

# Latin America Microfinance Analysis and Benchmarking Report, 2008

A report from the Microfinance Information Exchange, Inc.

September 2008

## In Brief

Microfinance in Latin American and the Caribbean quickly expanded in 2007, fueled by strong demand for financial services from microentrepreneurs in the region's fast growing economies and fresh funding from investors and depositors. The region's microfinance institutions (MFIs) grew by 30.9 percent in scale (measured in local currency terms to remove the effects of the depreciating dollar) and 22.2 percent in outreach to end 2007 managing 13.7 billion USD in over 12.4 million loans to low-income clients in 15 countries across the region and across all credit types. Microsavings increased by 28.1 percent (in local currency terms) to more than 8.6 billion USD in approximately 9.8 million accounts.

Despite some commonalities, different Latin American and Caribbean microfinance markets displayed diverse characteristics. To better understand regional performance, this report breaks Latin America and the Caribbean into three key markets. South America was the most mature subregion with high institutional and product diversity as well as strong overall MFI performance. Mexican microfinance was the region's emerging market, full of young, up-and-coming MFIs looking to capture market share in competition with the country's well-known giants. MFIs in Central America and the Caribbean finished 2007 somewhere in between their neighbors, as institutions increasingly moved towards regulated status. Examining each subregion provides useful insight into the ever-changing nature of this dynamic region.

Throughout this report, we will explore these differences using the latest, high-quality benchmarking information gathered by the Microfinance Information Exchange, Inc. (MIX). This year's survey of the Latin American market contains the most recent performance information from 283 microfinance institutions from 15 countries in the region for the financial year ending in 2007. We integrate performance trend information for 196 Latin American MFIs to gain deeper insight into the evolution of the microfinance sectors in the South American, Central American and the Caribbean and Mexican subregions over the past three years.

## Latin America and the Caribbean in Three Parts

The development of the Latin American microfinance sector has been far from uniform due to regional differences. To deepen our understanding of MFI performance in Latin America we explore three key subregions with diverse characteristics:

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## Latin American and the Caribbean Microfinance: Key Indicators 2007

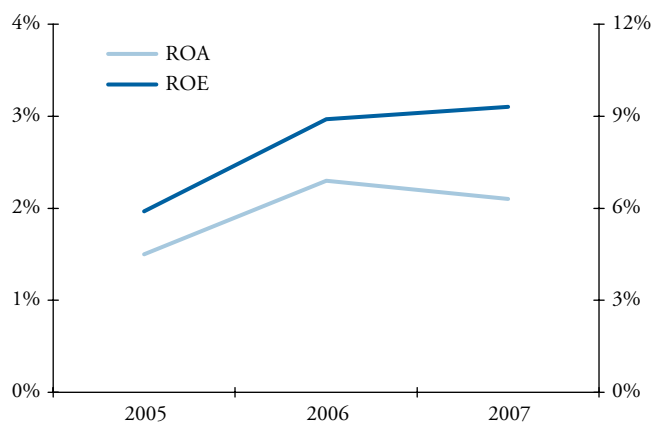
Benchmark Indicators\*

Indicator	Outstanding	Trend
Loans	11,730	↑
Borrowers	11,682	↑
GLP	6,638,122	↑
Loan Balance per Borrower	747	↑
Depth of Outreach**	32.0%	↑
Total Assets	8,301,630	↑
Debt Equity	2.7	↑
ROA	1.7%	↔
Nominal Yield	31.7%	↓
Efficiency	19.5%	↓
PAR > 30 days	3.2%	↓

\* Benchmarks based on medians for December 31st, 2007. Trend of the last 3 years.

\*\* Average Loan Balance per Borrower/GNI per Capita.

Profitability: Change on ROA and ROE

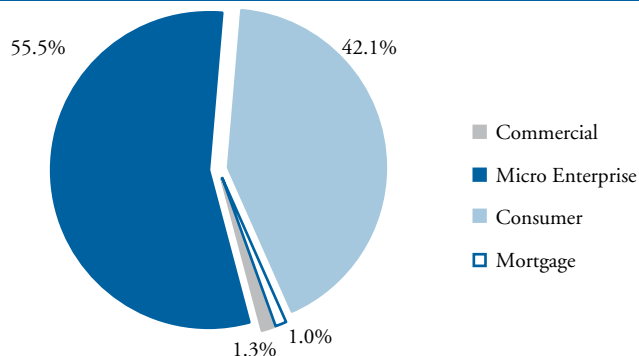


Top 10 MFIs by Outreach\*

#	MFI	Country	Indicator
1	CompartamosBanco	Mexico	838,754
2	Financiera Independencia	Mexico	833,902
3	Banco del Trabajo	Peru	767,931
4	Caja Popular Mexicana	Mexico	765,056
5	Banco Caja Social	Colombia	728,187
6	Caja Libertad	Mexico	326,107
7	CrediAmigo	Brazil	299,975
8	MiBanco	Peru	284,759
9	Banco Popular do Brasil	Brazil	243,347
10	FMM Popayán	Colombia	223,782

\* Defined as Number of Borrowers.

