, Spandana, Sungi, TPC, TSKI, TSPI.
Outreach: Small (Number of Borrowers < 10,000)	95	15	56	24	ACCOVI, ACF, ACME, Actuar Tolima, ADRA - PER, ADRI, AFK, Agrocapital, AKIBA, Al Karama, Al Majmoua, Al Tadamon, Alternativa, AMC de R.L., AMEEN, AMSSF, Asasah, ASEI, AVFS, BAI, Bandhan, BanGente, Bank of Khyber, Barakot, Benefit, BESA, Buusaa Gonofa, CAPA, CMEDFI, COAC La Merced, COAC MCCH, COAC San José, CREDIMUJER, CREDIT, CREDO, Crystal Fund, EDAPROSPPO, EDPYME Proempresa, Eshet, FATEN, FCBFI, FINCA - ARM, FINCA - AZE, FINCA - GEO, FINCA - PER, FINCA - Tomsk, FMFB - PAK, Fundación Paraguaya, Gasha, Grameen Koota, HKL, HOPE Ukraine, IMON, JMCC, Kamurj, KLF, LOKmicro, LPD Bedha, LPD Buahhan, LPD Celuk , LPD Ketewel , LPD Kuku, LPD Kuta , LPD Panjer, LPD Pecatu, LPD Ubung , Meklit, Metemamen, MFW, MI-BOSPO, MIKRA, Mikro ALDI, MIKROFIN, NOA, Normicro, OBM, OIS, OMRO, PEACE, PSHM, RB Victorias, SAFWCO, SFPI, SINERGIJApplus, SOCREMO, Sodeystviye, Sungi, Sunrise, Tchuma, UNRWA, USTOI, VRFSMES, WAGES, Wasasa, Women for Women BiH.
Outreach: Medium (Number of Borrowers ≥ 10,000 and ≤ 30,000)	53	16	34	3	1st Valley Bank, ACEP, ACODEP, ADCSI, AMK, Apoyo Integral, AREGAK, Banco Ademi, CMM Bogotá, CMM Medellín, CMS, COAC Jardín Azuayo, Constanta, Credi Fe, DAMEN, DBACD, EKI, Enda, FAMA, Faulu - UGA, FDL, FED, FIELCO, FinAmérica, FINCA - MWI, FINCA - TZA, FINDESA, FMCC, FONDEP, FORA, Fundación Nieborowski, KMBI, Nirdhan, Norfil Foundation, Inc., Nyèsigiso, OMB, PAME, Partner, PRISMA, PRIZMA, Pro Mujer - NIC, Pro Mujer - PER, PRODEM FFP, RB Cantilan, SEDA, SEF - ZAF, Sidama, SKS, UML, U-Trust, Vital Finance, Wisdom, XacBank.
Outreach: Large (Number of Borrowers > 30,000)	52	17	32	3	ABA, ACLEDA, ACSI, Al Amana, AMRET, ASA, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, BASIX - Samruddhi, BRAC, BRI, BURO, CARD NGO, CARD RB, Centenary Bank, CEP, CMAC Arequipa, CMAC Sullana, Compartamos, CRECER, CRG, DECSI, EDPYME Edyficar, Equity Bank, FBPMC, FIE FFP, FINCA - UGA, FMM Popayán, Grama Vidiyal, IDF, Kafo Jiginew, Kashf, K-Rep, MiBanco, NWTF, OCSSC, PADME, PAMECAS, Prasac, PRIDE - TZA, Pro Mujer - BOL, ProCredit - BOL, RCPB, SHARE, Spandana, TPC, TSKI, TSPI, WWB Cali, Zakoura.

Trend Lines - 2003 data PEER GROUP	DATA QUALITY †				PARTICIPATING INSTITUTIONS
	N	***	**	*	
Profit Status: Profit	69	17	41	11	1st Valley Bank, ACCOVI, ACLEDA, ACSI, ADCSI, AKIBA, AMC de R.L., AMK, AMRET, Apoyo Integral, AVFS, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, BanGente, Bank of Khyber, BASIX - Samruddhi, BRI, Buusaa Gonofa, CARD RB, Centenary Bank, Compartamos, Credi Fe, CREDIT, CRG, DECSI, EDPYME Edyficar, Equity Bank, Eshet, Faulu - UGA, FIE FFP, FIELCO, FinAmérica, FINDESA, FMFB - PAK, Gasha, K-Rep, LPD Bedha, LPD Buahhan, LPD Celuk, LPD Ketewel, LPD Kukuh, LPD Kuta, LPD Panjer, LPD Pecatu, LPD Ubung, Meklit, Metemamen, MiBanco, Nirdhan, OBM, OCSSC, OIS, OMB, PEACE, ProCredit - BOL, PRODEM FFP, RB Cantilan, RB Victorias, SFPI, SHARE, Sidama, SOCREMO, TPC, Wasasa, Wisdom, XacBank.
Profit Status: Not for Profit	131	31	81	19	ABA, ACEP, ACF, ACME, ACODEP, Actuar Tolima, ADRA - PER, ADRI, AFK, Agrocapital, Al Amana, Al Karama, Al Majmoua, Al Tadamon, Alternativa, AMEEN, AMSSF, AREGAK, ASA, Asasah, ASEI, BAI, Bandhan, Barakot, Benefit, BESA, BRAC, BURO, CAPA, CARD NGO, CEP, CMAC Arequipa, CMAC Sullana, CMEDFI, CMM Bogotá, CMM Medellín, CMS, COAC Jardín Azuayo, COAC La Merced, COAC MCCH, COAC San José, Constanta, CRECER, CREDIMUJER, CREDO, Crystal Fund, DAMEN, DBACD, EDAPROSPRO, EDPYME Proempresa, EKI, Enda, FAMA, FATEN, FBPMC, FCBFI, FDL, FED, FINCA - ARM, FINCA - AZE, FINCA - GEO, FINCA - MWI, FINCA - PER, FINCA - Tomsk, FINCA - TZA, FINCA - UGA, FMCC, FMM Popayán, FONDEP, FORA, Fundación Nieborowski, Fundación Paraguaya, Grama Vidiyal, Grameen Koota, HKL, HOPE Ukraine, IDF, IMON, JMCC, Kafo Jiginew, Kamurj, Kashf, KLF, KMBI, LOKmicro, MFW, MI-BOSPO, MIKRA, Mikro ALDI, MIKROFIN, NOA, Norfil Foundation, Inc., Normicro, NWTf, Nyèsigiso, OMRO, PADME, PAMECAS, PAPME, Partner, Prasac, PRIDE - TZA, PRISMA, PRIZMA, Pro Mujer - BOL, Pro Mujer - NIC, Pro Mujer - PER, PSHM, RCPB, SAFWCO, SEDA, SEF - ZAF, SINERGIJplus, SKS, Sodeystviye, Spandana, Sungi, Sunrise, Tchuma, TSKI, TSPI, UML, UNRWA, USTOI, U-Trust, Vital Finance, VRFSMES, WAGES, Women for Women BiH, WWB Cali, Zakoura.
Region: Africa (Sub-Saharan Africa)	41	7	32	2	ACEP, ACSI, ADCSI, AKIBA, AVFS, Buusaa Gonofa, Centenary Bank, CMS, CRG, DECSI, Equity Bank, Eshet, Faulu - UGA, FINCA - MWI, FINCA - TZA, FINCA - UGA, Gasha, Kafo Jiginew, K-Rep, Meklit, Metemamen, Nyèsigiso, OCSSC, PADME, PAMECAS, PAPME, PEACE, PRIDE - TZA, RCPB, SEDA, SEF - ZAF, SFPI, Sidama, SOCREMO, Tchuma, UML, U-Trust, Vital Finance, WAGES, Wasasa, Wisdom.
Region: Asia (South & East Asia)	50	7	30	13	1st Valley Bank, ACLEDA, AMK, AMRET, ASA, Asasah, Bandhan, Bank of Khyber, BASIX - Samruddhi, BRAC, BRI, BURO, CARD NGO, CARD RB, CEP, CMEDFI, CREDIT, DAMEN, FCBFI, FMFB - PAK, Grama Vidiyal, Grameen Koota, HKL, IDF, Kashf, KMBI, LPD Bedha, LPD Buahhan, LPD Celuk, LPD Ketewel, LPD Kukuh, LPD Kuta, LPD Panjer, LPD Pecatu, LPD Ubung, Nirdhan, Norfil Foundation, Inc., NWTf, OMB, Prasac, RB Cantilan, RB Victorias, SAFWCO, SHARE, SKS, Spandana, Sungi, TPC, TSKI, TSPI.
Region: ECA (Eastern Europe & Central Asia)	43	11	18	14	ACF, AFK, Alternativa, AREGAK, BAI, Barakot, Benefit, BESA, CAPA, Constanta, CREDO, Crystal Fund, EKI, FINCA - ARM, FINCA - AZE, FINCA - GEO, FINCA - Tomsk, FMCC, FORA, HOPE Ukraine, IMON, Kamurj, KLF, LOKmicro, MI-BOSPO, MIKRA, Mikro ALDI, MIKROFIN, NOA, Normicro, OBM, OIS, OMRO, Partner, PRIZMA, PSHM, SINERGIJplus, Sodeystviye, Sunrise, USTOI, VRFSMES, Women for Women BiH, XacBank.
Region: LAC (Latin America & the Caribbean)	50	19	30	1	ACCOVI, ACME, ACODEP, Actuar Tolima, ADRA - PER, ADRI, Agrocapital, AMC de R.L., Apoyo Integral, ASEI, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, BanGente, CMAC Arequipa, CMAC Sullana, CMM Bogotá, CMM Medellín, COAC Jardín Azuayo, COAC La Merced, COAC MCCH, COAC San José, Compartamos, CRECER, Credi Fe, CREDIMUJER, EDAPROSPRO, EDPYME Edyficar, EDPYME Proempresa, FAMA, FDL, FED, FIE FFP, FIELCO, FinAmérica, FINCA - PER, FINDESA, FMM Popayán, Fundación Nieborowski, Fundación Paraguaya, MiBanco, PRISMA, Pro Mujer - BOL, Pro Mujer - NIC, Pro Mujer - PER, ProCredit - BOL, PRODEM FFP, WWB Cali.
Region: MENA (Middle East & North Africa)	16	4	12	0	ABA, Al Amana, Al Karama, Al Majmoua, Al Tadamon, AMEEN, AMSSF, DBACD, Enda, FATEN, FBPMC, FONDEP, JMCC, MFW, UNRWA, Zakoura.
Scale: Small (GLP in USD, LAC < 4,000,000; Others < 2,000,000)	80	8	49	23	ACF, ACME, Actuar Tolima, ADCSI, ADRA - PER, ADRI, AFK, Al Karama, Al Tadamon, Alternativa, AMC de R.L., AMK, AMSSF, Asasah, ASEI, AVFS, BAI, Bandhan, Barakot, Buusaa Gonofa, CAPA, CMEDFI, COAC La Merced, COAC MCCH, CREDIMUJER, CREDIT, CREDO, Crystal Fund, DAMEN, EDAPROSPRO, Eshet, FATEN, FCBFI, FINCA - ARM, FINCA - AZE, FINCA - GEO, FINCA - MWI, FINCA - PER, FINCA - Tomsk, FINCA - TZA, FMFB - PAK, FONDEP, Fundación Paraguaya, Gasha, Grameen Koota, HKL, HOPE Ukraine, IMON, Kamurj, KMBI, LPD Bedha, LPD Buahhan, LPD Celuk, LPD Ketewel, LPD Kukuh, LPD Panjer, LPD Ubung, Meklit, Metemamen, Mikro ALDI, Norfil Foundation, Inc., Normicro, OMRO, PEACE, Pro Mujer - NIC, Pro Mujer - PER, RB Victorias, SAFWCO, SEDA, SFPI, Sidama, SOCREMO, Sodeystviye, Sungi, Tchuma, USTOI, VRFSMES, Wasasa, Wisdom, Women for Women BiH.
Scale: Medium (GLP in USD, LAC ≥ 4,000,000 and ≤ 15,000,000; Others ≥ 2,000,000 and ≤ 8,000,000)	67	19	43	5	1st Valley Bank, ABA, ACCOVI, ACODEP, Agrocapital, Al Majmoua, AMEEN, AMRET, Apoyo Integral, AREGAK, BanGente, Bank of Khyber, Benefit, CARD NGO, CARD RB, CEP, CMM Bogotá, CMM Medellín, COAC San José, Constanta, CRECER, CRG, DBACD, EDPYME Proempresa, Enda, FAMA, Faulu - UGA, FDL, FED, FIELCO, FINCA - UGA, FMCC, Fundación Nieborowski, Grama Vidiyal, IDF, JMCC, Kashf, KLF, LOKmicro, LPD Kuta, LPD Pecatu, MFW, MI-BOSPO, MIKRA, Nirdhan, NOA, NWTf, OCSSC, OIS, OMB, Prasac, PRISMA, PRIZMA, Pro Mujer - BOL, PSHM, RB Cantilan, SEF - ZAF, SINERGIJplus, SKS, TPC, TSKI, TSPI, UML, UNRWA, U-Trust, Vital Finance, WAGES.
Scale: Large (GLP in USD, LAC > 15,000,000; Others > 8,000,000)	53	21	30	2	ACEP, ACLEDA, ACSI, AKIBA, Al Amana, ASA, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, BASIX - Samruddhi, BESA, BRAC, BRI, BURO, Centenary Bank, CMAC Arequipa, CMAC Sullana, CMS, COAC Jardín Azuayo, Compartamos, Credi Fe, DECSI, EDPYME Edyficar, EKI, Equity Bank, FBPMC, FIE FFP, FinAmérica, FINDESA, FMM Popayán, FORA, Kafo Jiginew, K-Rep, MiBanco, MIKROFIN, Nyèsigiso, OBM, PADME, PAMECAS, PAPME, Partner, PRIDE - TZA, ProCredit - BOL, PRODEM FFP, RCPB, SHARE, Spandana, Sunrise, WWB Cali, XacBank, Zakoura.

