

Microfinance Information eXchange, Inc

The world's leading **business information provider** for the
microfinance industry



2007 MIX Global 100 MFI Rankings An Overview

MIX – Our Mission

“ **MIX** is the information **backbone** of the **microfinance** industry! ”

— Director of Risk,
Citigroup Microfinance Group

“ We use the **MIX Market** because it is the **global source** for **MFI performance** information ”

— President,
Deutsche Bank Microcredit
Development Fund

To support the growth of the microfinance industry through a world-class public information platform

The MIX Global 100 MFI Rankings are one mechanism to bring information on microfinance to the public's attention

MIX Global 100 MFI Rankings - Overview

Focus on Microfinance Institutions' performance characteristics

- ▶ Two types of Rankings
 - ▶ Category Rankings
 - ▶ Seven performance categories
 - ▶ Categories identified by market survey of “what defines a leading MFI”
 - ▶ Composite Ranking
 - ▶ New to 2007
 - ▶ Identify ‘Well Balanced’ MFIs – combined

Sample Data

- MFIs that disclose operational & financial information on MIX Market
- FY06 results
- **= 820 MFIs in Sample**

MIX Global 100 by Category: Categories & Measures

Outreach – No. of Borrowers

Outreach – No. of Depositors (new Category in 2007)

Scale – Gross Loan Portfolio (GLP)

Profitability – Return on Assets

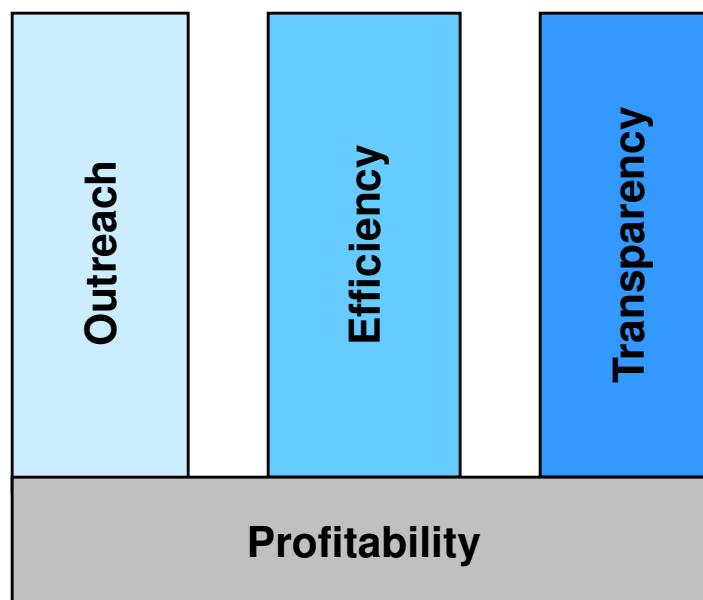
Efficiency - Cost per Borrower / Gross National Income per Capita

Productivity – Borrowers/Staff Members

Portfolio Quality – Portfolio at Risk >30 days / GLP

MIX Global 100: Composite Rankings

11 variables' results averaged among three equally weighted
“pillars”



MIX Global 100: Composite - Methodology

Full sample (820 MFIs)



Screened for profitability (607 MFIs)



Ranked on 11 variables under three pillars:

- ▶ Outreach (1)
- ▶ Efficiency (2)
- ▶ Transparency (3)

MFIs ranked according to percentile scores, averaged across the following variables
(*example for Zakoura, ranked #1 in 2007 MIX Global 100: Composite Rankings*)

Pillar	Metric	Result (by metric)	Percentile (by metric)	Percentile (by pillar)	Percentile (overall)
1	Borrowers	316,177	96.50%	83.73%	84.37%
	Market Penetration	5.5%	98.00%		
	Growth in Borrowers	59.4%	80.50%		
	Deposits / Loan Portfolio	0.0%	59.90%		
	Depositors / Borrowers	0.0%			
2	Cost per Borrower / GNI per capital	2.1%	86.70%	69.38%	84.37%
	Profit / Loan Portfolio	4.5%	54.30%		
	Portfolio at Risk > 30 days	0.2%	67.15%		
	Write off ratio	0.5%			
3	Audits on MIX Market	4	100.00%	100.00%	84.37%
	Annual reporting on MIX Market	3	100.00%		

MIX Global 100: Composite - Highlights

Fast growth, Top 25 MFIs adding 75% more clients in 2006

Low transactions costs, Top 10 paying 3.7% per borrower relative to GNI. Subsequent tiers (Top 100, 500) double previous.