Types of Credit: Loans Composition

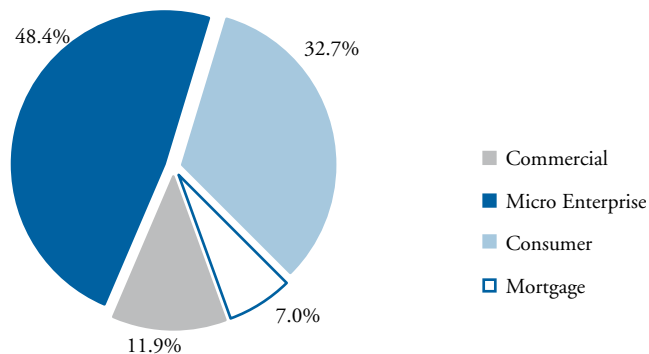


Top 10 MFIs by Market Penetration\*

#	MFI	Country	Indicator
1	BancoEstado	Chile	5.7%
2	CompartamosBanco	Mexico	4.6%
3	BanDesarrollo Microempresas	Chile	2.5%
4	Fondo de Desarrollo Local	Nicaragua	2.4%
5	Visión de Finanzas	Paraguay	2.3%
6	Financiera El Comercio	Paraguay	1.8%
7	BancoSol	Bolivia	1.8%
8	CRECER	Bolivia	1.8%
9	ADOPEM	Dominican Republic	1.7%
10	MiBanco	Peru	1.6%

\* Defined as Number of Micro Enterprise Loans/Poor People.

Types of Credit: Portfolio Composition

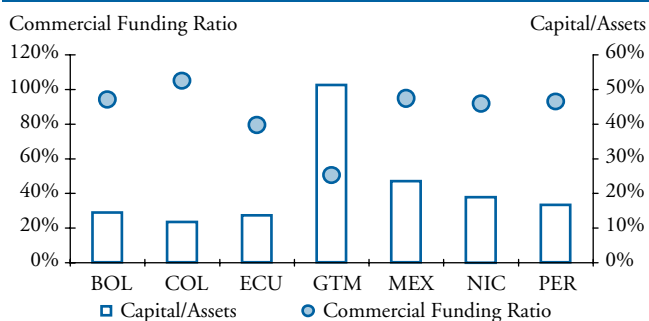


Growth by Selected Countries\*

Country	Indicators		
	Borrowers	Loans	GLP
Bolivia	17.4%	17.9%	31.6%
Colombia	30.9%	36.6%	49.3%
Ecuador	13.8%	15.2%	21.7%
Guatemala	30.3%	30.3%	23.8%
Mexico	35.3%	34.3%	29.7%
Nicaragua	13.3%	14.5%	33.3%
Peru	28.3%	24.9%	34.9%

\* 2007/2006, based on aggregate figures.

Funding Structure



- *South America (SA): The Birthplace of Latin American Microfinance Comes of Age* – Microfinance in South America is showing signs of maturity. With a median age of 14 years in business, South American institutions were the biggest and most diverse players in Latin America in 2007. They led the region in financing their growth through access to commercial funding, both debt and deposit, and boasted the most extensive market coverage by regulated institutions. MFIs in South America also charged some of the lowest interest rates in the region and were among the most efficient, thanks in part to Bolivia's highly competitive microfinance industry and the larger loans granted by South American MFIs.
- *Central America and the Caribbean (CAC): Moving Towards Regulation* – MFIs operating in Central America and the Caribbean are following in the footsteps of their South American peers, and in many performance measures they took the middle ground between their neighbors to the north and south. While not as diverse or efficient as the South Americans, they slowly closed the performance gap over the past three years, due in part to more institutions offering larger, individual loans. Commercial funding also played an increasing role in financing growth, as institutions levered up in 2007. Despite a median age of nearly 14 years, market coverage by regulated institutions in Central America and the Caribbean lagged South America, a characteristic set to change in coming years.
- *Mexico (MEX): The Region's Emerging Market* – The Mexican microfinance sector was full of young, up-and-coming players, who grew quickly fueled by strong demand for microfinance services despite the presence of a few giant institutions and a median seven years operating. Market coverage in Mexico by regulated institutions was significantly lower than the other subregions, and Mexican MFIs were less diversified in terms of the types of credit and savings products they offered. Microlenders in Mexico continued

charging higher interest rates and were more profitable despite higher operating costs and lower efficiency. However, these figures began to moderate in 2007.

We begin by analyzing the makeup of the microfinance sector in each subregion and its affect on MFI growth followed by a look at the differences in product offerings in each area and market coverage by regulated MFIs. We conclude with a comparison of three-year performance trends in each subregion.

## Market Stratification, Growth and Leverage

Some of the best known microfinance institutions in Latin America are also the largest. CompartamosBanco and Financiera Independencia in Mexico made headlines in 2007 for being the first MFIs to carry out initial public offerings (IPOs). The former recently surpassed the 1 million client mark, and the latter will soon do so as well. Well known institutions like BancoSol, WWB Cali and MiBanco are also among the largest in their countries, but do not come close to the outreach of the Mexican giants.