Trend Lines - 2003 data PEER GROUP	DATA QUALITY †				PARTICIPATING INSTITUTIONS
	N	***	**	*	
Sustainability: FSS (Financial Self-Sufficiency > 100%)	126	39	67	20	[These names are held confidential]
Sustainability: Non-FSS (Financial Self-Sufficiency < 100%)	74	9	55	10	[These names are held confidential]
Target Market: Low End (Avg. Balance per Borrower/ GNI per Capita < 20% and Avg. Balance per Borrower < USD 150)	84	12	65	7	ABA, ACSI, ADCSI, ADRA - PER, Al Karama, Al Majmoua, Al Tadamun, Alternativa, AMEEN, AMK, AMRET, AMSSF, ASA, Asasah, ASEI, AVFS, BanDesarrollo Microempresas, Bandhan, Barakot, BASIX - Samruddhi, BRAC, BURO, Buusaa Gonofa, CARD NGO, CARD RB, CEP, CMEDFI, CMM Bogotá, CMM Medellín, Compartamos, CRECER, CREDIMUJER, CREDIT, CRG, DAMEN, DBACD, DECSI, EDAPROSPRO, Enda, Eshet, FCBFI, FINCA - AZE, FINCA - MWI, FINCA - PER, FINCA - TZA, FINCA - UGA, FMM Popayán, FONDEP, Gasha, Grama Vidiyal, Grameen Koota, IDF, Kashf, KMBI, Meklit, Metemamen, MFW, Nirdhan, Norfil Foundation, Inc., NWTf, OCSSC, OMB, PEACE, Prasac, PRIDE - TZA, PRISMA, Pro Mujer - BOL, Pro Mujer - NIC, Pro Mujer - PER, SAFWCO, SEDA, SEF - ZAF, SFPI, SHARE, Sidama, SKS, Spandana, Sungi, TPC, TSKI, TSPI, Wasasa, Wisdom, Zakoura.
Target Market: Broad (Avg. Balance per Borrower/ GNI per Capita ≥ 20% and ≤ 150%)	94	28	47	19	1st Valley Bank, ACCOVI, ACLEDA, ACME, ACODEP, Actuar Tolima, ADRI, Al Aman, AMC de R.L., Apoyo Integral, AREGAK, BAI, Banco Ademi, Banco del Trabajo, Banco Solidario, BanGente, Bank of Khyber, Benefit, BRI, CAPA, CMAC Arequipa, CMAC Sullana, COAC Jardín Azuayo, COAC La Merced, COAC MCCH, COAC San José, Constanta, Credi Fe, CREDO, Crystal Fund, EDPYME Edyficar, EDPYME Proempresa, EKI, Equity Bank, FAMA, FATEN, Faulu - UGA, FBPMC, FDL, FED, FIE FFP, FIELCO, FinAmérica, FINCA - ARM, FINCA - GEO, FINCA - Toms, FMCC, FMFB - PAK, FORA, Fundación Nieborowski, Fundación Paraguaya, HKL, HOPE Ukraine, IMON, JMCC, Kafo Jiginew, Kamurj, KLF, K-Rep, LOKmicro, LPD Bedha, LPD Buah, LPD Ketewel, LPD Kukuh, LPD Panjer, MiBanco, MI-BOSPO, MIKRA, Mikro ALDI, NOA, Normicro, Nyèsigiso, OBM, OIS, OMRO, PAMECAS, Partner, PRIZMA, PSHM, RB Cantilan, RB Victorias, SINERGIAplus, Sodeystviye, Sunrise, Tchuma, UML, UNRWA, USTOI, U-Trust, Vital Finance, VRFSMES, Women for Women BiH, WWB Cali, XacBank.
Target Market: High End (Avg. Balance per Borrower/ GNI per Capita > 150% and ≤ 250%)	12	4	6	2	ACEP, ACF, BancoSol, BESA, CMS, FINDESA, LPD Kuta, LPD Ubung, MIKROFIN, PADME, ProCredit - BOL, SOCREMO.
Target Market: Small Business (Avg. Balance per Borrower/ GNI per Capita < 250%)	10	4	4	2	AFK, Agrocapi, AKIBA, Centenary Bank, LPD Celuk, LPD Pecatu, PAPME, PRODEM FFP, RCPB, WAGES.
Africa Large	15	2	12	1	ACEP, ACSI, AKIBA, Centenary Bank, CMS, DECSI, Equity Bank, Kafo Jiginew, K-Rep, Nyèsigiso, PADME, PAMECAS, PAPME, PRIDE - TZA, RCPB.
Africa Medium	9	3	6	0	CRG, Faulu - UGA, FINCA - UGA, OCSSC, SEF - ZAF, UML, U-Trust, Vital Finance, WAGES.
Africa Small	17	2	14	1	ADCSI, AVFS, Buusaa Gonofa, Eshet, FINCA - MWI, FINCA - TZA, Gasha, Meklit, Metemamen, PEACE, SEDA, SFPI, Sidama, SOCREMO, Tchuma, Wasasa, Wisdom.
Africa FSS	18	7	11	0	[These names are held confidential]
Africa non FSS	23	0	21	2	[These names are held confidential]
Asia Large	8	1	6	1	ACLEDA, ASA, BASIX - Samruddhi, BRAC, BRI, BURO, SHARE, Spandana.
Asia Medium	20	5	12	3	1st Valley Bank, AMRET, Bank of Khyber, CARD NGO, CARD RB, CEP, Grama Vidiyal, IDF, Kashf, LPD Kuta, LPD Pecatu, Nirdhan, NWTf, OMB, Prasac, RB Cantilan, SKS, TPC, TSKI, TSPI.
Asia Small	22	1	12	9	AMK, Asasah, Bandhan, CMEDFI, CREDIT, DAMEN, FCBFI, FMFB - PAK, Grameen Koota, HKL, KMBI, LPD Bedha, LPD Buah, LPD Celuk, LPD Ketewel, LPD Kukuh, LPD Panjer, LPD Ubung, Norfil Foundation, Inc., RB Victorias, SAFWCO, Sungi.
Asia FSS	32	5	16	11	[These names are held confidential]
Asia non FSS	18	2	14	2	[These names are held confidential]
ECA Large	8	5	3	0	BESA, EKI, FORA, MIKROFIN, OBM, Partner, Sunrise, XacBank.
ECA Medium	13	4	7	2	AREGAK, Benefit, Constanta, FMCC, KLF, LOKmicro, MI-BOSPO, MIKRA, NOA, OIS, PRIZMA, PSHM, SINERGIAplus.
ECA Small	22	2	8	12	ACF, AFK, Alternativa, BAI, Barakot, CAPA, CREDO, Crystal Fund, FINCA - ARM, FINCA - AZE, FINCA - GEO, FINCA - Toms, HOPE Ukraine, IMON, Kamurj, Mikro ALDI, Normicro, OMRO, Sodeystviye, USTOI, VRFSMES, Women for Women BiH.
ECA FSS	29	8	13	8	[These names are held confidential]
ECA non FSS	14	3	5	6	[These names are held confidential]
LAC Large	19	12	7	0	Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, CMAC Arequipa, CMAC Sullana, COAC Jardín Azuayo, Compartamos, Credi Fe, EDPYME Edyficar, FIE FFP, FinAmérica, FINDESA, FMM Popayán, MiBanco, ProCredit - BOL, PRODEM FFP, WWB Cali.
LAC Medium	17	5	12	0	ACCOVI, ACODEP, Agrocapi, Apoyo Integral, BanGente, CMM Bogotá, CMM Medellín, COAC San José, CRECER, EDPYME Proempresa, FAMA, FDL, FED, FIELCO, Fundación Nieborowski, PRISMA, Pro Mujer - BOL.

Trend Lines - 2003 data	DATA QUALITY †				PARTICIPATING INSTITUTIONS
PEER GROUP	N	***	**	*	
LAC Small	14	2	11	1	ACME, Actuar Tolima, ADRA - PER, ADRI, AMC de R.L., ASEI, COAC La Merced, COAC MCCH, CREDIMUJER, EDAPROSPO, FINCA - PER, Fundación Paraguaya, Pro Mujer - NIC, Pro Mujer - PER.
LAC FSS	39	16	22	1	[These names are held confidential]
LAC non FSS	11	3	8	0	[These names are held confidential]
MENA Large	3	1	2	0	Al Amana, FBPMC, Zakoura.
MENA Medium	8	2	6	0	ABA, Al Majmoua, AMEEN, DBACD, Enda, JMCC, MFW, UNRWA.
MENA Small	5	1	4	0	Al Karama, Al Tadamun, AMSSF, FATEN, FONDEP.
MENA FSS	8	3	5	0	[These names are held confidential]
MENA non FSS	8	1	7	0	[These names are held confidential]

Trend Lines - 2004 data PEER GROUP	DATA QUALITY †				PARTICIPATING INSTITUTIONS
	N	***	**	*	
All MFIs	200	38	129	33	1st Valley Bank, ABA, ACCOVI, ACEP, ACF, ACLEDA, ACME, ACODEP, ACSI, Actuar Tolima, ADCSI, ADRA - PER, ADRI, AFK, Agrocapital, AKIBA, Al Amana, Al Karama, Al Majmoua, Al Tadamun, Alternativa, AMC de R.L., AMEEN, AMK, AMRET, AMSSF, Apoyo Integral, AREGAK, ASA, Asasah, ASEI, AVFS, BAI, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, Bandhan, BanGente, Bank of Khyber, Barakat, BASIX - Samruddhi, Benefit, BESA, BRAC, BRI, BURO, Buusaa Gonofa, CAPA, CARD NGO, CARD RB, Centenary Bank, CEP, CMAC Arequipa, CMAC Sullana, CMEDFI, CMM Bogotá, CMM Medellín, CMS, COAC Jardín Azuayo, COAC La Merced, COAC MCCH, COAC San José, Compartamos, Constanta, CRECER, Credi Fe, CREDIMUJER, CREDIT, CREDO, CRG, Crystal Fund, DAMEN, DBACD, DECSI, EDAPROPO, EDPYME Edyficar, EDPYME Proempresa, EKI, Enda, Equity Bank, Eshet, FAMA, FATEN, Faulu - UGA, FBPMC, FCBFI, FDL, FED, FIE FFP, FIELCO, FinAmérica, FINCA - ARM, FINCA - AZE, FINCA - GEO, FINCA - MWI, FINCA - PER, FINCA - Tomsk, FINCA - TZA, FINCA - UGA, FINDESA, FMCC, FMFB - PAK, FMM Popayán, FONDEP, FORA, Fundación Nieborowski, Fundación Paraguaya, Gasha, Grama Vidiyal, Grameen Koota, HKL, HOPE Ukraine, IDF, IMON, JMCC, Kafo Jiginew, Kamurj, Kashf, KLF, KMBI, K-Rep, LOKmicro, LPD Bedha, LPD Buahhan, LPD Celuk , LPD Ketewel , LPD Kuku, LPD Kuta , LPD Panjer, LPD Pecatu, LPD Ubung , Meklit, Metemamen, MFW, MiBanco, MI-BOSPO, MIKRA, Mikro ALDI, MIKROFIN, Nirdhan, NOA, Norfil Foundation, Inc., Normicro, NWTf, Nyèsigiso, OBM, OCSSC, OIS, OMB, OMRO, PADME, PAMECAS, PAPME, Partner, PEACE, Prasac, PRIDE - TZA, PRISMA, PRIZMA, Pro Mujer - BOL, Pro Mujer - NIC, Pro Mujer - PER, ProCredit - BOL, PRODEM FFP, PSHM, RB Cantilan, RB Victorias, RCPB, SAFWCO, SEDA, SEF - ZAF, SFP, SHARE, Sidama, SINERGIJplus, SKS, SOCREMO, Sodeystviye, Spandana, Sungi, Sunrise, Tchuma, TPC, TSKI, TSPI, UML, UNRWA, USTOI, U-Trust, Vital Finance, VRFSMES, WAGES, Wasasa, Wisdom, Women for Women BiH, WWB Cali, XacBank, Zakoura.
Age: New (0 to 4 Years)	16	2	10	4	ADCSI, AFK, AMC de R.L., Asasah, Bandhan, Barakat, CREDIT, Eshet, FINCA - Tomsk, FMFB - PAK, Meklit, Metemamen, OIS, OMB, VRFSMES, Wasasa,
Age: Young (5 to 8 Years)	79	12	57	10	ACF, ACME, ACSI, ADRA - PER, AKIBA, Al Amana, Al Karama, Al Majmoua, Al Tadamun, AMEEN, AMSSF, AREGAK, AVFS, BAI, BanGente, Benefit, Buusaa Gonofa, CAPA, CMEDFI, COAC Jardín Azuayo, COAC La Merced, COAC MCCH, Constanta, Credi Fe, CREDO, Crystal Fund, DAMEN, DBACD, DECSI, EDPYME Edyficar, EDPYME Proempresa, EKI, FBPMC, FINCA - ARM, FINCA - AZE, FINCA - GEO, FINCA - TZA, FONDEP, Gasha, Grama Vidiyal, Grameen Koota, HKL, HOPE Ukraine, IMON, JMCC, Kamurj, KLF, LOKmicro, LPD Kuta , MI-BOSPO, MIKRA, Mikro ALDI, MIKROFIN, NOA, Normicro, OBM, OCSSC, Partner, PEACE, PRIZMA, Pro Mujer - NIC, Pro Mujer - PER, PSHM, SEDA, SFP, Sidama, SINERGIJplus, SKS, SOCREMO, Sodeystviye, Spandana, Sunrise, Tchuma, UML, USTOI, Vital Finance, Wisdom, Women for Women BiH, XacBank.
Age: Mature (> 8 Years)	105	24	62	19	1st Valley Bank, ABA, ACCOVI, ACEP, ACLEDA, ACODEP, Actuar Tolima, ADRI, Agrocapital, Alternativa, AMK, AMRET, Apoyo Integral, ASA, ASEI, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, Bank of Khyber, BASIX - Samruddhi, BESA, BRAC, BRI, BURO, CARD NGO, CARD RB, Centenary Bank, CEP, CMAC Arequipa, CMAC Sullana, CMM Bogotá, CMM Medellín, CMS, COAC San José, Compartamos, CRECER, CREDIMUJER, CRG, EDAPROPO, Enda, Equity Bank, FAMA, FATEN, Faulu - UGA, FCBFI, FDL, FED, FIE FFP, FIELCO, FinAmérica, FINCA - MWI, FINCA - PER, FINCA - UGA, FINDESA, FMCC, FMM Popayán, FORA, Fundación Nieborowski, Fundación Paraguaya, IDF, Kafo Jiginew, Kashf, KMBI, K-Rep, LPD Bedha, LPD Buahhan, LPD Celuk , LPD Ketewel , LPD Kuku, LPD Panjer, LPD Pecatu, LPD Ubung , MFW, MiBanco, Nirdhan, Norfil Foundation, Inc., NWTf, Nyèsigiso, OMRO, PADME, PAMECAS, PAPME, Prasac, PRIDE - TZA, PRISMA, Pro Mujer - BOL, ProCredit - BOL, PRODEM FFP, RB Cantilan, RB Victorias, RCPB, SAFWCO, SEF - ZAF, SHARE, Sungi, TPC, TSKI, TSPI, UNRWA, U-Trust, WAGES, WWB Cali, Zakoura.
Charter Type: Bank (Bank)	21	8	8	5	ACLEDA, AKIBA, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, BanGente, Bank of Khyber, BRI, Centenary Bank, CRG, FMFB - PAK, K-Rep, MiBanco, Nirdhan, OBM, OMB, ProCredit - BOL, SOCREMO, XacBank.
Charter Type: Credit Union (Credit Union)	13	4	5	4	ACEP, Alternativa, CMS, COAC Jardín Azuayo, COAC La Merced, COAC MCCH, COAC San José, Kafo Jiginew, NOA, Nyèsigiso, PAMECAS, RCPB, Sodeystviye.
Charter Type: NBFi (Non - Bank Financial Intermediary)	72	17	51	4	ACCOVI, ACF, ACSI, ADCSI, AMC de R.L., AMEEN, AMK, AMRET, Apoyo Integral, AVFS, BASIX - Samruddhi, Benefit, Buusaa Gonofa, CAPA, CMAC Arequipa, CMAC Sullana, Compartamos, Credi Fe, CREDIT, Crystal Fund, DECSI, EDPYME Edyficar, EDPYME Proempresa, EKI, Equity Bank, Eshet, FATEN, Faulu - UGA, FIE FFP, FIELCO, FinAmérica, FINCA - AZE, FINCA - UGA, FINDESA, FMCC, Gasha, HKL, JMCC, KLF, LOKmicro, Meklit, Metemamen, MFW, MI-BOSPO, MIKRA, Mikro ALDI, MIKROFIN, Normicro, OCSSC, OIS, OMRO, Partner, PEACE, Prasac, PRIZMA, PRODEM FFP, PSHM, SFP, SHARE, Sidama, SINERGIJplus, SKS, Spandana, Sunrise, Tchuma, TPC, USTOI, U-Trust, VRFSMES, Wasasa, Wisdom, Women for Women BiH.
Charter Type: NGO (Non Government Organization)	80	9	60	11	ABA, ACME, ACODEP, Actuar Tolima, ADRA - PER, ADRI, AFK, Agrocapital, Al Amana, Al Karama, Al Majmoua, Al Tadamun, AMSSF, AREGAK, ASA, Asasah, ASEI, BAI, Bandhan, Barakat, BESA, BRAC, BURO, CARD NGO, CEP, CMEDFI, CMM Bogotá, CMM Medellín, Constanta, CRECER, CREDIMUJER, CREDO, DAMEN, DBACD, EDAPROPO, Enda, FAMA, FBPMC, FCBFI, FDL, FED, FIE FFP, FINCA - ARM, FINCA - GEO, FINCA - MWI, FINCA - PER, FINCA - Tomsk, FINCA - TZA, FMM Popayán, FONDEP, FORA, Fundación Nieborowski, Fundación Paraguaya, Grama Vidiyal, Grameen Koota, HOPE Ukraine, IDF, IMON, Kamurj, Kashf, KMBI, Norfil Foundation, Inc., NWTf, PADME, PAPME, PRIDE - TZA, PRISMA, Pro Mujer - BOL, Pro Mujer - NIC, Pro Mujer - PER, SAFWCO, SEDA, SEF - ZAF, Sungi, TSKI, TSPI, UML, Vital Finance, WAGES, WWB Cali, Zakoura.
Charter Type: Rural Bank (Rural Bank)	13	0	4	9	1st Valley Bank, CARD RB, LPD Bedha, LPD Buahhan, LPD Celuk , LPD Ketewel , LPD Kuku, LPD Kuta , LPD Panjer, LPD Pecatu, LPD Ubung , RB Cantilan, RB Victorias.