Strong credit risk management, Top 100 experiencing half the delinquency (2.1% vs 4.1%) and write downs (0.6% vs 1.2%) of Top 500

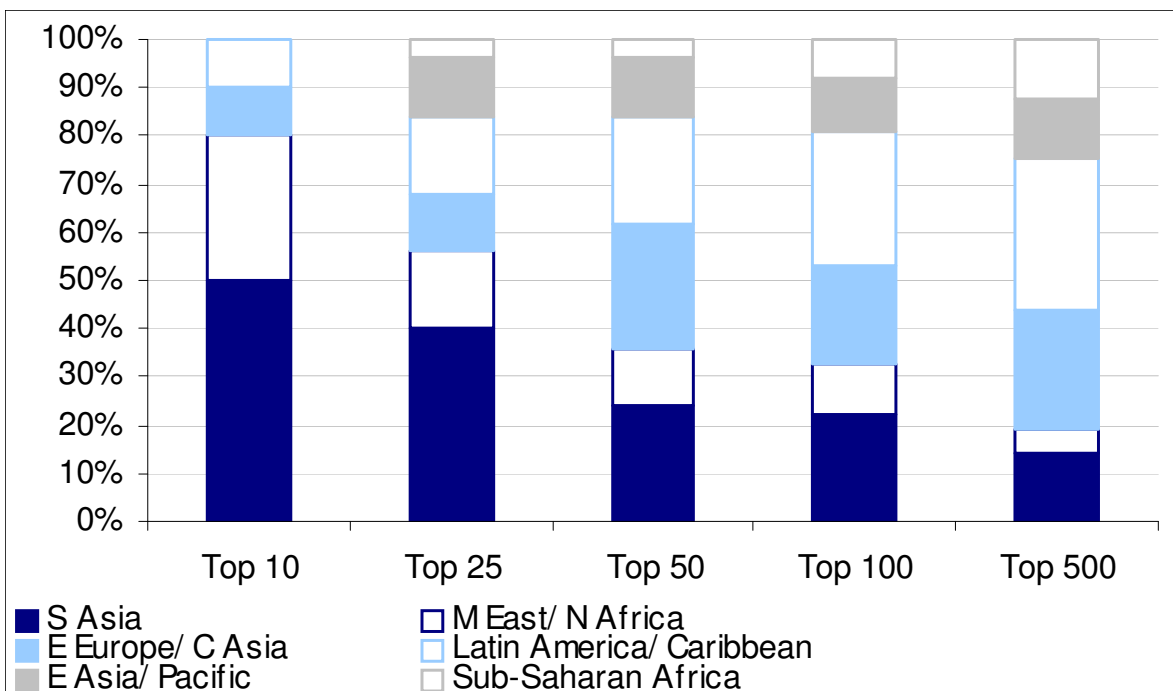
Rank	MFI Name	Country	Overall Percentile
1	Zakoura	Morocco	84.37%
2	Sabaragamuwa	Sri Lanka	83.96%
3	Al Amana	Morocco	83.38%
4	GV	India	82.93%
5	ProCredit Bank Serbia	Serbia	82.43%
6	Bandhan	India	81.14%
7	Sarvodaya Nano Finance	India	80.12%
8	ESAF	India	80.04%
9	Credi Fe	Ecuador	79.85%
10	JMCC	Jordan	79.59%

MIX Global 100: Composite - Regions

Latin America ranked most MFIs (30) in top 100. Bolivia, Colombia, Ecuador, Peru each had 5 MFIs.

Half of M. East / N. Africa MFIs in top 100, thanks to size of leading Moroccan MFIs and their market penetration.