To gain perspective on the Latin American market we break out institutions by their outreach, from fewer than 25,000 loans to more than 100,000, throughout this report. According to **Figure 1**, most MFIs in Latin America were servicing less than 25,000 loans at the end of 2007. South and especially Central America and the Caribbean displayed greater balance in market coverage by different sized institutions. Although established larger institutions served the majority of borrowers in each, many mature small and medium sized institutions served a large number of clients as well. Mexico exhibited the highest degree of stratification in the market coverage between a few large MFIs and the many small, but high growth players operating in the market. While smaller up-and-coming MFIs and new entrants made up more than 80 percent of market participants, MFIs with more than 100,000 loans were serving over 85 percent of the market.

South America had the largest median MFIs in Latin America, and Central America and the Caribbean enjoyed the highest market penetrations when comparing MFI size to the smaller populations found there. As seen in **Figure**

**Figure 1** Market Coverage by MFI Outreach in Latin America (%)<sup>†</sup>

Indicators	MFI Outreach (number of loans)	MEX	CAC	SA
<b>Number of MFIs</b>		<b>44</b>	<b>86</b>	<b>153</b>
MFIs	< 25 k	81.8%	70.9%	64.7%
	[ 25k - 100k ]	6.8%	29.1%	22.9%
	> 100k	11.4%	0.0%	12.4%
Borrowers	< 25 k	9.8%	46.1%	11.3%
	[ 25k - 100k ]	4.7%	53.9%	25.2%
	> 100k	85.6%	0.0%	63.6%
Gross Loan Portfolio	< 25 k	7.0%	38.6%	8.6%
	[ 25k - 100k ]	2.7%	61.4%	25.0%
	> 100k	90.3%	0.0%	66.4%

† Range defined by number of loans on each indicator.

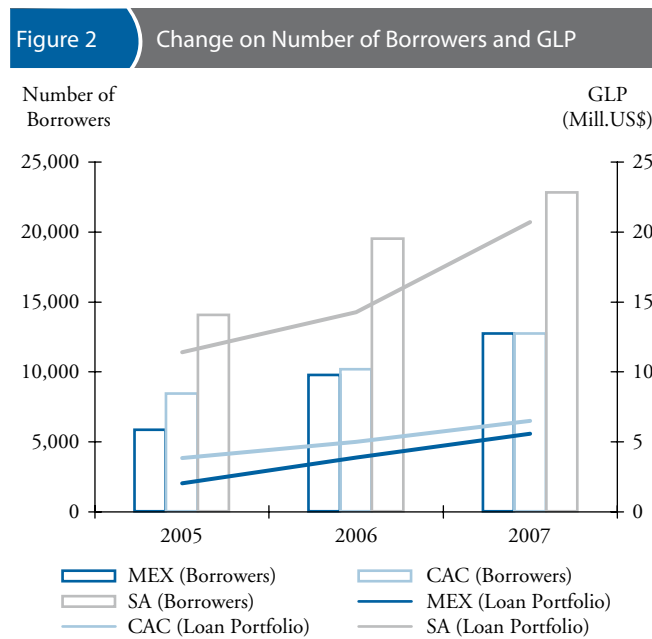
2, loan portfolios in all subregions were growing at similar rates as demand for financial services and funding from investors remained strong. However, with vast populations of underserved potential borrowers, especially in rural areas, and ample capital available from eager investors in search of high returns, the median MFI in Mexico more than doubled its number of active borrowers between 2005 and 2007, growing nearly twice as fast as its counterparts in the other subregions.

These growth trends directly impacted the size of loans offered in the region, growing by 10 percent in local currency terms in 2007. **Figure 3** shows that South American MFIs were giving the largest loans by far. The continent's well-established MFIs moved to meet demand for more individual loans by offering diverse products to more repeat customers. Central America and the Caribbean followed suit. Average loan balances were lower (due in part to lower per capita incomes), but were growing at an even faster clip than South America (14.5 percent growth in CAC vs. 8.2 percent growth in LSA in local currency terms), a sign that MFI clients were becoming more mature and demanding larger loans. Mexico's emerging players kept smaller loan balances as institutions continued to bring in new customers with low starting balances and relied heavily on group lending methodologies.