Trend Lines - 2004 data	DATA QUALITY †				PARTICIPATING INSTITUTIONS
	PEER GROUP	N	***	**	
Intermediation: Non FI (Voluntary Savings/ Total Assets = 0)	112	17	82	13	ABA, ACF, ACME, ACODEP, Actuar Tolima, ADRA - PER, ADRI, AFK, Agrocapital, Al Amana, Al Karama, Al Majmoua, Al Tadamun, AMC de R.L., AMEEN, AMK, AMSSF, Apoyo Integral, AREGAK, ASEI, BAI, Bandhan, Bank of Khyber, Barakot, BASIX - Samruddhi, Benefit, BESA, CAPA, CARD NGO, CMM Bogotá, CMM Medellín, Compartamos, Constanta, CRECER, Credi Fe, CREDIMUJER, CREDO, Crystal Fund, DAMEN, DBACD, EDAPROSPPO, EDPYME Edyficar, EDPYME Proempresa, EKI, Enda, FAMA, FATEN, Faulu - UGA, FBPMC, FDL, FED, FINCA - ARM, FINCA - AZE, FINCA - GEO, FINCA - MWI, FINCA - PER, FINCA - Tomsk, FINCA - TZA, FMCC, FMM Popayán, FONDEP, FORA, Fundación Nieborowski, Fundación Paraguaya, Grama Vidiyal, Grameen Koota, IMON, JMCC, Kamurj, KLF, KMBI, LOKmicro, Metemamen, MFW, MI-BOSPO, MIKRA, Mikro ALDI, MIKROFIN, NOA, Norfil Foundation, Inc., Normicro, OMRO, PADME, Partner, Prasac, PRIDE - TZA, PRISMA, PRIZMA, Pro Mujer - BOL, Pro Mujer - NIC, Pro Mujer - PER, PSHM, SAFWCO, SEDA, SEF - ZAF, SHARE, Sidama, SINERGIJplus, SKS, Spandana, Sungi, Sunrise, TPC, TSKI, TSPI, UNRWA, USTOI, Vital Finance, VRFSMES, Women for Women BiH, WWB Cali, Zakoura.
Intermediation: Low FI (Voluntary Savings/ Total Assets > 0 and < 20%)	33	3	24	6	ACEP, ADCSI, AMRET, ASA, Asasah, AVFS, BRAC, Buusaa Gonofa, CEP, CREDIT, Eshet, FCBFI, FINCA - UGA, FINDESA, Gasha, HKL, HOPE Ukraine, IDF, Kashf, Meklit, Nirdhan, NWTf, OCSSC, OIS, OMB, PAPME, PEACE, SFPI, SOCREMO, Tchuma, UML, Wasasa, Wisdom.
Intermediation: High FI (Voluntary Savings/ Total Assets ≥ 20%)	55	18	23	14	1st Valley Bank, ACCOVI, ACLEDA, ACSI, AKIBA, Alternativa, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, BanGente, BRI, BURO, CARD RB, Centenary Bank, CMAC Arequipa, CMAC Sullana, CMEDFI, CMS, COAC Jardín Azuayo, COAC La Merced, COAC MCCH, COAC San José, CRG, DECSI, Equity Bank, FIE FFP, FIELCO, FinAmérica, FMFB - PAK, Kafo Jiginew, K-Rep, LPD Bedha, LPD Buahhan, LPD Celuk, LPD Ketewel, LPD Kukuh, LPD Kuta, LPD Panjer, LPD Pecatu, LPD Ubung, MiBanco, Nyèsigiso, OBM, PAMECAS, ProCredit - BOL, PRODEM FFP, RB Cantilan, RB Victorias, RCPB, Sodeystviye, U-Trust, WAGES, XacBank.
Methodology: Individual	66	17	33	16	1st Valley Bank, ACCOVI, ACF, ACME, ACODEP, Actuar Tolima, ADRI, AFK, Agrocapital, Alternativa, AMC de R.L., AMEEN, ASA, BAI, Banco Ademi, Banco del Trabajo, BanDesarrollo Microempresas, Benefit, BESA, BRI, CAPA, Centenary Bank, CMAC Arequipa, CMAC Sullana, CMEDFI, CMM Bogotá, CMM Medellín, CMS, COAC Jardín Azuayo, COAC La Merced, COAC MCCH, COAC San José, Credi Fe, CREDIMUJER, EDPYME Proempresa, Equity Bank, FAMA, FED, FIE FFP, FIELCO, FinAmérica, FINDESA, FMM Popayán, Fundación Nieborowski, Kafo Jiginew, LPD Bedha, LPD Buahhan, LPD Celuk, LPD Ketewel, LPD Kukuh, LPD Kuta, LPD Panjer, LPD Pecatu, LPD Ubung, MiBanco, MIKROFIN, OIS, Partner, ProCredit - BOL, PRODEM FFP, RB Victorias, SOCREMO, Sodeystviye, Sunrise, VRFSMES, WWB Cali.
Methodology: Individual/ Solidarity (Individual & Solidarity; or Individual, Solidarity & Village Banking)	89	18	61	10	ABA, ACEP, ACLEDA, ACSI, ADCSI, AKIBA, Al Amana, Al Majmoua, AMK, AMRET, Apoyo Integral, AREGAK, ASEI, AVFS, Banco Solidario, BancoSol, BanGente, Bank of Khyber, BASIX - Samruddhi, BRAC, BURO, CARD RB, Compartamos, Constanta, CREDIT, CREDO, CRG, Crystal Fund, DAMEN, DBACD, DECSI, EDPYME Edyficar, EKI, Enda, FATEN, FBPMC, FCBFI, FDL, FINCA - ARM, FINCA - GEO, FMFB - PAK, FONDEP, FORA, Fundación Paraguaya, Gasha, HKL, HOPE Ukraine, IDF, IMON, JMCC, KLF, K-Rep, LOKmicro, MFW, MI-BOSPO, MIKRA, Mikro ALDI, Nirdhan, NOA, Normicro, NWTf, Nyèsigiso, OBM, OCSSC, OMB, OMRO, PADME, PAMECAS, PAPME, Prasac, PRISMA, PRIZMA, PSHM, RB Cantilan, RCPB, SHARE, Sidama, SINERGIJplus, Tchuma, TSPI, UML, UNRWA, U-Trust, Vital Finance, WAGES, Wisdom, Women for Women BiH, XacBank, Zakoura.
Methodology: Solidarity	23	2	15	6	Al Karama, Al Tadamun, AMSSF, Asasah, Bandhan, Barakot, Buusaa Gonofa, CARD NGO, Eshet, Faulu - UGA, Kamurj, Kashf, KMBI, Meklit, Norfil Foundation, Inc., PEACE, PRIDE - TZA, SEF - ZAF, SFPI, SKS, Sungi, USTOI, Wasasa.
Methodology: Village Banking	22	1	20	1	ADRA - PER, CEP, CRECER, EDAPROSPPO, FINCA - AZE, FINCA - MWI, FINCA - PER, FINCA - Tomsk, FINCA - TZA, FINCA - UGA, FMCC, Grama Vidiyal, Grameen Koota, Metemamen, Pro Mujer - BOL, Pro Mujer - NIC, Pro Mujer - PER, SAFWCO, SEDA, Spandana, TPC, TSKI.
Outreach: Small (Number of Borrowers < 10,000)	84	5	55	24	ACCOVI, ACF, ACME, Actuar Tolima, ADRA - PER, ADRI, AFK, Agrocapital, Al Karama, Al Majmoua, Al Tadamun, Alternativa, AMC de R.L., AMEEN, AMSSF, Asasah, ASEI, AVFS, BAI, Bank of Khyber, Barakot, Benefit, BESA, Buusaa Gonofa, CAPA, CMEDFI, COAC La Merced, COAC MCCH, COAC San José, CREDIMUJER, CREDO, Crystal Fund, DAMEN, EDAPROSPPO, Eshet, FATEN, FCBFI, FINCA - ARM, FINCA - GEO, FINCA - PER, FINCA - Tomsk, FMFB - PAK, Fundación Paraguaya, Gasha, HKL, HOPE Ukraine, IMON, JMCC, Kamurj, LOKmicro, LPD Bedha, LPD Buahhan, LPD Celuk, LPD Ketewel, LPD Kukuh, LPD Kuta, LPD Panjer, LPD Pecatu, LPD Ubung, Meklit, Metemamen, MI-BOSPO, MIKRA, Mikro ALDI, NOA, Normicro, OBM, OIS, OMRO, PEACE, PAMECAS, RB Victorias, SAFWCO, Sidama, SINERGIJplus, SOCREMO, Sodeystviye, Sungi, Tchuma, USTOI, VRFSMES, WAGES, Wasasa, Women for Women BiH.
Outreach: Medium (Number of Borrowers ≥ 10,000 and ≤ 30,000)	51	16	29	6	1st Valley Bank, ACEP, ACODEP, AKIBA, AMK, Apoyo Integral, AREGAK, Banco Ademi, BanGente, CARD RB, CMM Medellín, COAC Jardín Azuayo, Constanta, CREDIT, EDPYME Proempresa, EKI, Enda, Faulu - UGA, FDL, FED, FIELCO, FinAmérica, FINCA - AZE, FINCA - MWI, FINDESA, FMCC, FONDEP, FORA, Fundación Nieborowski, Grameen Koota, KLF, MFW, MIKROFIN, Norfil Foundation, Inc., Nyèsigiso, OMB, PAPME, Partner, PRISMA, PRIZMA, Pro Mujer - NIC, Pro Mujer - PER, RB Cantilan, SEDA, SEF - ZAF, SFPI, Sunrise, UNRWA, U-Trust, Vital Finance, Wisdom.
Outreach: Large (Number of Borrowers > 30,000)	65	17	45	3	ABA, ACLEDA, ACSI, ADCSI, Al Amana, AMRET, ASA, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, Bandhan, BASIX - Samruddhi, BRAC, BRI, BURO, CARD NGO, Centenary Bank, CEP, CMAC Arequipa, CMAC Sullana, CMM Bogotá, CMS, Compartamos, CRECER, Credi Fe, CRG, DBACD, DECSI, EDPYME Edyficar, Equity Bank, FAMA, FBPMC, FIE FFP, FINCA - TZA, FINCA - UGA, FMM Popayán, Grama Vidiyal, IDF, Kafo Jiginew, Kashf, KMBI, K-Rep, MiBanco, Nirdhan, NWTf, OCSSC, PADME, PAMECAS, Prasac, PRIDE - TZA, Pro Mujer - BOL, ProCredit - BOL, PRODEM FFP, RCPB, SHARE, SKS, Spandana, TPC, TSKI, TSPI, UML, WWB Cali, XacBank, Zakoura.

Trend Lines - 2004 data PEER GROUP	DATA QUALITY †				PARTICIPATING INSTITUTIONS
	N	***	**	*	
Profit Status: Profit	74	16	43	15	1st Valley Bank, ACCOVI, ACLEDA, ACSI, ADCSI, AKIBA, AMC de R.L., AMK, AMRET, Apoyo Integral, AVFS, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, BanGente, Bank of Khyber, BASIX - Samruddhi, BRI, Buusaa Gonofa, CARD RB, Centenary Bank, Compartamos, Credi Fe, CREDIT, CRG, DECSI, EDPYME Edyficar, EDPYME Proempresa, Equity Bank, Eshet, Faulu - UGA, FIE FFP, FIELCO, FinAmérica, FINCA - UGA, FINDESA, FMFB - PAK, Gasha, K-Rep, LPD Bedha, LPD Buahhan, LPD Celuk , LPD Ketewel , LPD Kuku, LPD Kuta , LPD Panjer, LPD Pecatu, LPD Ubung , Meklit, Metemamen, MiBanco, Nirdhan, OBM, OCSSC, OIS, OMB, PEACE, ProCredit - BOL, PRODEM FFP, RB Cantilan, RB Victorias, SFPI, SHARE, Sidama, SKS, SOCREMO, Spandana, TPC, U-Trust, Wasasa, Wisdom, XacBank.
Profit Status: Not for Profit	126	22	86	18	ABA, ACEP, ACF, ACME, ACODEP, Actuar Tolima, ADRA - PER, ADRI, AFK, Agrocapital, Al Amana, Al Karama, Al Majmoua, Al Tadamun, Alternativa, AMEEN, AMSSF, AREGAK, ASA, Asasah, ASEI, BAI, Bandhan, Barakot, Benefit, BESA, BRAC, BURO, CAPA, CARD NGO, CEP, CMAC Arequipa, CMAC Sullana, CMEDFI, CMM Bogotá, CMM Medellín, CMS, COAC Jardín Azuayo, COAC La Merced, COAC MCCH, COAC San José, Constanta, CRECER, CREDIMIJER, CREDO, Crystal Fund, DAMEN, DBACD, EDAPROSPO, EKI, Enda, FAMA, FATEN, FBPMC, FCBFI, FDL, FED, FINCA - ARM, FINCA - AZE, FINCA - GEO, FINCA - MWI, FINCA - PER, FINCA - Tomsk, FINCA - TZA, FMCC, FMM Popayán, FONDEP, FORA, Fundación Nieborowski, Fundación Paraguaya, Grama Vidiyal, Grameen Koota, HKL, HOPE Ukraine, IDF, IMON, JMCC, Kafo Jiginew, Kamurj, Kashf, KLF, KMBI, LOKmicro, MFW, MI-BOSPO, MIKRA, Mikro ALDI, MIKROFIN, NOA, Norfil Foundation, Inc., Normicro, NWTf, Nyèsigiso, OMRO, PADME, PAMECAS, PAPME, Partner, Prasac, PRIDE - TZA, PRISMA, PRIZMA, Pro Mujer - BOL, Pro Mujer - NIC, Pro Mujer - PER, PSHM, RCPB, SAFWCO, SEDA, SEF - ZAF, SINERGIJApplus, Sodeystviye, Sungi, Sunrise, Tchuma, TSKI, TSPI, UML, UNRWA, USTOI, Vital Finance, VRFSMES, WAGES, Women for Women BiH, WWB Cali, Zakoura.
Region: Africa (Sub - Saharan Africa)	41	4	34	3	ACEP, ACSI, ADCSI, AKIBA, AVFS, Buusaa Gonofa, Centenary Bank, CMS, CRG, DECSI, Equity Bank, Eshet, Faulu - UGA, FINCA - UGA, Gasha, Kafo Jiginew, K-Rep, Meklit, Metemamen, Nyèsigiso, OCSSC, PADME, PAMECAS, PAPME, PEACE, PRIDE - TZA, RCPB, SEDA, SEF - ZAF, SFPI, Sidama, SOCREMO, Tchuma, UML, U-Trust, Vital Finance, WAGES, Wasasa, Wisdom.
Region: Asia (South & East Asia)	50	3	30	17	1st Valley Bank, ACLEDA, AMK, AMRET, ASA, Asasah, Bandhan, Bank of Khyber, BASIX - Samruddhi, BRAC, BRI, BURO, CARD NGO, CARD RB, CEP, CMEDFI, CREDIT, DAMEN, FCBFI, FMFB - PAK, Grama Vidiyal, Grameen Koota, HKL, IDF, Kashf, KMBI, LPD Bedha, LPD Buahhan, LPD Celuk , LPD Ketewel , LPD Kuku, LPD Kuta , LPD Panjer, LPD Pecatu, LPD Ubung , Nirdhan, Norfil Foundation, Inc., NWTf, OMB, Prasac, RB Cantilan, RB Victorias, SAFWCO, SHARE, SKS, Spandana, Sungi, TPC, TSKI, TSPI.
Region: ECA (Eastern Europe & Central Asia)	43	5	27	11	ACF, AFK, Alternativa, AREGAK, BAI, Barakot, Benefit, BESA, CAPA, Constanta, CREDO, Crystal Fund, EKI, FINCA - ARM, FINCA - AZE, FINCA - GEO, FINCA - Tomsk, FMCC, FORA, HOPE Ukraine, IMON, Kamurj, KLF, LOKmicro, MI-BOSPO, MIKRA, Mikro ALDI, MIKROFIN, NOA, Normicro, OBM, OIS, OMRO, Partner, PRIZMA, PSHM, SINERGIJApplus, Sodeystviye, Sunrise, USTOI, VRFSMES, Women for Women BiH, XacBank.
Region: LAC (Latin America & the Caribbean)	50	21	27	2	ACCOVI, ACME, ACODEP, Actuar Tolima, ADRA - PER, ADRI, Agrocapital, AMC de R.L., Apoyo Integral, ASEI, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, BanGente, CMAC Arequipa, CMAC Sullana, CMM Bogotá, CMM Medellín, COAC Jardín Azuayo, COAC La Merced, COAC MCCH, COAC San José, Compartamos, CRECER, Credi Fe, CREDIMIJER, EDAPROSPO, EDPYME Edyficar, EDPYME Proempresa, FAMA, FDL, FED, FIE FFP, FIELCO, FinAmérica, FINCA - PER, FINDESA, FMM Popayán, Fundación Nieborowski, Fundación Paraguaya, MiBanco, PRISMA, Pro Mujer - BOL, Pro Mujer - NIC, Pro Mujer - PER, ProCredit - BOL, PRODEM FFP, WWB Cali.
Region: MENA (Middle East & North Africa)	16	5	11	0	ABA, Al Amana, Al Karama, Al Majmoua, Al Tadamun, AMEEN, AMSSF, DBACD, Enda, FATEN, FBPMC, FONDEP, JMCC, MFW, UNRWA, Zakoura.
Scale: Small (GLP in USD, LAC < 4,000,000; Others < 2,000,000)	61	2	41	18	ACF, ACME, Actuar Tolima, ADRA - PER, ADRI, Al Karama, Al Tadamun, Alternativa, AMK, AMSSF, Asasah, ASEI, AVFS, BAI, Bandhan, Barakot, Buusaa Gonofa, CMEDFI, COAC La Merced, COAC MCCH, CREDIMIJER, CREDIT, CREDO, Crystal Fund, DAMEN, EDAPROSPO, Eshet, FATEN, FCBFI, FINCA - MWI, FINCA - PER, FINCA - Tomsk, Fundación Paraguaya, Gasha, Grameen Koota, HOPE Ukraine, IMON, LPD Bedha, LPD Buahhan, LPD Celuk , LPD Ketewel , LPD Kuku, LPD Panjer, LPD Ubung , Meklit, Metemamen, Norfil Foundation, Inc., Normicro, OMB, PEACE, Pro Mujer - NIC, Pro Mujer - PER, RB Victorias, SAFWCO, SEDA, SFPI, Sidama, Sungi, VRFSMES, Wasasa, Women for Women BiH.
Scale: Medium (GLP in USD, LAC ≥ 4,000,000 and ≤ 15,000,000; Others ≥ 2,000,000 and ≤ 8,000,000)	68	11	47	10	ACODEP, ADCSI, AFK, Agrocapital, Al Majmoua, AMC de R.L., AMEEN, AMRET, Apoyo Integral, AREGAK, BanGente, Bank of Khyber, CAPA, CARD NGO, CARD RB, CEP, CMM Bogotá, CMM Medellín, COAC San José, Constanta, CRECER, CRG, DBACD, EDPYME Proempresa, Enda, Faulu - UGA, FED, FIELCO, FINCA - ARM, FINCA - AZE, FINCA - GEO, FINCA - TZA, FINCA - UGA, FMFB - PAK, FONDEP, Fundación Nieborowski, Grama Vidiyal, HKL, IDF, JMCC, Kamurj, KLF, KMBI, LPD Kuta , LPD Pecatu, MFW, MIKRA, Mikro ALDI, Nirdhan, NOA, NWTf, OIS, OMRO, PRISMA, Pro Mujer - BOL, RB Cantilan, SEF - ZAF, SKS, SOCREMO, Sodeystviye, Tchuma, TPC, TSKI, UNRWA, USTOI, U-Trust, WAGES, Wisdom.
Scale: Large (GLP in USD, LAC > 15,000,000; Others > 8,000,000)	71	25	41	5	1st Valley Bank, ABA, ACCOVI, ACEP, ACLEDA, ACSI, AKIBA, Al Amana, ASA, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, BASIX - Samruddhi, Benefit, BESA, BRAC, BRI, BURO, Centenary Bank, CMAC Arequipa, CMAC Sullana, CMS, COAC Jardín Azuayo, Compartamos, Credi Fe, DECSI, EDPYME Edyficar, EKI, Equity Bank, FAMA, FBPMC, FDL, FIE FFP, FinAmérica, FINDESA, FMCC, FMM Popayán, FORA, Kafo Jiginew, Kashf, K-Rep, LOKmicro, MiBanco, MI-BOSPO, MIKROFIN, Nyèsigiso, OBM, OCSSC, PADME, PAMECAS, PAPME, Partner, Prasac, PRIDE - TZA, PRIZMA, ProCredit - BOL, PRODEM FFP, PSHM, RCPB, SHARE, SINERGIJApplus, Spandana, Sunrise, TSPI, UML, Vital Finance, WWB Cali, XacBank, Zakoura.