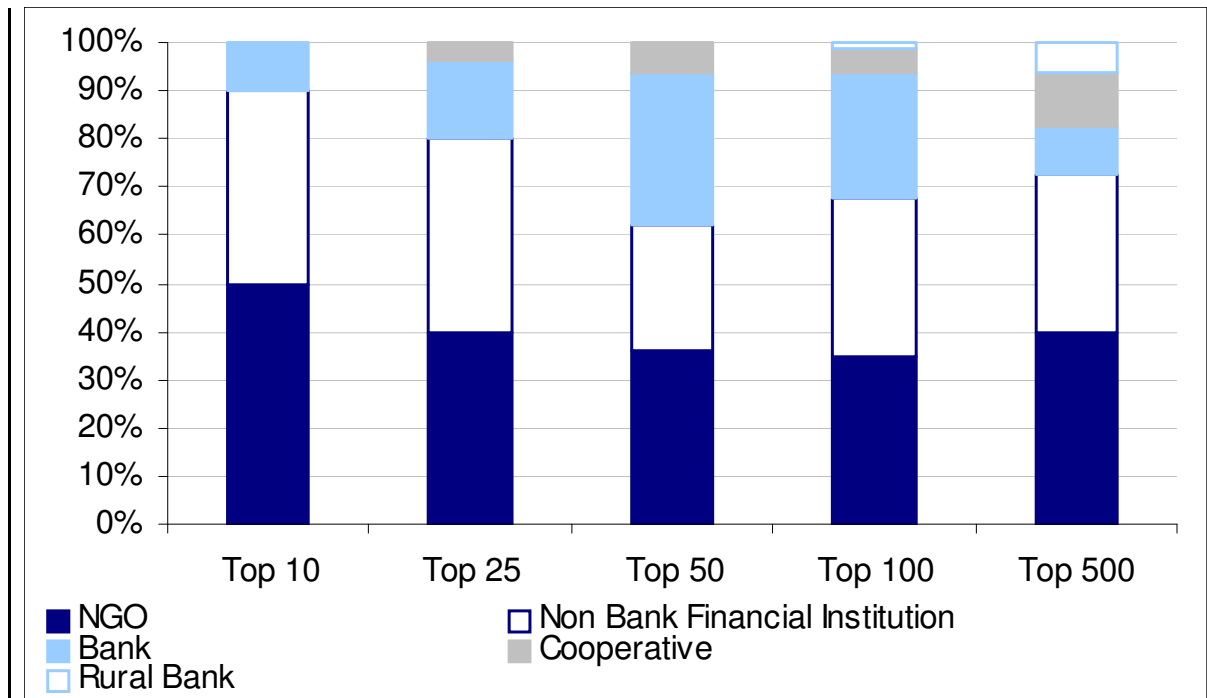
India claimed most MFIs – 14 – in top 100, with 10 serving more than 100k borrowers, very low transaction costs, and thin profit margins.



MIX Global 100: Composite - MFI Type

Banks placed high in ranking, with 1/3 of bank sample in top 50, boosted by savings service (2x borrowers), and thin profit margins (4% of portfolio)

Within banks, **ProCredit banks took leading spots**, 12 of 26 in top 100, with even stronger outreach to depositors.