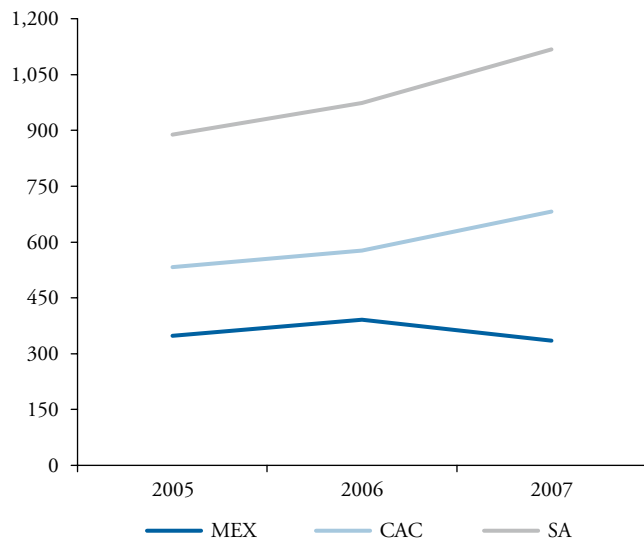
MFI funding in each subregion provided further evidence to support these characteristics. To continue their rapid growth, South America's more mature MFIs increased leverage to record levels in the region through a combination of debt and deposits (see **Figure 4**).

Central America and Caribbean MFIs also moved to the forefront as attractive investment options for debt investors looking for opportunities to reach low income borrowers through underfunded institutions. New regulatory schemes in some countries also translated into more saving products.

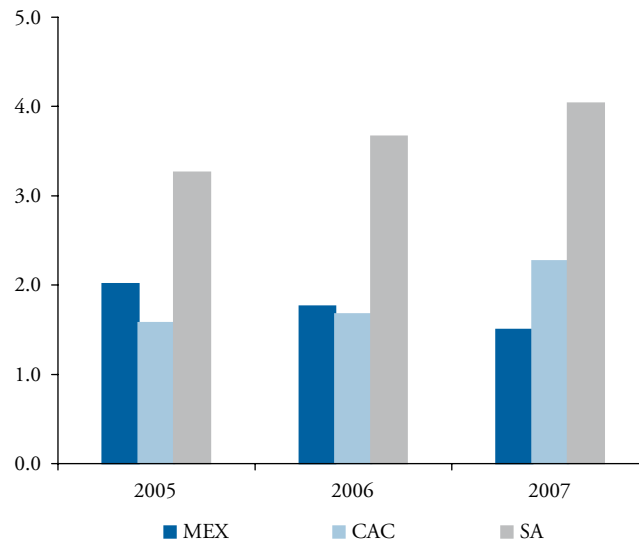
However, as microfinance institutions elsewhere in Latin America opted for debt financing to lever up, Mexican institutions reduced leverage from 2.0 debt-to-equity to 1.5 over the period. Many Mexican MFIs preferred to grow using their profits, funneling retained earnings into gross loan portfolios and expanding their operations. Also, Mexican microfinance was a hot



**Figure 3** Change on Loan Balance per Borrower (US\$)



**Figure 4** Change on Debt to Equity Ratio



investment during the period as many investors preferred to share in MFI profits through equity stakes rather than finance their growth. Large equity investments from international sources in MFIs such as Forjadores de Negocios and Apoyo Económico were indicative of this trend.

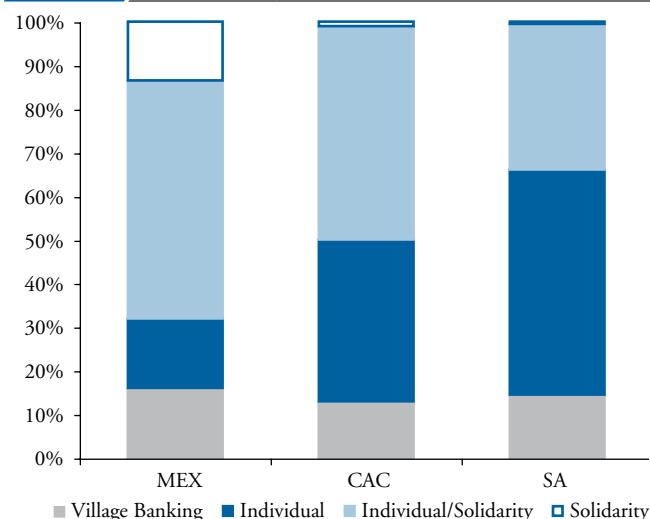
### Product Diversity in Major Markets

The range of microfinance products offered by institutions in Latin America increased with the maturity of each market. We begin, in **Figure 5**, by examining the credit methodologies used in each subregion. As microfinance institutions develop and age, they frequently look upmarket for borrowers of individual loans to foster growth, while at the same time repeat clients often demand larger loans. This was often the case in South America where the market was fairly balanced between MFIs focusing on different lending methodologies. In the younger Mexican market, on the other hand, nearly 85 percent of institutions offered mainly group loans.

Similar differences can be found when analyzing the *types of credit* disbursed by MFIs in each subregion. To remove the bias on aggregate results created by the presence of a few giant institutions, **Figure 7** is divided to demonstrate the difference in product offerings when MFIs with more than 100,000 loans are taken out of the sample.