Trend Lines - 2004 data PEER GROUP	DATA QUALITY †				PARTICIPATING INSTITUTIONS
	N	***	**	*	
Sustainability: FSS (Financial Self-Sufficiency > 100%)	141	34	82	25	[These names are held confidential]
Sustainability: Non-FSS (Financial Self-Sufficiency < 100%)	59	4	47	8	[These names are held confidential]
Target Market: Low End (Avg. Balance per Borrower/ GNI per Capita < 20% and Avg. Balance per Borrower < USD 150)	78	8	61	9	ABA, ACSI, ADCSI, ADRA - PER, Al Karama, Al Majmoua, Al Tadamun, Alternativa, AMK, AMRET, AMSSF, ASA, Asasah, ASEI, AVFS, Bandhan, Barakot, BASIX - Samruddhi, BRAC, BURO, Buusaa Gonofa, CARD NGO, CARD RB, CEP, CMEDFI, Compartamos, CRECER, CREDIMUJER, CREDIT, CRG, DAMEN, DBACD, DECSI, EDAPROSP, Enda, Eshet, FCBFI, FINCA - MWI, FINCA - PER, FINCA - TZA, FINCA - UGA, FMM Popayán, FONDEP, Gasha, Grama Vidiyal, Grameen Koota, IDF, Kashf, KMBI, Meklit, Metemamen, MFW, Nirdhan, Norfil Foundation, Inc., NWTf, OCSSC, OMB, PEACE, Prasac, PRISMA, Pro Mujer - BOL, Pro Mujer - NIC, Pro Mujer - PER, SAFWCO, SEDA, SEF - ZAF, SFPI, SHARE, Sidama, SKS, Spandana, Sungi, TPC, TSKI, TSPI, Wasasa, Wisdom, Zakoura.
Target Market: Broad (Avg. Balance per Borrower/ GNI per Capita ≥ 20% and ≤ 150%)	101	24	58	19	1st Valley Bank, ACCOVI, ACME, ACODEP, Actuar Tolima, ADRI, Al Amaná, AMC de R.L., AMEEN, Apoyo Integral, AREGAK, BAI, Banco Ademi, Banco del Trabajo, Banco Solidario, BanDesarrollo Microempresas, BanGente, Bank of Khyber, Benefit, BRI, CAPA, CMAC Arequipa, CMAC Sullana, CMM Bogotá, CMM Medellín, COAC Jardín Azuayo, COAC La Merced, COAC MCCH, COAC San José, Constanta, Credi Fe, CREDO, Crystal Fund, EDPYME Edyficar, EDPYME Proempresa, EKI, Equity Bank, FAMA, FATEN, Faulu - UGA, FBPMC, FDL, FED, FIE FFP, FIELCO, FinAmérica, FINCA - ARM, FINCA - AZE, FINCA - GEO, FINCA - Tomsk, FMCC, FMFB - PAK, FORA, Fundación Nieborowski, Fundación Paraguaya, HKL, HOPE Ukraine, IMON, JMCC, Kafo Jiginew, Kamurj, KLF, K-Rep, LOKmicro, LPD Bedha, LPD Buah, LPD Ketewel, LPD Kuku, LPD Panjer, LPD Ubung, MiBanco, MI-BOSPO, MIKRA, Mikro ALDI, MIKROFIN, NOA, Normicro, Nyèsigiso, OBM, OIS, OMRO, PAMECAS, Partner, PRIDE - TZA, PRIZMA, PSHM, RB Cantilan, RB Victorias, SINERGIJplus, Sodeystviye, Sunrise, Tchuma, UML, UNRWA, USTOI, U-Trust, Vital Finance, VRFSMES, Women for Women BiH, WWB Cali, XacBank.
Target Market: High End (Avg. Balance per Borrower/ GNI per Capita > 150% and ≤ 250%)	14	4	7	3	ACF, ACLEDA, AFK, BancoSol, BESA, CMS, FINDESA, LPD Celuk, LPD Kuta, LPD Pecatu, PADME, ProCredit - BOL, PRODEM FFP, WAGES.
Target Market: Small Business (Avg. Balance per Borrower/ GNI per Capita < 250%)	7	2	3	2	ACEP, Agrocapiatal, AKIBA, Centenary Bank, PAPME, RCPB, SOCREMO.
Africa Large	18	3	13	2	ACEP, ACSI, AKIBA, Centenary Bank, CMS, DECSI, Equity Bank, Kafo Jiginew, K-Rep, Nyèsigiso, OCSSC, PADME, PAMECAS, PAPME, PRIDE - TZA, RCPB, UML, Vital Finance.
Africa Medium	11	1	10	1	ADCSI, CRG, Faulu - UGA, FINCA - TZA, FINCA - UGA, SEF - ZAF, SOCREMO, Tchuma, U-Trust, WAGES, Wisdom.
Africa Small	12	0	11	1	AVFS, Buusaa Gonofa, Eshet, FINCA - MWI, Gasha, Meklit, Metemamen, PEACE, SEDA, SFPI, Sidama, Wasasa.
Africa FSS	19	3	13	3	[These names are held confidential]
Africa non FSS	22	1	21	0	[These names are held confidential]
Asia Large	12	1	10	1	1st Valley Bank, ACLEDA, ASA, BASIX - Samruddhi, BRAC, BRI, BURO, Kashf, Prasac, SHARE, Spandana, TSPI.
Asia Medium	18	1	13	4	AMRET, Bank of Khyber, CARD NGO, CARD RB, CEP, FMFB - PAK, Grama Vidiyal, HKL, IDF, KMBI, LPD Kuta, LPD Pecatu, Nirdhan, NWTf, RB Cantilan, SKS, TPC, TSKI.
Asia Small	20	1	7	12	AMK, Asasah, Bandhan, CMEDFI, CREDIT, DAMEN, FCBFI, Grameen Koota, LPD Bedha, LPD Buah, LPD Celuk, LPD Ketewel, LPD Kuku, LPD Panjer, LPD Ubung, Norfil Foundation, Inc., OMB, RB Victorias, SAFWCO, Sungi.
Asia FSS	34	1	21	12	[These names are held confidential]
Asia non FSS	16	2	9	5	[These names are held confidential]
ECA Large	15	5	9	1	Benefit, BESA, EKI, FMCC, FORA, LOKmicro, MI-BOSPO, MIKROFIN, OBM, Partner, PRIZMA, PSHM, SINERGIJplus, Sunrise, XacBank.
ECA Medium	16	0	10	6	AFK, AREGAK, CAPA, Constanta, FINCA - ARM, FINCA - AZE, FINCA - GEO, Kamurj, KLF, MIKRA, Mikro ALDI, NOA, OIS, OMRO, Sodeystviye, USTOI,
ECA Small	12	0	8	4	ACF, Alternativa, BAI, Barakot, CREDO, Crystal Fund, FINCA - Tomsk, HOPE Ukraine, IMON, Normicro, VRFSMES, Women for Women BiH.
ECA FSS	35	5	22	8	[These names are held confidential]
ECA non FSS	8	0	5	3	[These names are held confidential]
LAC Large	22	15	6	1	ACCOVI, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, CMAC Arequipa, CMAC Sullana, COAC Jardín Azuayo, Compartamos, Credi Fe, EDPYME Edyficar, FAMA, FDL, FIE FFP, FinAmérica, FINDESA, FMM Popayán, MiBanco, ProCredit - BOL, PRODEM FFP, WWB Cali.

Trend Lines - 2004 data PEER GROUP	DATA QUALITY †				PARTICIPATING INSTITUTIONS
	N	***	**	*	
LAC Medium	15	5	10	0	ACODEP, Agrocapital, AMC de R.L., Apoyo Integral, BanGente, CMM Bogotá, CMM Medellín, COAC San José, CRECER, EDPYME Proempresa, FED, FIELCO, Fundación Nieborowski, PRISMA, Pro Mujer - BOL.
LAC Small	13	1	11	1	ACME, Actuar Tolima, ADRA - PER, ADRI, ASEI, COAC La Merced, COAC MCCH, CREDIMUJER, EDAPROSPO, FINCA - PER, Fundación Paraguaya, Pro Mujer - NIC, Pro Mujer - PER.
LAC FSS	43	20	21	2	[These names are held confidential]
LAC non FSS	7	1	6	0	[These names are held confidential]
MENA Large	4	1	3	0	ABA, Al Amana, FBPMC, Zakoura.
MENA Medium	8	4	4	0	Al Majmoua, AMEEN, DBACD, Enda, FONDEP, JMCC, MFW, UNRWA.
MENA Small	4	0	4	0	Al Karama, Al Tadamun, AMSSF, FATEN.
MENA FSS	10	5	5	0	[These names are held confidential]
MENA non FSS	6	0	6	0	[These names are held confidential]