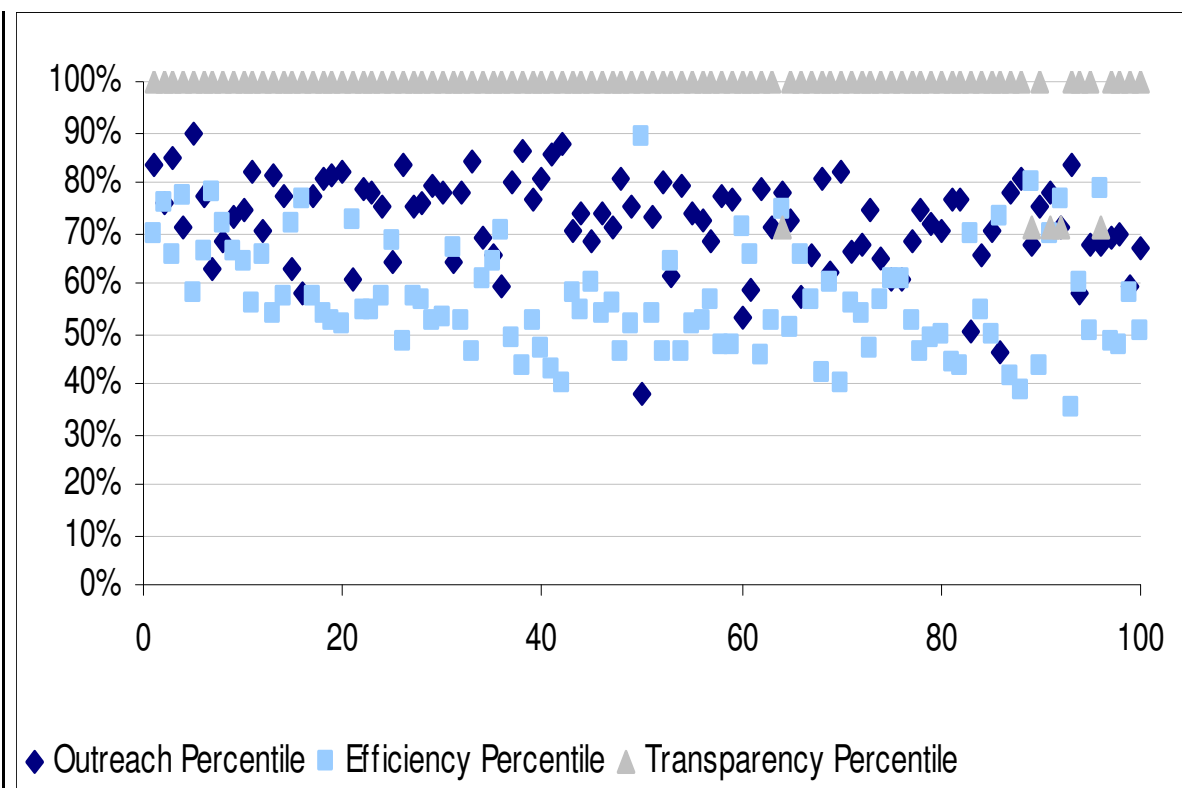


MIX Global 100: Composite – Pillars’ Distribution

Top ranked MFIs scored high in transparency, almost all had three years of public information and two years of audits on MIX Market.

Outreach boosted leading MFIs, averaging 72nd percentile, only a few below 60th percentile.

Top 100 MFIs still improving efficiency, averaging 57th percentile, with majority below 60%.



MIX Global 100: Category Highlights

#1 Outreach – Borrowers: Grameen Bank - 6.3 million

#1 Outreach – Depositors: Bank Rakyat Indonesia - 30.9 million

#1 Scale – Loan Portfolio: BRI - US\$3,036 mn.

#1 Profitability – RoA: FVRM – 36.3%

#1 Efficiency - Cost per Borrower/GNI per Capita: IWB - 0.28%

#1 Productivity – Borrowers/Staff Members: Bco. Pop. Brasil – 7,200

#1 Portfolio Quality – PAR>30 days/% Portfolio: Tied 57 - 0.0%

MIX Global 100 MFI Category Rankings – Closing Notes

- Positive metric changes in Categories' #100 position indicate healthy, dynamic local industries
- Dramatic ranking changes suggest 'the nature of the beast' – small, locally-oriented institutions operating in different ways in very different national & regional environments
- - *Very* hard to be 'Top 100' in all Categories – 3 in 2005, just one in 2006 (kudos to ASA of Bangladesh, for second year in a row!)

MIX Global 100 MFI Composite Rankings – Closing Notes

Microfinance is a ‘mission-oriented’ business – bringing financial services to the poor and unserved in a sustainable and efficient manner

- Profitability a prerequisite = proxy for sustainability
- “Three Pillars” scores – Outreach, Efficiency, & Transparency – equally weighted for Composite Ranking
- Hardest ‘Pillar’ to score high on? – Efficiency! (the nature of the beast...it must be tamed)

Our core supporters today

MIX carries out our work through the generous support of:



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