If MFIs with more than 100,000 clients are included in the sample, Mexican institutions gave the highest proportion of consumer loans. However, when the large players are removed from the sample, including consumer giants like Caja Popular Mexicana and Financiera Independencia, the vast majority of Mexican MFIs showed to concentrate their efforts on serving microentrepreneurs. Central America and the Caribbean and South America finished 2007 offering a wider range of products, even after removing the 100,000+ client MFIs from South America

**Figure 5** Distribution of MFIs by Main Credit Methodology 2007



## The State of MFI Regulation by Subregion

Market coverage by regulated institutions followed a similar pattern with respect to market maturity. The following table is divided into two categories to highlight the difference in coverage when MFIs with more than 100,000 loans are removed from the sample to correct for the biases in the markets containing a few giant institutions.

Figure 6 Market Coverage of Regulated MFIs (%)

Indicators	All MFIs (283)			MFIs with less than 100k loans (259)		
	MEX (44)	CAC (86) <sup>†</sup>	SA (153)	MEX (39)	CAC (86) <sup>†</sup>	SA (134)
Number of MFIs	11.4%	19.8%	41.8%	7.7%	19.8%	30.8%
Borrowers	49.6%	37.5%	74.1%	12.4%	37.5%	70.3%
GLP	59.1%	59.8%	87.0%	20.3%	59.8%	89.3%
Depositors	65.2%	92.4%	96.4%	74.5%	92.4%	96.3%
Voluntary Deposits	69.8%	97.4%	96.2%	47.5%	97.4%	98.4%

<sup>†</sup> These figures are identical because there are no MFIs with more than 100k loans in CAC.

South America boasted the highest participation by regulated MFIs, even excluding the largest institutions. Well established regulatory regimes in countries such as Peru, Bolivia and Ecuador contributed to large percentages of MFI clients doing business with regulated institutions and increased availability of savings products. While not as extensive, regulation was on the increase in Central America and Caribbean MFIs and new regulatory regimes such as the OPDFs in Honduras slowly brought coverage more in line with its peers to the south. Meanwhile, market coverage by regulated MFIs in Mexico was in its infancy. When removing the country's giant institutions from the sample, only 12.4 percent of borrowers were served by regulated MFIs (see **Figure 6**). Many newer Mexican MFIs opted for the unregulated SOFOM legal structure during their first years of operations, looking to build growth capital from retained earnings rather than deposits.

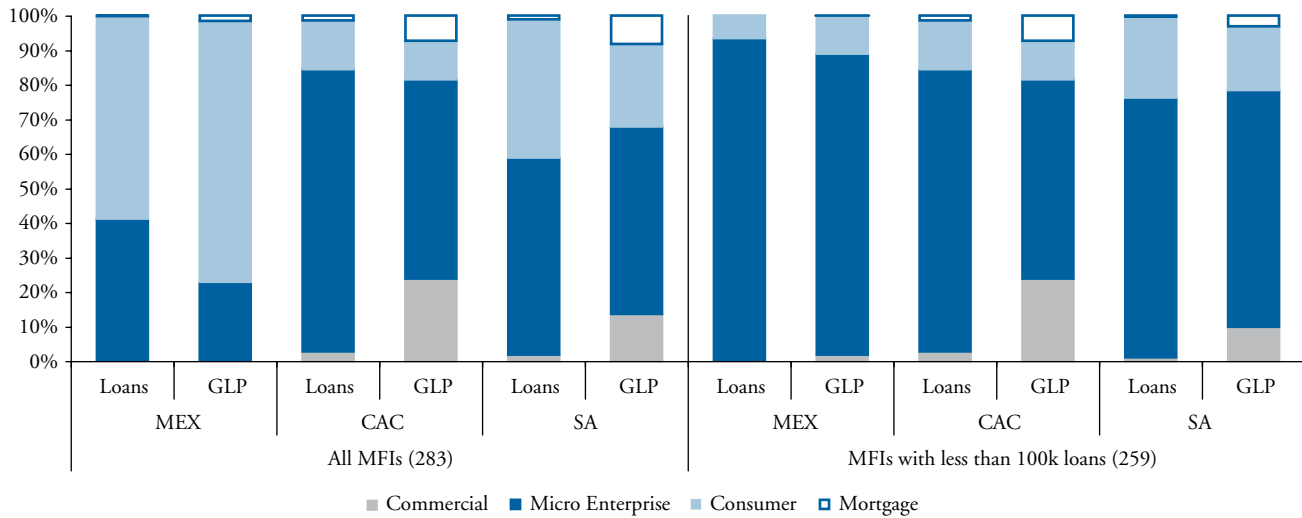
Participation by regulated institutions is set to increase in all subregions over the next few years. In Bolivia, a large group of NGOs, including some of the country's largest MFIs, became regulated in 2008 and accepted deposits for the first time. Following Honduras's lead, other Central American countries are considering implementing a regulatory framework for its NGOs. In Mexico, some MFIs are considering moving from SOFOM to the regulated SOFIPO status in the medium term in order to accept deposits and offer remittance services. And several Mexican cooperatives, such as Caja Libertad and Caja Popular Mexicana, became regulated in 2008, offering many of the additional financial services of a full-fledged bank.