Trend Lines - 2005 data PEER GROUP	DATA QUALITY †				PARTICIPATING INSTITUTIONS
	N	***	**	*	
All MFIs	200	33	130	37	1st Valley Bank, ABA, ACCOVI, ACEP, ACF, ACLEDA, ACME, ACODEP, ACSI, Actuar Tolima, ADCSI, ADRA - PER, ADRI, AFK, Agrocapital, AKIBA, Al Amana, Al Karama, Al Majmoua, Al Tadamun, Alternativa, AMC de R.L., AMEEN, AMK, AMRET, AMSSF, Apoyo Integral, AREGAK, ASA, Asasah, ASEI, AVFS, BAI, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, Bandhan, BanGente, Bank of Khyber, Barakot, BASIX - Samruddhi, Benefit, BESA, BRAC, BRI, BURO, Buusaa Gonofa, CAPA, CARD NGO, CARD RB, Centenary Bank, CEP, CMAC Arequipa, CMAC Sullana, CMEDFI, CMM Bogotá, CMM Medellín, CMS, COAC Jardín Azuayo, COAC La Merced, COAC MCCH, COAC San José, Compartamos, Constanta, CRECER, Credi Fe, CREDIMUJER, CREDIT, CREDO, CRG, Crystal Fund, DAMEN, DBACD, DECSI, EDAPROSPRO, EDPYME Edyficar, EDPYME Proempresa, EKI, Enda, Equity Bank, Eshet, FAMA, FATEN, Faulu - UGA, FBPMC, FCBFI, FDL, FED, FIE FFP, FIELCO, FinAmérica, FINCA - ARM, FINCA - AZE, FINCA - GEO, FINCA - MWI, FINCA - PER, FINCA - Tomsk, FINCA - TZA, FINCA - UGA, FINDESA, FMCC, FMFB - PAK, FMM Popayán, FONDEP, FORA, Fundación Nieborowski, Fundación Paraguaya, Gasha, Grama Vidiyal, Grameen Koota, HKL, HOPE Ukraine, IDF, IMON, JMCC, Kafo Jiginew, Kamurj, Kashf, KLF, KMBI, K-Rep, LOKmicro, LPD Bedha, LPD Buahhan, LPD Celuk , LPD Ketewel , LPD Kuku, LPD Kuta , LPD Panjer, LPD Pecatu, LPD Ubung , Meklit, Metemamen, MFW, MiBanco, MI-BOSPO, MIKRA, Mikro ALDI, MIKROFIN, Nirdhan, NOA, Norfil Foundation, Inc., Normicro, NWTF, Nyèsigiso, OBM, OCSSC, OIS, OMB, OMRO, PADME, PAMECAS, PAPME, Partner, PEACE, Prasac, PRIDE - TZA, PRISMA, PRIZMA, Pro Mujer - BOL, Pro Mujer - NIC, Pro Mujer - PER, ProCredit - BOL, PRODEM FFP, PSHM, RB Cantilan, RB Victorias, RCPB, SAFWCO, SEDA, SEF - ZAF, SFPI, SHARE, Sidama, SINERGIJplus, SKS, SOCREMO, Sodeystviye, Spandana, Sungi, Sunrise, Tchuma, TPC, TSKI, TSPI, UML, UNRWA, USTOI, U-Trust, Vital Finance, VRFSMES, WAGES, Wasasa, Wisdom, Women for Women BiH, WWB Cali, XacBank, Zakoura.
Age: New (0 to 4 Years)	9	2	3	4	AMC de R.L., Asasah, Bandhan, Barakot, FINCA - Tomsk, FMFB - PAK, Metemamen, OIS, OMB.
Age: Young (5 to 8 Years)	70	5	56	9	ACF, ACSI, ADCSI, ADRA - PER, AFK, AKIBA, Al Amana, Al Karama, Al Majmoua, AMEEN, AREGAK, AVFS, BAI, BanGente, Benefit, Buusaa Gonofa, CMEDFI, COAC La Merced, COAC MCCH, Constanta, Credi Fe, CREDIT, CREDO, Crystal Fund, DBACD, DECSI, EDPYME Edyficar, EDPYME Proempresa, Eshet, FBPMC, FINCA - ARM, FINCA - AZE, FINCA - GEO, FINCA - TZA, FONDEP, Gasha, Grameen Koota, HOPE Ukraine, IMON, JMCC, Kamurj, KLF, LOKmicro, Meklit, MIKRA, MIKROFIN, Normicro, OBM, OCSSC, Partner, PEACE, PRIZMA, Pro Mujer - PER, PSHM, SFPI, Sidama, SINERGIJplus, SKS, SOCREMO, Sodeystviye, Sunrise, Tchuma, UML, USTOI, Vital Finance, VRFSMES, Wasasa, Wisdom, Women for Women BiH, XacBank.
Age: Mature (> 8 Years)	121	26	71	24	1st Valley Bank, ABA, ACCOVI, ACEP, ACLEDA, ACME, ACODEP, Actuar Tolima, ADRI, Agrocapital, Al Tadamun, Alternativa, AMK, AMRET, AMSSF, Apoyo Integral, ASA, ASEI, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, Bank of Khyber, BASIX - Samruddhi, BESA, BRAC, BRI, BURO, CAPA, CARD NGO, CARD RB, Centenary Bank, CEP, CMAC Arequipa, CMAC Sullana, CMM Bogotá, CMM Medellín, CMS, COAC Jardín Azuayo, COAC San José, Compartamos, CRECER, CREDIMUJER, CRG, DAMEN, EDAPROSPRO, EKI, Enda, Equity Bank, FAMA, FATEN, Faulu - UGA, FCBFI, FDL, FED, FIE FFP, FIELCO, FinAmérica, FINCA - MWI, FINCA - PER, FINCA - UGA, FINDESA, FMCC, FMM Popayán, FORA, Fundación Nieborowski, Fundación Paraguaya, Grama Vidiyal, HKL, IDF, Kafo Jiginew, Kashf, KMBI, K-Rep, LPD Bedha, LPD Buahhan, LPD Celuk , LPD Ketewel , LPD Kuku, LPD Kuta , LPD Panjer, LPD Pecatu, LPD Ubung , MFW, MiBanco, MI-BOSPO, Mikro ALDI, Nirdhan, NOA, Norfil Foundation, Inc., NWTF, Nyèsigiso, OMRO, PADME, PAMECAS, PAPME, Prasac, PRIDE - TZA, PRISMA, Pro Mujer - BOL, Pro Mujer - NIC, ProCredit - BOL, PRODEM FFP, RB Cantilan, RB Victorias, RCPB, SAFWCO, SEDA, SEF - ZAF, SHARE, Spandana, Sungi, TPC, TSKI, TSPI, UNRWA, U-Trust, WAGES, WWB Cali, Zakoura.
Charter Type: Bank (Bank)	22	9	9	4	ACLEDA, AKIBA, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, BanGente, Bank of Khyber, BRI, Centenary Bank, CRG, Equity Bank, FMFB - PAK, K-Rep, MiBanco, Nirdhan, OBM, OMB, ProCredit - BOL, SOCREMO, XacBank.
Charter Type: Credit Union (Credit Union)	13	1	6	6	ACEP, Alternativa, CMS, COAC Jardín Azuayo, COAC La Merced, COAC MCCH, COAC San José, Kafo Jiginew, NOA, Nyèsigiso, PAMECAS, RCPB, Sodeystviye.
Charter Type: NBF (Non - Bank Financial Intermediary)	73	14	57	2	ACCOVI, ACF, ACSI, ADCSI, AMC de R.L., AMEEN, AMK, AMRET, Apoyo Integral, AVFS, BASIX - Samruddhi, Benefit, Buusaa Gonofa, CAPA, CMAC Arequipa, CMAC Sullana, Compartamos, Credi Fe, CREDIT, CREDO, Crystal Fund, DECSI, EDPYME Edyficar, EDPYME Proempresa, EKI, Eshet, FATEN, Faulu - UGA, FIE FFP, FIELCO, FinAmérica, FINCA - AZE, FINCA - UGA, FINDESA, FMCC, Gasha, HKL, JMCC, KLF, LOKmicro, Meklit, Metemamen, MFW, MI-BOSPO, MIKRA, Mikro ALDI, MIKROFIN, Normicro, OCSSC, OIS, OMRO, Partner, PEACE, Prasac, PRIZMA, PRODEM FFP, PSHM, SFPI, SHARE, Sidama, SINERGIJplus, SKS, Spandana, Sunrise, Tchuma, TPC, UML, USTOI, U-Trust, VRFSMES, Wasasa, Wisdom, Women for Women BiH.
Charter Type: NGO (Non Government Organization)	78	8	54	16	ABA, ACME, ACODEP, Actuar Tolima, ADRA - PER, ADRI, AFK, Agrocapital, Al Amana, Al Karama, Al Majmoua, Al Tadamun, AMSSF, AREGAK, ASA, Asasah, ASEI, BAI, Bandhan, Barakot, BESA, BRAC, BURO, CARD NGO, CEP, CMEDFI, CMM Bogotá, CMM Medellín, Constanta, CRECER, CREDIMUJER, DAMEN, DBACD, EDAPROSPRO, Enda, FAMA, FBPMC, FCBFI, FDL, FED, FINCA - ARM, FINCA - GEO, FINCA - MWI, FINCA - PER, FINCA - Tomsk, FINCA - TZA, FMM Popayán, FONDEP, FORA, Fundación Nieborowski, Fundación Paraguaya, Grama Vidiyal, Grameen Koota, HOPE Ukraine, IDF, IMON, Kamurj, Kashf, KMBI, Norfil Foundation, Inc., NWTF, PADME, PAPME, PRIDE - TZA, PRISMA, Pro Mujer - BOL, Pro Mujer - NIC, Pro Mujer - PER, SAFWCO, SEDA, SEF - ZAF, Sungi, TSKI, TSPI, Vital Finance, WAGES, WWB Cali, Zakoura,
Charter Type: Rural Bank (Rural Bank)	13	0	4	9	1st Valley Bank, CARD RB, LPD Bedha, LPD Buahhan, LPD Celuk , LPD Ketewel , LPD Kuku, LPD Kuta , LPD Panjer, LPD Pecatu, LPD Ubung , RB Cantilan, RB Victorias.

Trend Lines - 2005 data PEER GROUP	DATA QUALITY †				PARTICIPATING INSTITUTIONS
	N	***	**	*	
Intermediation: Non FI (Voluntary Savings/ Total Assets = 0)	110	16	79	15	ABA, ACF, ACME, ACODEP, Actuar Tolima, ADRA - PER, ADRI, AFK, Agrocapital, Al Amana, Al Karama, Al Majmoua, Al Tadamun, AMC de R.L., AMEEN, AMSSF, Apoyo Integral, AREGAK, ASEI, BAI, Bandhan, Bank of Khyber, Barakot, BASIX - Samruddhi, Benefit, BESA, Buusaa Gonofa, CAPA, CARD NGO, CMM Bogotá, CMM Medellín, Compartamos, Constanta, CRECER, Credi Fe, CREDIMUJER, CREDO, Crystal Fund, DAMEN, DBACD, EDAPROSPRO, EDPYME Edyficar, EDPYME Proempresa, EKI, Enda, FAMA, FATEN, Faulu - UGA, FBPMC, FDL, FED, FINCA - ARM, FINCA - AZE, FINCA - GEO, FINCA - MWI, FINCA - PER, FINCA - Tomsk, FINCA - TZA, FMCC, FMM Popayán, FONDEP, FORA, Fundación Nieborowski, Fundación Paraguaya, Grama Vidiyal, Grameen Koota, HOPE Ukraine, IMON, JMCC, Kamurj, KLF, KMBI, LOKmicro, Metemamen, MFW, MI-BOSPO, MIKRA, Mikro ALDI, MIKROFIN, Norfil Foundation, Inc., Normicro, OMRO, PADME, Partner, PRIDE - TZA, PRISMA, PRIZMA, Pro Mujer - BOL, Pro Mujer - NIC, Pro Mujer - PER, PSHM, SAFWCO, SEDA, SEF - ZAF, SHARE, SINERGIJplus, SKS, Spandana, Sungi, Sunrise, TPC, TSKI, TSPI, UNRWA, USTOI, Vital Finance, VRFSMES, Women for Women BiH, WWB Cali, Zakoura.
Intermediation: Low FI (Voluntary Savings/ Total Assets > 0 and < 20%)	32	1	28	3	ACEP, ADCSI, AMK, AMRET, ASA, Asasah, AVFS, BRAC, CEP, CREDIT, DECSI, Eshet, FCBFI, Gasha, HKL, IDF, Kashf, Meklit, Nirdhan, NWTF, OCSSC, OIS, OMB, PAPME, PEACE, Prasac, SFPI, Sidama, SOCREMO, Tchuma, Wasasa, Wisdom.
Intermediation: High FI (Voluntary Savings/ Total Assets ≥ 20%)	58	16	23	19	1st Valley Bank, ACCOVI, ACLEDA, ACSI, AKIBA, Alternativa, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, BanGente, BRI, BURO, CARD RB, Centenary Bank, CMAC Arequipa, CMAC Sullana, CMEDFI, CMS, COAC Jardín Azuayo, COAC La Merced, COAC MCCH, COAC San José, CRG, Equity Bank, FIE FFP, FIELCO, FinAmérica, FINCA - UGA, FINDESA, FMFB - PAK, Kafo Jiginew, K-Rep, LPD Bedha, LPD Buah, LPD Celuk , LPD Ketewel , LPD Kuku, LPD Kuta , LPD Panjer, LPD Pecatu, LPD Ubung , MiBanco, NOA, Nyèsigiso, OBM, PAMECAS, ProCredit - BOL, PRODEM FFP, RB Cantilan, RB Victorias, RCPB, Sodeystviye, UML, U-Trust, WAGES, XacBank.
Methodology: Individual	63	16	35	12	ACCOVI, ACF, ACME, Actuar Tolima, ADRI, AFK, Agrocapital, AMC de R.L., AMEEN, ASA, BAI, Banco Ademi, Banco del Trabajo, Benefit, BESA, BRAC, BRI, CAPA, Centenary Bank, CEP, CMAC Arequipa, CMAC Sullana, CMEDFI, CMM Bogotá, CMM Medellín, COAC Jardín Azuayo, COAC La Merced, COAC MCCH, COAC San José, Credi Fe, CREDIMUJER, Crystal Fund, EDPYME Proempresa, Equity Bank, FAMA, FED, FIE FFP, FIELCO, FinAmérica, FINDESA, FMM Popayán, Fundación Nieborowski, HKL, Kafo Jiginew, LPD Bedha, LPD Buah, LPD Celuk , LPD Ketewel , LPD Kuku, LPD Kuta , LPD Panjer, LPD Pecatu, LPD Ubung , MiBanco, OBM, OIS, Partner, ProCredit - BOL, RB Victorias, SOCREMO, Sodeystviye, Sunrise, WWB Cali.
Methodology: Individual/Solidarity (Individual & Solidarity; or Individual, Solidarity & Village Banking)	102	13	76	13	1st Valley Bank, ABA, ACEP, ACLEDA, ACODEP, ACSI, AKIBA, Al Amana, Al Karama, Al Majmoua, AMRET, AMSSF, Apoyo Integral, AREGAK, ASEI, AVFS, Banco Solidario, BancoSol, BanDesarrollo Microempresas, BanGente, Bank of Khyber, BASIX - Samruddhi, BURO, CARD RB, CMS, Compartamos, Constanta, CREDIT, CREDO, CRG, DBACD, DECSI, EDPYME Edyficar, EKI, Enda, Eshet, FATEN, Faulu - UGA, FBPMC, FCBFI, FDL, FINCA - ARM, FINCA - GEO, FMCC, FMFB - PAK, FONDEP, FORA, Fundación Paraguaya, Gasha, HOPE Ukraine, IMON, JMCC, Kashf, KLF, K-Rep, LOKmicro, Meklit, MFW, MI-BOSPO, MIKRA, Mikro ALDI, MIKROFIN, Nirdhan, NOA, Normicro, NWTF, Nyèsigiso, OCSSC, OMB, OMRO, PADME, PAMECAS, PAPME, PEACE, Prasac, PRIDE - TZA, PRISMA, PRIZMA, PRODEM FFP, PSHM, RB Cantilan, RCPB, SFPI, SHARE, Sidama, SINERGIJplus, SKS, Spandana, Tchuma, TPC, TSPI, UML, U-Trust, Vital Finance, VRFSMES, WAGES, Wasasa, Wisdom, Women for Women BiH, XacBank, Zakoura.
Methodology: Solidarity	17	1	7	9	Al Tadamun, Asasah, Bandhan, Barakot, Buusaa Gonofa, CARD NGO, DAMEN, Grama Vidiyal, Grameen Koota, IDF, Kamurj, KMBI, Norfil Foundation, Inc., SEF - ZAF, Sungi, UNRWA, USTOI,
Methodology: Village Banking	18	3	12	3	ADRA - PER, Alternativa, AMK, CRECER, EDAPROSPRO, FINCA - AZE, FINCA - MWI, FINCA - PER, FINCA - Tomsk, FINCA - TZA, FINCA - UGA, Metemamen, Pro Mujer - BOL, Pro Mujer - NIC, Pro Mujer - PER, SAFWCO, SEDA, TSKI,
Outreach: Small (Number of Borrowers < 10,000)	68	9	40	19	ACCOVI, ACF, ACME, Actuar Tolima, ADRA - PER, ADRI, AFK, Agrocapital, Al Karama, Al Majmoua, Alternativa, AMC de R.L., AMEEN, ASEI, AVFS, BAI, Bank of Khyber, Benefit, BESA, CAPA, CMEDFI, COAC La Merced, COAC MCCH, COAC San José, CREDIMUJER, CREDO, Crystal Fund, EDAPROSPRO, FATEN, FCBFI, FINCA - ARM, FINCA - PER, FINCA - Tomsk, Fundación Paraguaya, Gasha, HKL, HOPE Ukraine, Kamurj, LOKmicro, LPD Bedha, LPD Buah, LPD Celuk , LPD Ketewel , LPD Kuku, LPD Kuta , LPD Panjer, LPD Pecatu, LPD Ubung , Meklit, Metemamen, MIKRA, Mikro ALDI, NOA, Normicro, OIS, OMRO, PSHM, RB Victorias, SAFWCO, SINERGIJplus, SOCREMO, Sodeystviye, Sungi, Tchuma, USTOI, VRFSMES, WAGES, Women for Women BiH,
Outreach: Medium (Number of Borrowers ≥ 10,000 and ≤ 30,000)	60	7	46	7	1st Valley Bank, ACEP, AKIBA, Al Tadamun, AMSSF, Apoyo Integral, AREGAK, Asasah, BanGente, Barakot, Buusaa Gonofa, CARD RB, CMM Medellín, COAC Jardín Azuayo, Constanta, CREDIT, DAMEN, EDPYME Proempresa, EKI, Enda, Eshet, Faulu - UGA, FED, FIELCO, FinAmérica, FINCA - AZE, FINCA - GEO, FINCA - MWI, FINDESA, FMCC, FMFB - PAK, FORA, Fundación Nieborowski, IMON, JMCC, KLF, MFW, MI-BOSPO, MIKROFIN, Norfil Foundation, Inc., Nyèsigiso, OBM, OMB, PAPME, Partner, PEACE, PRISMA, PRIZMA, Pro Mujer - NIC, Pro Mujer - PER, RB Cantilan, SEDA, SFPI, Sidama, Sunrise, UNRWA, U-Trust, Vital Finance, Wasasa, Wisdom.
Outreach: Large (Number of Borrowers > 30,000)	72	17	44	11	ABA, ACLEDA, ACODEP, ACSI, ADCSI, Al Amana, AMK, AMRET, ASA, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, Bandhan, BASIX - Samruddhi, BRAC, BRI, BURO, CARD NGO, Centenary Bank, CEP, CMAC Arequipa, CMAC Sullana, CMM Bogotá, CMS, Compartamos, CRECER, Credi Fe, CRG, DBACD, DECSI, EDPYME Edyficar, Equity Bank, FAMA, FBPMC, FDL, FIE FFP, FINCA - TZA, FINCA - UGA, FMM Popayán, FONDEP, Grama Vidiyal, Grameen Koota, IDF, Kafo Jiginew, Kashf, KMBI, K-Rep, MiBanco, Nirdhan, NWTF, OCSSC, PADME, PAMECAS, Prasac, PRIDE - TZA, Pro Mujer - BOL, ProCredit - BOL, PRODEM FFP, RCPB, SEF - ZAF, SHARE, SKS, Spandana, TPC, TSKI, TSPI, UML, WWB Cali, XacBank, Zakoura,