(CAC has no MFIs over 100,000 yet). Established MFIs in both subregions like CMAC Cusco in Peru, Banco Solidario in Ecuador and FINDESA in Nicaragua offered financial products including home improvement loans to complement their core microenterprise loans.

As MFIs offered diverse loan products, they were able to provide more than one loan to the same borrower to meet their credit needs. This practice was more prevalent in South America, the market offering the widest range of products, where MFIs increasingly offered multiple loans to the same client as seen in **Figure 8**. In Mexico and Central America and the Caribbean the trend was fairly flat.

Also telling is an analysis of the percentage of MFI gross loan portfolios funded with deposits from the public. According to **Figure 9**, Mexico captured more microsavings relative to loan portfolios compared to the other subregions when including all MFIs. However, when MFIs with more than 100,000 loans are removed, including the giant deposit takers Caja Popular Mexicana and Caja Libertad, the numbers change dramatically. In this case, microfinance institutions from South America more than doubled those in Mexico in terms of loan portfolios covered by deposits, with Central America and the Caribbean falling somewhere in between. Mexican MFIs exhibited a dramatic difference in loan portfolio

Figure 7 Types of Credit: Distribution by LAC subregions 2007



coverage, from over 75 percent when including all MFIs to less than 25 percent when removing the largest institutions.

There are three explanations for this:

- The higher proportion of regulated institutions in South America built a solid deposit base over many years to fund their loan portfolios.
- In Mexico, some MFIs have not yet needed to

intermediate deposits to grow. They achieved their growth targets through high profits and equity investments instead.

- Many MFIs in Mexico opted to incorporate as SOFOMs, an unregulated legal structure that has less cumbersome reporting and supervisory requirements but does not allow deposit taking (or remittance services).

Figure 8 Change on Loans /Borrowers Ratio

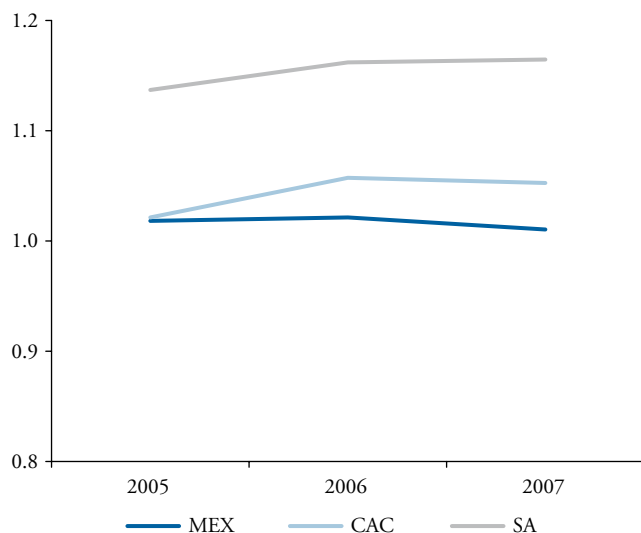
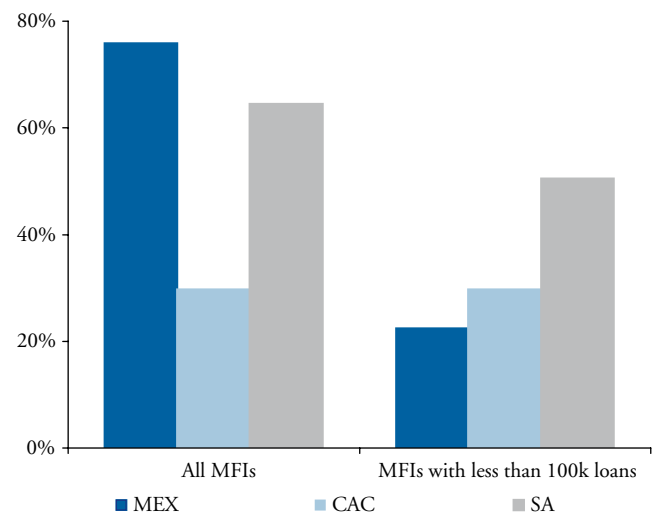


Figure 9 Voluntary Deposits/GLP (%)



One possibility is that while MFIs in Mexico may still not need to intermediate deposits for growth, Central American and Caribbean institutions may be preparing to follow South America's example. Even though institutions on the isthmus were approaching their neighbors to the south in several performance measurements, they still lagged behind in the supply of microsavings available and market coverage by regulated institutions. New regulatory schemes such as the OPDF structure in Honduras are set to provide Central American MFIs the tools to close the gap with their South American peers.

## Latin American Microfinance Sector Performance

Perhaps the four most talked about aspects of microfinance institution performance are profitability, interest rates,

efficiency and portfolio risk. All four areas saw significant changes in 2007 in Latin America.

Mexico's highly profitable microfinance sector (as measured by return on assets) fell more in line with the performance of MFIs in the rest of the region (see **Figure 10**). Increasing competition and the desire to grow rapidly to capture market share put pressure on the margins of Mexican institutions on both the income and expense sides. Central America and the Caribbean was the only subregion to see increasing profitability in 2007, a result of the majority of institutions in two important markets, Costa Rica and Guatemala, achieving financial self-sufficiency for the first time. Returns for South America's more mature MFIs remained flat to slightly decreasing as competition continued to increase along with rising loan portfolios.