Trend Lines - 2005 data PEER GROUP	DATA QUALITY †				PARTICIPATING INSTITUTIONS
	N	***	**	*	
Profit Status: Profit	76	15	47	14	1st Valley Bank, ACCOVI, ACLEDA, ACSI, ADCSI, AKIBA, AMC de R.L., AMK, AMRET, Apoyo Integral, AVFS, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, BanGente, Bank of Khyber, BASIX - Samruddhi, BRI, Buusaa Gonofa, CARD RB, Centenary Bank, Compartamos, Credi Fe, CREDIT, CRG, DECSI, EDPYME Edyficar, EDPYME Proempresa, Equity Bank, Eshet, Faulu - UGA, FIE FFP, FIELCO, FinAmérica, FINCA - UGA, FMFB - PAK, Gasha, K-Rep, LPD Bedha, LPD Buahhan, LPD Celuk, LPD Ketewel, LPD Kukup, LPD Kuta, LPD Panjer, LPD Pecatu, LPD Ubung, Meklit, Metemamen, MiBanco, Nirdhan, OBM, OCSSC, OIS, OMB, OMRO, PEACE, PRIDE - TZA, ProCredit - BOL, PRODEM FFP, RB Cantilan, RB Victorias, SFPI, SHARE, Sidama, SKS, SOCREMO, Spandana, TPC, UML, U-Trust, Wasasa, Wisdom, XacBank.
Profit Status: Not for Profit	124	18	83	23	ABA, ACEP, ACF, ACME, ACODEP, Actuar Tolima, ADRA - PER, ADRI, AFK, Agrocapital, Al Amana, Al Karama, Al Majmoua, Al Tadamon, Alternativa, AMEEN, AMSSF, AREGAK, ASA, Asasah, ASEI, BAI, Bandhan, Barakot, Benefit, BESA, BRAC, BURO, CAPA, CARD NGO, CEP, CMAC Arequipa, CMAC Sullana, CMEDFI, CMM Bogotá, CMM Medellín, CMS, COAC Jardín Azuayo, COAC La Merced, COAC MCCH, COAC San José, Constanta, CRECER, CREDIMUJER, CREDO, Crystal Fund, DAMEN, DBACD, EDAPROSPRO, EKI, Enda, FAMA, FATEN, FBPMC, FCBFI, FDL, FED, FINCA - ARM, FINCA - AZE, FINCA - GEO, FINCA - MWI, FINCA - PER, FINCA - Tomsk, FINCA - TZA, FINDESA, FMCC, FMM Popayán, FONDEP, FORA, Fundación Nieborowski, Fundación Paraguaya, Grama Vidiyal, Grameen Koota, HKL, HOPE Ukraine, IDF, IMON, JMCC, Kafo Jiginew, Kamurj, Kashf, KLF, KMBI, LOKmicro, MFW, MI-BOSPO, MIKRA, Mikro ALDI, MIKROFIN, NOA, Norfil Foundation, Inc., Normicro, NWTf, Nyèsigiso, PADME, PAMECAS, PAPME, Partner, Prasac, PRISMA, PRIZMA, Pro Mujer - BOL, Pro Mujer - NIC, Pro Mujer - PER, PSHM, RCPB, SAFWCO, SEDA, SEF - ZAF, SINERGIJplus, Sodeystviye, Sungi, Sunrise, Tchuma, TSKI, TSPI, UNRWA, USTOI, Vital Finance, VRFSMES, WAGES, Women for Women BiH, WWB Cali, Zakoura,.
Region: Africa (Sub-Saharan Africa)	41		35	6	ACEP, ACSI, ADCSI, AKIBA, AVFS, Buusaa Gonofa, Centenary Bank, CMS, CRG, DECSI, Equity Bank, Eshet, Faulu - UGA, FINCA - MWI, FINCA - TZA, FINCA - UGA, Gasha, Kafo Jiginew, K-Rep, Meklit, Metemamen, Nyèsigiso, OCSSC, PADME, PAMECAS, PAPME, PEACE, PRIDE - TZA, RCPB, SEDA, SEF - ZAF, SFPI, Sidama, SOCREMO, Tchuma, UML, U-Trust, Vital Finance, WAGES, Wasasa, Wisdom.
Region: Asia (South & East Asia)	50	2	29	19	1st Valley Bank, ACLEDA, AMK, AMRET, ASA, Asasah, Bandhan, Bank of Khyber, BASIX - Samruddhi, BRAC, BRI, BURO, CARD NGO, CARD RB, CEP, CMEDFI, CREDIT, DAMEN, FCBFI, FMFB - PAK, Grama Vidiyal, Grameen Koota, HKL, IDF, Kashf, KMBI, LPD Bedha, LPD Buahhan, LPD Celuk, LPD Ketewel, LPD Kukup, LPD Kuta, LPD Panjer, LPD Pecatu, LPD Ubung, Nirdhan, Norfil Foundation, Inc., NWTf, OMB, Prasac, RB Cantilan, RB Victorias, SAFWCO, SHARE, SKS, Spandana, Sungi, TPC, TSKI, TSPI.
Region: ECA (Eastern Europe & Central Asia)	43	5	27	11	ACF, AFK, Alternativa, AREGAK, BAI, Barakot, Benefit, BESA, CAPA, Constanta, CREDO, Crystal Fund, EKI, FINCA - ARM, FINCA - AZE, FINCA - GEO, FINCA - Tomsk, FMCC, FORA, HOPE Ukraine, IMON, Kamurj, KLF, LOKmicro, MI-BOSPO, MIKRA, Mikro ALDI, MIKROFIN, NOA, Normicro, OBM, OIS, OMRO, Partner, PRIZMA, PSHM, SINERGIJplus, Sodeystviye, Sunrise, USTOI, VRFSMES, Women for Women BiH, XacBank.
Region: LAC (Latin America & the Caribbean)	50	25	24	1	ACCOVI, ACME, ACODEP, Actuar Tolima, ADRA - PER, ADRI, Agrocapital, AMC de R.L., Apoyo Integral, ASEI, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, BanGente, CMAC Arequipa, CMAC Sullana, CMM Bogotá, CMM Medellín, COAC Jardín Azuayo, COAC La Merced, COAC MCCH, COAC San José, Compartamos, CRECER, Credi Fe, CREDIMUJER, EDAPROSPRO, EDPYME Edyficar, EDPYME Proempresa, FAMA, FDL, FED, FIE FFP, FIELCO, FinAmérica, FINCA - PER, FINDESA, FMM Popayán, Fundación Nieborowski, Fundación Paraguaya, MiBanco, PRISMA, Pro Mujer - BOL, Pro Mujer - NIC, Pro Mujer - PER, ProCredit - BOL, PRODEM FFP, WWB Cali.
Region: MENA (Middle East & North Africa)	16	1	15	0	ABA, Al Amana, Al Karama, Al Majmoua, Al Tadamon, AMEEN, AMSSF, DBACD, Enda, FATEN, FBPMC, FONDEP, JMCC, MFW, UNRWA, Zakoura.
Scale: Small (GLP in USD, LAC < 4,000,000; Others < 2,000,000)	46	4	28	14	ACME, Actuar Tolima, ADRA - PER, Al Karama, Al Tadamon, Alternativa, Asasah, ASEI, AVFS, BAI, Barakot, Buusaa Gonofa, CMEDFI, COAC MCCH, CREDIMUJER, Crystal Fund, DAMEN, EDAPROSPRO, Eshet, FCBFI, FINCA - PER, Gasha, HOPE Ukraine, LPD Bedha, LPD Buahhan, LPD Celuk, LPD Ketewel, LPD Kukup, LPD Panjer, LPD Ubung, Meklit, Metemamen, Norfil Foundation, Inc., Normicro, PEACE, PRISMA, Pro Mujer - NIC, Pro Mujer - PER, RB Victorias, SAFWCO, SEDA, SFPI, Sidama, Sungi, VRFSMES, Wasasa.
Scale: Medium (GLP in USD, LAC ≥ 4,000,000 and ≤ 15,000,000; Others ≥ 2,000,000 and ≤ 8,000,000)	66	8	43	15	ACF, ADRI, AFK, Al Majmoua, AMC de R.L., AMEEN, AMK, AMSSF, AREGAK, Bank of Khyber, CAPA, CARD RB, COAC La Merced, COAC San José, Constanta, CREDIT, CREDO, CRG, EDPYME Proempresa, Enda, FATEN, Faulu - UGA, FED, FIELCO, FINCA - ARM, FINCA - AZE, FINCA - GEO, FINCA - MWI, FINCA - Tomsk, FINCA - TZA, FINCA - UGA, FMFB - PAK, Fundación Nieborowski, Fundación Paraguaya, Grama Vidiyal, Grameen Koota, HKL, IDF, IMON, JMCC, Kamurj, KMBI, LPD Kuta, LPD Pecatu, MFW, MIKRA, Mikro ALDI, Nirdhan, NOA, NWTf, OIS, OMB, OMRO, Pro Mujer - BOL, RB Cantilan, SEF - ZAF, SOCREMO, Sodeystviye, Tchuma, TPC, USTOI, U-Trust, Vital Finance, WAGES, Wisdom, Women for Women BiH.
Scale: Large (GLP in USD, LAC > 15,000,000; Others > 8,000,000)	88	21	59	8	1st Valley Bank, ABA, ACCOVI, ACEP, ACLEDA, ACODEP, ACSI, ADCSI, Agrocapital, AKIBA, Al Amana, AMRET, Apoyo Integral, ASA, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, Bandhan, BanGente, BASIX - Samruddhi, Benefit, BESA, BRAC, BRI, BURO, CARD NGO, Centenary Bank, CEP, CMAC Arequipa, CMAC Sullana, CMM Bogotá, CMM Medellín, CMS, COAC Jardín Azuayo, Compartamos, CRECER, Credi Fe, DBACD, DECSI, EDPYME Edyficar, EKI, Equity Bank, FAMA, FBPMC, FDL, FIE FFP, FinAmérica, FINDESA, FMCC, FMM Popayán, FONDEP, FORA, Kafo Jiginew, Kashf, KLF, K-Rep, LOKmicro, MiBanco, MI-BOSPO, MIKROFIN, Nyèsigiso, OBM, OCSSC, PADME, PAMECAS, PAPME, Partner, Prasac, PRIDE - TZA, PRIZMA, ProCredit - BOL, PRODEM FFP, PSHM, RCPB, SHARE, SINERGIJplus, SKS, Spandana, Sunrise, TSKI, TSPI, UML, UNRWA, WWB Cali, XacBank, Zakoura.

Trend Lines - 2005 data PEER GROUP	DATA QUALITY †				PARTICIPATING INSTITUTIONS
	N	***	**	*	
Sustainability: FSS (Financial Self-Sufficiency > 100%)	142	29	86	27	[These names are held confidential]
Sustainability: Non-FSS (Financial Self-Sufficiency < 100%)	58	4	44	10	[These names are held confidential]
Target Market: Low End (Avg. Balance per Borrower/ GNI per Capita < 20% and Avg. Balance per Borrower < USD 150)	68	5	51	12	ABA, ACSI, ADRA - PER, Al Karama, Al Majmoua, Al Tadamun, AMEEN, AMK, AMRET, AMSSF, ASA, Asasah, ASEI, AVFS, Bandhan, Barakot, BRAC, BURO, Buusaa Gonofa, CARD NGO, CARD RB, CMEDFI, Compartamos, CREDIMUJER, CRG, DAMEN, DBACD, EDAPROSPPO, Enda, Eshet, FCBFI, FINCA - MWI, FINCA - PER, FINCA - TZA, FINCA - UGA, FONDEP, Grama Vidiyal, Grameen Koota, IDF, KMBI, Meklit, Metemamen, MFW, Nirdhan, Norfil Foundation, Inc., NWTF, OCSSC, OMB, PEACE, Prasac, PRISMA, Pro Mujer - BOL, Pro Mujer - PER, SAFWCO, SEDA, SEF - ZAF, SFPI, SHARE, Sidama, SKS, Spandana, Sungi, TPC, TSKI, TSPI, Wasasa, Wisdom, Zakoura.
Target Market: Broad (Avg. Balance per Borrower/ GNI per Capita ≥ 20% and ≤ 150%)	105	23	64	18	1st Valley Bank, ACME, ACODEP, Actuar Tolima, ADRI, Al Amana, Alternativa, AMC de R.L., Apoyo Integral, AREGAK, BAI, Banco Ademi, Banco del Trabajo, Banco Solidario, BanDesarrollo Microempresas, BanGente, Bank of Khyber, BASIX - Samruddhi, Benefit, BRI, CAPA, CEP, CMAC Arequipa, CMAC Sullana, CMM Bogotá, CMM Medellín, COAC Jardín Azuayo, COAC La Merced, COAC MCCH, COAC San José, Constanta, CRECER, Credi Fe, CREDIT, CREDO, Crystal Fund, EDPYME Edyficar, EDPYME Proempresa, EKI, FAMA, FATEN, Faulu - UGA, FBPMC, FDL, FED, FIE FFP, FIELCO, FinAmérica, FINCA - ARM, FINCA - AZE, FINCA - GEO, FINCA - Toms, FMCC, FMFB - PAK, FMM Popayán, FORA, Fundación Nieborowski, Fundación Paraguaya, Gasha, HKL, HOPE Ukraine, IMON, JMCC, Kafo Jiginew, Kamurj, Kashf, KLF, K-Rep, LOKmicro, LPD Bedha, LPD Buah, LPD Ketewel , LPD Kukuh, LPD Panjer, MiBanco, MI-BOSPO, MIKRA, Mikro ALDI, MIKROFIN, NOA, Normicro, Nyèsigiso, OBM, OIS, OMRO, PAMECAS, Partner, PRIDE - TZA, PRIZMA, Pro Mujer - NIC, PSHM, RB Cantilan, RB Victorias, SINERGIJApus, Sodeystviye, Sunrise, Tchuma, UML, UNRWA, USTOI, Vital Finance, VRFSMES, Women for Women BiH, WWB Cali, XacBank.
Target Market: High End (Avg. Balance per Borrower/ GNI per Capita > 150% and 250%)	19	5	9	5	ACCOVI, ACF, ACLEDA, ADCSI, AFK, BancoSol, BESA, CMS, DECSI, Equity Bank, FINDESA, LPD Pecatu, LPD Ubung , PADME, ProCredit - BOL, PRODEM FFP, RCPB, U-Trust, WAGES.
Target Market: Small Business (Avg. Balance per Borrower/ GNI per Capita < 250%)	8	0	6	2	ACEP, Agrocapital, AKIBA, Centenary Bank, LPD Celuk , LPD Kuta , PAPME, SOCREMO.
Africa Large	18		15	3	ACEP, ACSI, ADCSI, AKIBA, Centenary Bank, CMS, DECSI, Equity Bank, Kafo Jiginew, K-Rep, Nyèsigiso, OCSSC, PADME, PAMECAS, PAPME, PRIDE - TZA, RCPB, UML
Africa Medium	12	0	9	3	CRG, Faulu - UGA, FINCA - MWI, FINCA - TZA, FINCA - UGA, SEF - ZAF, SOCREMO, Tchuma, U-Trust, Vital Finance, WAGES, Wisdom.
Africa Small	11	0	11	0	AVFS, Buusaa Gonofa, Eshet, Gasha, Meklit, Metemamen, PEACE, SEDA, SFPI, Sidama, Wasasa.
Africa FSS	14	0	11	3	[These names are held confidential]
Africa non FSS	27	0	24	3	[These names are held confidential]
Asia Large	18	0	14	4	1st Valley Bank, ACLEDA, AMRET, ASA, Bandhan, BASIX - Samruddhi, BRAC, BRI, BURO, CARD NGO, CEP, Kashf, Prasac, SHARE, SKS, Spandana, TSKI, TSPI.
Asia Medium	17	2	10	5	AMK, Bank of Khyber, CARD RB, CREDIT, FMFB - PAK, Grama Vidiyal, Grameen Koota, HKL, IDF, KMBI, LPD Kuta , LPD Pecatu, Nirdhan, NWTF, OMB, RB Cantilan, TPC.
Asia Small	15	0	5	10	Asasah, CMEDFI, DAMEN, FCBFI, LPD Bedha, LPD Buah, LPD Celuk , LPD Ketewel , LPD Kukuh, LPD Panjer, LPD Ubung , Norfil Foundation, Inc., RB Victorias, SAFWCO, Sungi.
Asia FSS	35	1	20	14	[These names are held confidential]
Asia non FSS	15	1	9	5	[These names are held confidential]
ECA Large	16	2	14	0	Benefit, BESA, EKI, FMCC, FORA, KLF, LOKmicro, MI-BOSPO, MIKROFIN, OBM, Partner, PRIZMA, PSHM, SINERGIJApus, Sunrise, XacBank,
ECA Medium	20	2	11	7	ACF, AFK, AREGAK, CAPA, Constanta, CREDO, FINCA - ARM, FINCA - AZE, FINCA - GEO, FINCA - Toms, IMON, Kamurj, MIKRA, Mikro ALDI, NOA, OIS, OMRO, Sodeystviye, USTOI, Women for Women BiH.
ECA Small	7	1	2	4	Alternativa, BAI, Barakot, Crystal Fund, HOPE Ukraine, Normicro, VRFSMES.
ECA FSS	37	4	24	9	[These names are held confidential]
ECA non FSS	6	1	3	2	[These names are held confidential]
LAC Large	29	18	10	1	ACCOVI, ACODEP, Agrocapital, Apoyo Integral, Banco Ademi, Banco del Trabajo, Banco Solidario, BancoSol, BanDesarrollo Microempresas, BanGente, CMAC Arequipa, CMAC Sullana, CMM Bogotá, CMM Medellín, COAC Jardín Azuayo, Compartamos, CRECER, Credi Fe, EDPYME Edyficar, FAMA, FDL, FIE FFP, FinAmérica, FINDESA, FMM Popayán, MiBanco, ProCredit - BOL, PRODEM FFP, WWB Cali.
LAC Medium	10	4	6	0	ADRI, AMC de R.L., COAC La Merced, COAC San José, EDPYME Proempresa, FED, FIELCO, Fundación Nieborowski, Fundación Paraguaya, Pro Mujer - BOL.

Trend Lines - 2005 data	DATA QUALITY †				PARTICIPATING INSTITUTIONS
PEER GROUP	N	***	**	*	
LAC Small	11	3	8	0	ACME, Actuar Tolima, ADRA - PER, ASEI, COAC MCCH, CREDIMUJER, EDAPROSPRO, FINCA - PER, PRISMA, Pro Mujer - NIC, Pro Mujer - PER.
LAC FSS	44	24	19	1	[These names are held confidential]
LAC non FSS	6	1	5	0	[These names are held confidential]
MENA Large	7	1	6	0	ABA, Al Amana, DBACD, FBPMC, FONDEP, UNRWA, Zakoura.
MENA Medium	7	0	7	0	Al Majmoua, AMEEN, AMSSF, Enda, FATEN, JMCC, MFW.
MENA Small	2	0	2	0	Al Karama, Al Tadamun.
MENA FSS	12	0	12	0	[These names are held confidential]
MENA non FSS	4	1	3	0	[These names are held confidential]

† The MicroBanking Bulletin uses the following grading system to classify information received from MFIs:

* The MBB questionnaire or audited financial statements without additional documentation

** The MBB questionnaire plus audited financial statements, annual reports and other independent evaluations

*** The information is supported by an in-depth financial analysis conducted by an independent entity in the last three years

APPENDICES

MICROBANKING BULLETIN, ISSUE 14, SPRING 2007

The *MicroBanking Bulletin* is open to all MFIs that are willing to disclose financial data that meet a simple quality test. Participating MFIs typically have three characteristics: 1) they are willing to be transparent by submitting their performance data to an independent agency; 2) they display a strong social orientation by providing financial services to low-income persons; and 3) they are able to answer all the questions needed for our analysis.

Data Quality Issues

The *Bulletin* has a data quality grade to represent the degree to which we have independent verification of an MFI's data. Three star information (***) has been independently generated through a detailed financial analysis by an independent third party, such as a CAMEL evaluation, a CGAP appraisal, or assessments by reputable rating agencies. Two star information (***) is backed by accompanying documentation, such as audited financial statements, annual reports, and independent program evaluations that provide a reasonable degree of confidence for our adjustments. One star information (*) is from MFIs that have limited themselves to completing our questionnaire. These grades signify confidence levels on the reliability of the information; and in no way represent a rating of the financial performance of the MFIs.

The criteria used in constructing the statistical tables are important for understanding and interpreting the information presented. Given the voluntary nature and origin of the data, the *Bulletin* staff, Editorial Board and funders cannot accept responsibility for the validity of the results presented, or for consequences resulting from their use. The data quality grade makes tentative distinctions about the quality of data presented to us, and we include only information for which we have a reasonable level of comfort. However, we cannot exclude the possibility of misrepresented self-reported results.

Potential distortions may arise from: (1) unreported subsidies and (2) misrepresented loan portfolio quality.

There can also be inaccuracies in reporting the costs of financial services in multipurpose institutions that also provide non-financial services, in part because of difficulties in assigning overhead costs. These risks are highest for younger institutions, and for institutions with a record of optimistic statement of results. If we have grounds for caution about the reliability of an MFI's disclosure, we will not include its information in a peer group unless it has been externally validated by a third party in which we have confidence.

Adjustments to Financial Data

The *Bulletin* adjusts the financial data it receives to ensure comparable results. The financial statements of each organization are converted to the standard financial statement presentation used by the *Bulletin*. This presentation can be simpler than that used by most MFIs; so, the conversion consists mainly of consolidation into fewer, more general accounts. In some instances, and where the original accounts did not have appropriate disclosure, the *Bulletin's* accounts reveal more details on the financial service operations than did the originals. After this reclassification, three analytical adjustments are applied to produce a common treatment for the effect of: a) inflation, b) subsidies, and c) loan loss provisioning and write-off. In the statistical tables the reader can compare these adjusted results.

Inflation

The *Bulletin* reports the net effect of inflation by calculating increases in expenses and revenues due to inflation. Inflation decreases the value of net monetary assets, represented by the *Bulletin* as the difference between equity and fixed assets. This erosion in the value of net monetary assets is obtained by multiplying the prior year-end equity balance by the current-year inflation rate.¹ Fixed asset accounts, on the other hand, are revalued upward by the current year's inflation

¹ Inflation data are obtained from line 64x of the International Financial Statistics, International Monetary Fund, various years.

rate, which results in inflation adjustment income, offsetting to some degree the expense generated by adjusting equity.² On the balance sheet, this inflation adjustment results in a reordering of equity accounts: profits are redistributed between real profit and the nominal profits required to maintain the real value of equity.

MFIs that borrow from banks or mobilize savings have an actual interest expense, which is an operating cost. In comparison, similar MFIs that lend only their equity have no interest expense and therefore have lower operating costs. If an MFI focuses on sustainability and the maintenance of its capital/asset ratio, it must increase the size of its equity in nominal terms to continue to make the same value of loans in real (inflation-adjusted) terms. Inflation increases the cost of tangible items over time, so that a borrower needs more money to purchase them. MFIs that want to maintain their support to clients must therefore offer larger loans. Employees' salaries go up with inflation, so the average loan balance and portfolio must increase to compensate, assuming no increase in interest margin. Therefore, an institution that funds its loans with its equity must maintain the real value of that equity, and pass along the cost of doing so to the client. This expectation implies MFIs should charge interest rates that include the inflation adjustment expense as a cost of funds, even if this cost is not actually paid to anyone outside the institution.

Some countries with high or volatile levels of inflation require businesses to use inflation-based accounting on their audited financial statements. We use a proxy of this same technique in the *Bulletin*. Of course, we understand that in countries where high or volatile inflation is a new experience, MFIs may find it difficult to pass on the full cost of inflation to clients. These adjustments do not reflect policy recommendations; rather, they provide a common analytical framework that compares real financial performance meaningfully.

Subsidies

We adjust participating institutions' financial statements for the effect of subsidies by presenting them as they would look on an unsubsidized basis. These adjustments do not intend to suggest that MFIs should or should not be subsidized. Rather, they allow the *Bulletin* to see how each MFI would look without subsidies for comparative purposes. Most of the participating MFIs indicate a desire to grow beyond

² In fact, an institution that holds fixed assets equal to its equity avoids the cost of inflation that affects MFIs which hold much of their equity in financial form.

the limitations imposed by subsidized funding. The subsidy adjustment permits an MFI to judge whether it is on track toward such an outcome. A focus on sustainable expansion suggests that subsidies should be used to defray start-up costs or support innovation. The subsidy adjustment simply indicates the extent to which the subsidy is being passed on to clients through lower interest rates or whether it is building the MFI's capital base for further expansion.

The *Bulletin* adjusts for three types of subsidies: (1) a cost-of-funds subsidy from loans at below-market rates, (2) current-year cash donations to fund portfolio and cover expenses, and (3) in-kind subsidies, such as rent-free office space or the services of personnel who are not paid by the MFI and thus not reflected on its income statement. Additionally, for multipurpose institutions, the *MicroBanking Bulletin* attempts to isolate the performance of the financial services program, removing the effect of any cross subsidization.

The cost-of-funds adjustment reflects the impact of soft loans on the financial performance of the institution. The *Bulletin* calculates the difference between what the MFI actually paid in interest on its subsidized liabilities and what it would have paid at market terms.³ This difference represents the value of the subsidy, which we treat as an additional financial expense. We apply this subsidy adjustment to the average balance of borrowings carried by the MFI over the year. The decreased profit is offset by generating a "cost of funds adjustment" account on the balance sheet.

If the MFI passes on the interest rate subsidy to its clients through a lower final rate of interest, this adjustment may result in an operating loss. If the MFI does not pass on this subsidy, but instead uses it to increase its equity base, the adjustment indicates the amount of the institution's profits that were attributable to the subsidy rather than operations.

Loan Loss Provisioning

Finally, we apply standardized policies for loan loss provisioning and write-off. MFIs vary tremendously

³ Data for shadow interest rates are obtained from line 60I of the International Financial Statistics, IMF, various years. The deposit rate is used because it is a published benchmark in most countries. Sound arguments can be made for use of different shadow interest rates. NGOs that wish to borrow from banks would face interest significantly higher than the deposit rate. A licensed MFI, on the other hand, might mobilize savings at a lower financial cost than the deposit rate, but reserve requirements and administrative costs would drive up the actual cost of such liabilities.

in accounting for loan delinquency. Some count the entire loan balance as overdue the day a payment is missed. Others do not consider a loan delinquent until its full term has expired. Some MFIs write off bad debt within one year of the initial delinquency, while others never write off bad loans, thus carrying forward a defaulted loan that they have little chance of ever recovering.

We classify as “at risk” any loan with a payment over 90 days late. We provision 50 percent of the outstanding balance for loans between 90 and 180 days late, and 100 percent for loans over 180 days late. Some institutions also renegotiate (refinance or reschedule) delinquent loans. As these loans present a higher probability of default, we provision all renegotiated balances at 50

percent. Wherever we have adequate information, we adjust to assure that all loans are fully written off within one year of their becoming delinquent. (Note: We apply these provisioning and write-off policies for benchmarking purposes only. We do not recommend that all MFIs use exactly the same policies.) In most cases, these adjustments are a rough approximation of risk. They are intended only to create a minimal even playing field for cross institutional comparison and benchmarking. Nevertheless, most participating MFIs have high-quality loan portfolios; so, loan loss provision expense is not an important contributor to their overall cost structure. If we felt that a program did not fairly represent its general level of delinquency, and we were unable to adjust it accordingly, we would simply exclude it from the peer group.

Table 1 Financial statement adjustments and their effects

Adjustment	Effect on Financial Statements	Type of Institution Most Affected by Adjustment
Inflation adjustment of equity (minus net fixed assets)	Increases financial expense accounts on income statement, to some degree offset by inflation income account for revaluation of fixed assets. Generates a reserve in the balance sheet's equity account, reflecting that portion of the MFI's retained earnings that has been consumed by the effects of inflation. Decreases profitability and “real” retained earnings.	MFIs funded more by equity than by liabilities will be hardest hit, especially in high inflation countries.
Reclassification of certain long term liabilities into equity, and subsequent inflation adjustment	Decreases concessional loan account and increases equity account; increases inflation adjustment on income statement and balance sheet.	NGOs that have very long-term, very low-interest “loans” from international agencies that function more as donations than loans, or transformed institutions with subordinated debt.
Cost of funds adjustment	Increases financial expense on income statement to the extent that the MFI's liabilities carry a below-market rate of interest. ⁴ Decreases net income and increases subsidy adjustment account on balance sheet.	MFIs with heavily subsidized loans (i.e., large lines of credit from governments or international agencies at highly subsidized rates).
Reclassification of donations below net operating income	Reduces net operating income on the income statement. Increases accumulated donations account under equity on the balance sheet.	NGOs during their start-up phase. This adjustment is relatively less important for mature institutions.
In-kind subsidy adjustment (e.g., donation of goods or services: line staff paid for by technical assistance providers)	Increases administrative expense on income statement to the extent that the MFI is receiving subsidized or donated goods or services. Decreases net income, increases subsidy adjustment account on balance sheet.	MFIs using goods or services for which they are not paying a market-based cost (i.e., MFIs during their start-up phase).
Loan loss provisioning adjustment	Usually increases loan loss provision expense on income statement and loan loss reserve on balance sheet.	MFIs that have unrealistic loan loss provisioning policies.
Write-off adjustment	On balance sheet, reduces gross loan portfolio and loan loss reserve by an equal amount, so that neither net loan portfolio nor total assets is affected.	MFIs that leave non-performing loans on their books for over a year.