### Major Recent Events in Latin American Microfinance

*The First Microfinance IPOs* – In April of 2007 Compartamos Banco took the bold step of listing on the Mexican stock exchange Latin America's first microfinance initial public offering. Another Mexican MFI, Financiera Independencia, followed suit later in the year with its own IPO. Though Compartamos Banco's IPO was a secondary offering, proceeds from Financiera Independencia's primary offering were used as growth capital.

*Early M&A Activity* – Latin American microfinance was home to some pioneering mergers and acquisitions. Spain's Fundación BBVA acquired several MFIs in Colombia and Peru. It recently merged three Peruvian acquisitions into the new Caja de Ahorro y Crédito Nuestra Gente. In Colombia, the foundation created the new MFI Bancamia in collaboration with the Women's World Banking affiliates in Medellín and Bogotá. It is notable that these mergers occurred in two of the more mature national microfinance markets in the region.

There were two noteworthy acquisitions in Mexico, whose microfinance sector attracted considerable attention from equity investors in 2007 due in part to the IPOs. Brysam Global Partners, a private equity subsidiary of JP Morgan, invested heavily in Apoyo Económico Familiar. In a similar vein, Peru's Grupo ACP, the owners of MiBanco, purchased a controlling share in Forjadores de Negocios. Both MFIs grew rapidly in 2007 thanks to the additional funding.

*New Regulatory Regimes* – Several new MFI regulatory regimes gained notoriety throughout the region. The OPDF regulatory structure hit its stride in Honduras, with more than four MFIs participating and more scheduled. With maturing microfinance markets, reportedly more Central American countries are considering similar legislation. In Bolivia, several NGOs spent the better part of 2007 preparing themselves for regulated status beginning in 2008, under the new classification of "Instituciones Financieras de Desarrollo." Both the Bolivian and Honduran laws allow the newly regulated NGOs to accept deposits from the public. Several cooperatives in Mexico, such as Caja Popular Mexicana and Caja Libertad, became regulated in 2008. Though these institutions previously accepted deposits, their new status allows them to offer a full range of consumer banking services such as credit cards and automatic teller machines (ATMs).

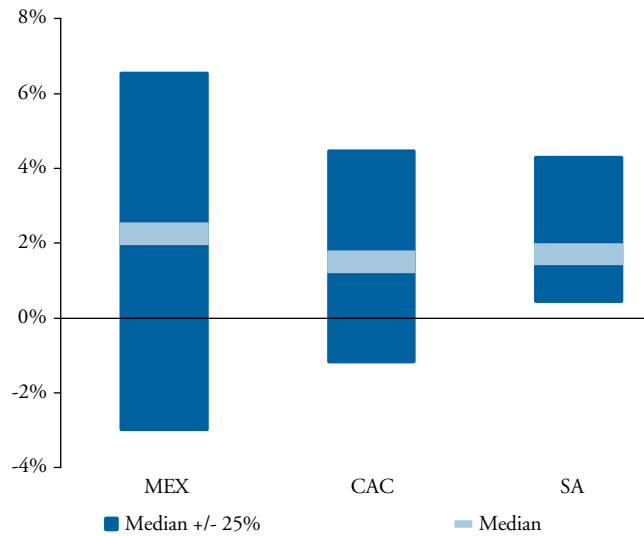
*Microfinance Powerhouses Expand Internationally* - Germany's ProCredit Holding opened new institutions in Colombia, Honduras and Mexico in 2007 to expand their Latin American operations. Mexican consumer lenders FINSOL and Banco Azteca both expanded throughout South and Central America in hopes of growing their regional market share.

Despite higher median returns in Mexico, the results of its individual MFIs were far more diverse. **Figure 11** shows that Mexico was home not only to some of the region's most profitable MFIs, but also some of its *least* profitable. Some Mexican institutions struggled with inefficiencies, while others opted to forego profits in the near term to invest heavily in growth. In South America the variation was considerably lower, with the middle 50 percent of MFIs showing positive returns, again demonstrating the subregion's relative maturity.

By the end of 2007, there was little difference between interest rates measured as the nominal yield on gross loan portfolios in Central America and the Caribbean and South America. Both hovered between 30 and 35 percent, as seen in **Figure 12**. While flat in Central America and the Caribbean, they declined slightly in South America. Mexico, on the other hand, presented the highest interest rates in the region, nearly doubling those found in the other subregions. However, Mexican rates began to fall in 2007 for the first time as competitive forces strengthened and MFIs improved efficiency, allowing for price reductions.