Appendix II: Participating MFIs Trend Line 2003-05 Benchmarks

APPENDICES

MICROBANKING BULLETIN, ISSUE 14, SPRING 2007

ACRONYM	NAME	COUNTRY	DATA QUALITY		
			2005	2004	2003
1st Valley Bank	1st Valley Bank	Philippines	**	**	**
ABA	Alexandria Businessmen Association	Egypt	**	**	**
ACCOVI	Asociación Cooperativa de Ahorro y Crédito Vicentina de R.L.	El Salvador	***	**	**
ACEP	Alliance de Crédit et d'Épargne pour la Production	Senegal	**	*	**
ACF	Asian Credit Fund	Kazakhstan	**	**	**
ACLEDA	ACLEDA Bank	Cambodia	**	**	**
ACME	Association Pour la Coopération avec la Micro Entreprise	Haiti	***	*	***
ACODEP	Asociación de Consultores para el Desarrollo de la Pequeña, Mediana y Microempresa	Nicaragua	***	**	**
ACSI	Amhara Credit and Savings Institution	Ethiopia	**	**	**
Actuar Tolima	Actuar Tolima	Colombia	**	**	**
ADCSI	Addis Credit and Savings Institution	Ethiopia	**	**	*
ADRA - PER	Adventist Development and Relief Agency - Perú	Peru	**	**	**
ADRI	Asociación ADRI	Costa Rica	**	**	**
AFK	Agency for Finance in Kosovo	Kosovo	**	**	***
Agrocapital	Fundación Agrocapital	Bolivia	**	**	**
AKIBA	Akiba Commercial Bank Ltd.	Tanzania	**	*	**
Al Amana	Association Al Amana	Morocco	**	**	***
Al Karama	Al Karama	Morocco	**	**	**
Al Majmoua	Al Majmoua	Lebanon	**	**	**
Al Tadamun	Al Tadamun	Egypt	**	**	**
Alternativa	CC Alternativa	Russia	*	*	*
AMC de R.L.	Sociedad Cooperativa de Ahorro y Crédito AMC de R.L.	El Salvador	***	**	**
AMEEN	AMEEN	Lebanon	**	**	**
AMK	Angkor Mikroheranhvatho Kampuchea	Cambodia	**	**	**
AMRET	AMRET Co. Ltd.	Cambodia	**	**	***
AMSSF	AMSSF Micro Crédit	Morocco	**	**	***
Apoyo Integral	Apoyo Integral S.A. de C.V.	El Salvador	**	**	**
AREGAK	UMCOR Armenia	Armenia	*	*	*
ASA	ASA	Bangladesh	**	**	**
Asasah	Asasah	Pakistan	*	*	**
ASEI	Asociación Salvadoreña de Extensionistas del INCAE	El Salvador	**	**	**
AVFS	Africa Village Financial Services	Ethiopia	**	**	**
BAI	Business Assistance Initiative	Georgia	*	*	**
Banco Ademi	Banco Ademi S.A.	Dominican Republic	***	***	***
Banco del Trabajo	Banco del Trabajo S.A.	Peru	***	***	***
Banco Solidario	Banco Solidario S.A.	Ecuador	***	***	***
BancoSol	Banco Solidario S.A.	Bolivia	***	***	***
BanDesarrollo Microempresas	Bandesarrollo Filial Microempresas S.A.	Chile	*	*	***
Bandhan	Bandhan	India	*	***	**
BanGente	Banco de la Gente Emprendedora C.A.	Venezuela	***	***	**
Bank of Khyber	Bank of Khyber	Pakistan	**	*	**
Barakot	Microfinance Program Barakot	Uzbekistan	*	*	*
BASIX - Samruddhi	Bhartiya Samruddhi Finance Ltd.	India	**	**	**
Benefit	BENEFIT	Bosnia and Herzegovina	**	***	***
BESA	BESA Foundation	Albania	**	**	**
BRAC	BRAC	Bangladesh	**	**	**
BRI	Bank Rakyat Indonesia	Indonesia	*	*	*
BURO	BURO	Bangladesh	**	**	**
Buusaa Gonofa	Buusaa Gonofa	Ethiopia	**	**	**
CAPA	CAPA Finance S.A.	Romania	**	*	*
CARD NGO	Center for Agriculture and Rural Development, Inc.	Philippines	**	**	**
CARD RB	CARD Rural Bank, Inc.	Philippines	**	**	**
Centenary Bank	Centenary Bank	Uganda	**	**	**
CEP	Capital Aid Fund for Employment of the Poor	Vietnam	**	**	***
CMAC Arequipa	Caja Municipal de Ahorro y Crédito de Arequipa S.A.	Peru	***	***	***
CMAC Sullana	Caja Municipal de Ahorro y Crédito de Sullana S.A.	Peru	***	***	**
CMEDFI	Cebu Micro-Enterprise Development Foundation Inc.	Philippines	**	**	**
CMM Bogotá	Corporación Mundial de la Mujer Colombia - Bogotá	Colombia	**	***	**

ACRONYM	NAME	COUNTRY	DATA QUALITY		
			2005	2004	2003
CMM Medellín	Corporación Mundial de la Mujer - Medellín	Colombia	**	**	**
CMS	Crédit Mutuel du Sénégal	Senegal	*	**	**
COAC Jardín Azuayo	Cooperativa de Ahorro y Crédito Jardín Azuayo	Ecuador	**	***	**
COAC La Merced	Cooperativa de Ahorro y Crédito La Merced Ltda.	Ecuador	**	**	***
COAC MCCH	Cooperativa de Ahorro y Crédito Maquita Cushunchic Ltda.	Ecuador	**	**	**
COAC San José	Cooperativa de Ahorro y Crédito San José Ltda.	Ecuador	***	***	***
Compartamos	Banco Compartamos, S.A.	Mexico	***	***	**
Constanta	Constanta Foundation	Georgia	*	**	***
CRECER	Asociación Civil Crédito con Educación Rural	Bolivia	**	**	**
Credi Fe	Credi Fe Desarrollo Microempresarial S.A.	Ecuador	**	**	**
CREDIMUJER	Asociación Credimujer	Costa Rica	**	**	**
CREDIT	CREDIT MFI	Cambodia	**	**	**
CREDO	VF Credo Foundation - formerly World Vision International in Georgia	Georgia	***	**	*
	GEF				
CRG	Crédit Rural de Guinée	Guinea	*	**	**
Crystal Fund	Crystal Fund	Georgia	***	**	*
DAMEN	Development Action for Mobilization and Emancipation	Pakistan	**	**	**
DBACD	Dakahya Businessmen's Association for Community Development	Egypt	**	**	***
DECSI	Dedebit Credit and Savings Institution	Ethiopia	**	**	**
EDAPROPO	Equipo de Educación y Autogestión Social - Programa de Asistencia Financiera	Peru	**	**	*
EDPYME Edyficar	EDPYME Edyficar S.A.	Peru	**	***	***
EDPYME Proempresa	EDPYME Proempresa S.A.	Peru	**	***	***
EKI	EKI	Bosnia and Herzegovina	***	***	***
Enda	Enda inter-arabe	Tunisia	**	***	**
Equity Bank	Equity Bank	Kenya	**	**	**
Eshet	Eshet	Ethiopia	**	**	**
FAMA	Fundación para el Apoyo a la Microempresa	Nicaragua	**	**	**
FATEN	Palestine for Credit and Development	Palestine	**	**	**
Faulu - UGA	Faulu Uganda	Uganda	**	**	**
FBPMC	Fondation Banque Populaire pour le Micro-crédit	Morocco	**	**	**
FCBFI	First Consolidated Bank Foundation Inc.	Philippines	**	*	*
FDL	Fondo de Desarrollo Local	Nicaragua	***	**	***
FED	Fundación Ecuatoriana de Desarrollo	Ecuador	**	**	**
FIE FFP	FFP Para el Fomento a Iniciativas Económicas S.A.	Bolivia	***	***	***
FIELCO	Financiera El Comercio	Paraguay	***	**	**
FinAmérica	Financiera América S.A.	Colombia	**	***	**
FINCA - ARM	FINCA Armenia	Armenia	**	**	**
FINCA - AZE	FINCA Azerbaijan	Azerbaijan	**	**	**
FINCA - GEO	FINCA Georgia	Georgia	**	**	*
FINCA - MWI	FINCA Malawi	Malawi	**	**	**
FINCA - PER	FINCA Perú	Peru	***	**	**
FINCA - Tomsk	FINCA Tomsk	Russia	**	**	**
FINCA - TZA	FINCA Tanzania	Tanzania	*	**	***
FINCA - UGA	FINCA Uganda	Uganda	**	**	**
FINDESA	Financiera Nicaragüense de Desarrollo S.A.	Nicaragua	***	***	***
FMCC	FINCA MicroCredit Company	Kyrgyzstan	**	**	**
FMTB - PAK	First MicroFinance Bank Ltd.	Pakistan	***	***	***
FMM Popayán	Fundación Mundial de la Mujer Popayán	Colombia	***	**	**
FONDEP	FONDEP Microcrédit	Morocco	**	***	**
FORA	FORA	Russia	**	*	***
Fundación Nieborowski	Fundación José Nieborowski	Nicaragua	**	***	***
Fundación Paraguaya	Fundación Paraguaya de Cooperación y Desarrollo	Paraguay	**	**	**
Gasha	Gasha	Ethiopia	**	**	**
Grama Vidiyal	ASA - Grama Vidiyal	India	**	**	**
Grameen Koota	Grameen Koota	India	*	**	**
HKL	Hattha Kaksekar Ltd.	Cambodia	**	**	**
HOPE Ukraine	HOPE Ukraine	Ukraine	*	*	*
IDF	IDF	Bangladesh	*	**	**
IMON	International Micro-Loan Fund 'IMON'	Tajikistan	**	**	**
JMCC	Jordan Micro Credit Company	Jordan	**	***	**
Kafo Jiginew	Kafo Jiginew	Mali	**	**	*
Kamurj	Microenterprise Development Fund Kamurj	Armenia	*	**	**
Kashf	Kashf Foundation	Pakistan	**	***	**
KLF	Kazakhstan Loan Fund	Kazakhstan	**	**	**
KMBI	Kabalikat para sa Maunlad na Buhay, Inc.	Philippines	**	**	**
K-Rep	K-Rep Bank	Kenya	**	**	**
LOKmicro	LOKmicro	Bosnia and Herzegovina	**	**	**
LPD Bedha	LPD Bedha	Indonesia	*	*	*
LPD Buahah	LPD Buahah	Indonesia	*	*	*
LPD Celuk	LPD Celuk	Indonesia	*	*	*
LPD Ketewel	LPD Ketewel	Indonesia	*	*	*
LPD Kukuh	LPD Kukuh	Indonesia	*	*	*
LPD Kuta	LPD Kuta	Indonesia	*	*	*
LPD Panjer	LPD Panjer	Indonesia	*	*	*

ACRONYM	NAME	COUNTRY	DATA QUALITY		
			2005	2004	2003
LPD Pecatu	LPD Pecatu	Indonesia	*	*	*
LPD Ubung	LPD Ubung	Indonesia	*	*	*
Meklit	Meklit	Ethiopia	**	**	**
Metemamen	Metemamen	Ethiopia	**	**	**
MFW	Microfund for Women	Jordan	**	***	***
MiBanco	MiBanco, Banco de la Microempresa S.A.	Peru	***	***	***
MI-BOSPO	MI-BOSPO Tuzla	Bosnia and Herzegovina	**	***	***
MIKRA	MIKRA	Bosnia and Herzegovina	**	**	**
Mikro ALDI	Mikro ALDI	Bosnia and Herzegovina	***	**	***
MIKROFIN	MIKROFIN Banja Luka	Bosnia and Herzegovina	**	***	**
Nirdhan	Nirdhan Utthan Bank, Ltd.	Nepal	***	**	**
NOA	NOA Stedno Kreditna Zadruga	Croatia	*	*	*
Norfil Foundation, Inc.	Norfil Foundation, Inc.	Philippines	*	*	*
Normicro	Norwegian Microcredit LLC	Azerbaijan	**	**	*
NWTF	Negros Women for Tomorrow Foundation	Philippines	**	**	***
Nyèsigiso	Nyèsigiso	Mali	*	**	***
OBM	Opportunity Bank A.D. Podgorica	Serbia and Montenegro	**	**	***
OCSSC	Oromia Credit and Saving Share Company	Ethiopia	**	**	**
OIS	Opportunity International Serbia	Serbia and Montenegro	**	**	**
OMB	Opportunity Microfinance Bank, Inc.	Philippines	*	*	**
OMRO	Opportunity Microcredit Romania	Romania	*	*	*
PADME	Association pour la Promotion et l'Appui au Développement de Microentreprises	Benin	**	**	**
PAMECAS	Programme d'Appui aux Mutuelles d'Épargne et de Crédit au Sénégal	Senegal	**	***	**
PAPME	Agence pour la Promotion et l'Appui aux Petites et Moyennes Entreprises	Benin	**	***	**
Partner	Partner	Bosnia and Herzegovina	**	**	***
PEACE	Poverty Eradication & Community Empowerment	Ethiopia	**	**	**
Prasac	Prasac MFI Ltd.	Cambodia	**	**	**
PRIDE - TZA	PRIDE Tanzania	Tanzania	**	**	**
PRISMA	Asociación Benéfica Prisma	Peru	**	**	***
PRIZMA	PRIZMA	Bosnia and Herzegovina	**	***	**
Pro Mujer - BOL	Programas para la Mujer Bolivia	Bolivia	***	**	**
Pro Mujer - NIC	Programas para la Mujer Nicaragua	Nicaragua	**	***	**
Pro Mujer - PER	Programas para la Mujer Perú	Peru	***	**	**
ProCredit - BOL	ProCredit Bolivia	Bolivia	***	***	***
PRODEM FFP	Fondo Financiero Privado PRODEM S.A.	Bolivia	***	***	***
PSHM	Partneri Shqiptar ne Mikrokredi	Albania	**	**	***
RB Cantilan	Cantilan Bank	Philippines	**	**	**
RB Victorias	New Rural Bank of Victorias	Philippines	**	**	**
RCPB	Réseau des caisses Populaires du Burkina	Burkina Faso	*	***	***
SAFWCO	Sindh Agricultural and Forestry Worker's Coordinating Organization	Pakistan	**	**	**
SEDA	Small Enterprise Development Agency	Tanzania	**	**	**
SEF - ZAF	Small Enterprise Foundation South Africa	South Africa	**	**	**
SFPI	Specialized Financial and Promotional Institution	Ethiopia	**	**	**
SHARE	SHARE Microfin Ltd.	India	**	**	**
Sidama	Sidama	Ethiopia	**	**	**
SINERGIJaplus	SINERGIJaplus	Bosnia and Herzegovina	***	**	**
SKS	Swayam Krishi Sangam	India	**	**	**
SOCREMO	SOCREMO - Banco de Microfinanças de Moçambique	Mozambique	**	**	***
Sodeystviye	Consumer Credit Cooperative of Citizens 'Sodeystviye'	Russia	*	*	*
Spandana	Spandana	India	**	**	***
Sungi	Sungi Development Foundation	Pakistan	*	*	**
Sunrise	Microcredit Organization Sunrise	Bosnia and Herzegovina	**	**	**
Tchuma	Tchuma Cooperativa de Crédito e Poupança	Mozambique	**	**	**
TPC	Thaneakea Phum Cambodia Ltd.	Cambodia	**	**	***
TSKI	Taytay Sa Kauswagan, Inc.	Philippines	*	*	*
TSPI	TSPI Development Corporation	Philippines	*	**	***
UML	Uganda Microfinance Limited	Uganda	**	**	**
UNRWA	UNRWA Microfinance and Microenterprise Programme	Palestine	***	**	**
USTOI	USTOI	Bulgaria	*	*	*
U-Trust	Uganda Finance Trust Limited (formerly UWFT)	Uganda	**	***	***
Vital Finance	Vital Finance	Benin	**	**	***
VRFSMES	Voronezh Region Fund for SME Support	Russia	**	**	*
WAGES	Women and Associations for Gain both Economic and Social	Togo	*	**	***
Wasasa	Wasasa	Ethiopia	**	*	**
Wisdom	Wisdom	Ethiopia	**	**	**
Women for Women BiH	Women for Women BiH	Bosnia and Herzegovina	**	**	**
WWB Cali	Fundación WWB Colombia, Cali	Colombia	***	**	**
XacBank	XacBank	Mongolia	**	**	***
Zakoura	Fondation Zakoura	Morocco	**	***	**

† The MicroBanking Bulletin uses the following grading system to classify information received from MFIs:

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*** The information is supported by an in-depth financial analysis conducted by an independent entity in the last three years

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Microfinance Information Exchange, Inc.
1901 Pennsylvania Avenue, NW Suite 307
Washington, DC 20006
Tel: +1 202 659 9094

Fax: +1 202 659 9095
e-mail: info@mixmbb.org
website: www.mixmbb.org