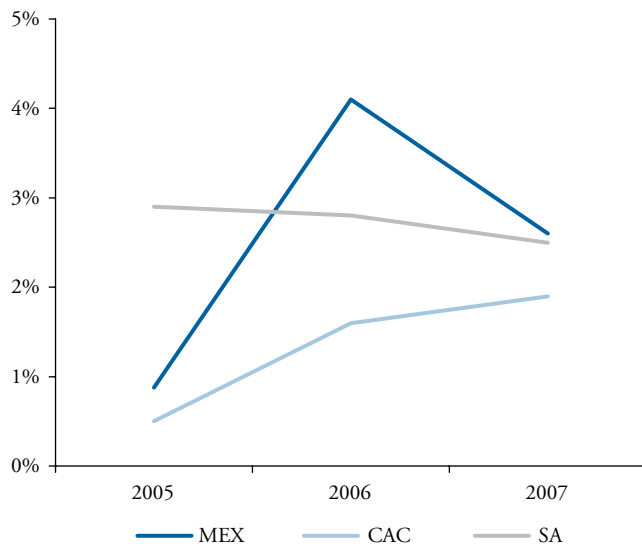
MFIs in all three subregions cut costs relative to gross loan portfolios as efficiency increased throughout the region. **Figure 13** shows that Central American and Caribbean MFIs stood out, narrowing the efficiency gap with their counterparts in South America, though some efficiency

**Figure 11** ROA Dispersion by Sub-Regions

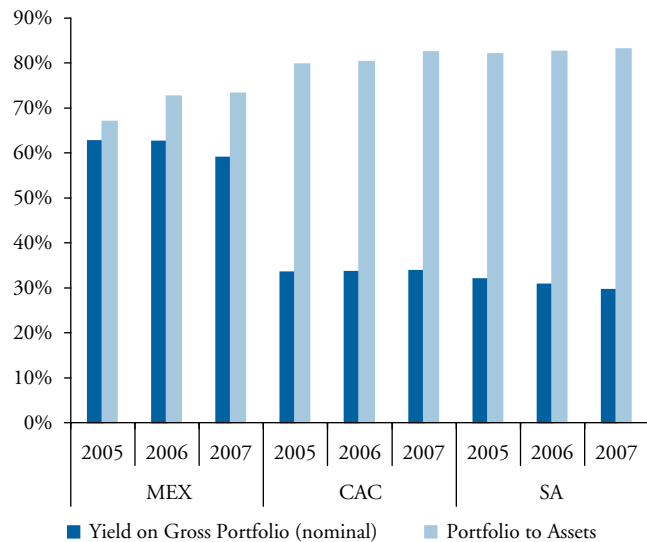


gains in both subregions were a direct result of increasing loan balances. On the surface, microfinance institutions in Mexico fared better when evaluating their cost per borrower rather than their operating efficiency, coming in at levels comparable to the rest of the region. However, the key to interpreting these measures is the difference in average loan size between the subregions. Microfinance institutions in Mexico gave much smaller loans, which were costlier to serve, explaining part of their reduced

**Figure 10** Change on Adjusted ROA



**Figure 12** Asset Productivity and Revenues



operating efficiency. Despite this difference, Mexican MFIs only finished on par with South America in cost per borrower, while Central America and the Caribbean led the three.

Microfinance institutions in all three subregions mirrored each other with a gradual fall in portfolio risk. Despite the ongoing race to scale up, Mexican microlenders managed their growth while slightly increasing their repayment

rates (see Figure 14). It is possible that repayment problems associated with over-indebtedness did not yet begin to affect the region in 2007, as many institutions continued to expand into markets thirsty for financial services. However, MFIs throughout the Latin America region will be tested in coming years due to the growth in supply of microcredit, lack of strong credit bureaus in some countries and financial pressures from inflation and pressure from increasing global commodity prices.

### Looking Ahead

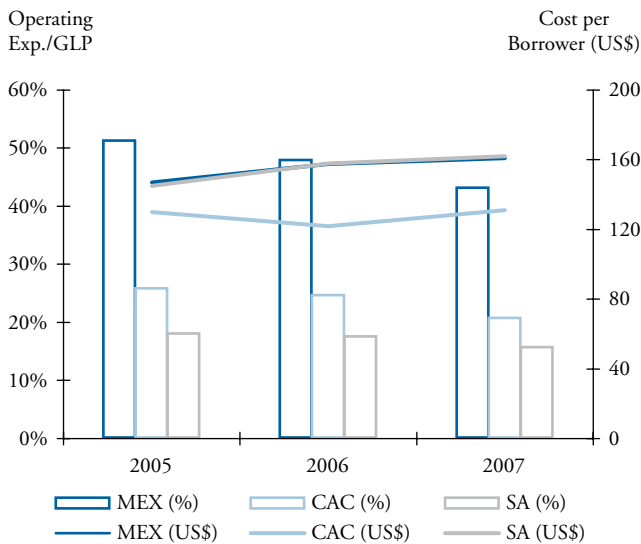
As Latin American microfinance institutions look to the future, they would be wise to study the characteristics and trends in the different subregions for clues to the opportunities and challenges they will face.

South America's mature microfinance markets continued to lead the region in MFI performance in 2007. The recent flurry of merger and acquisition activity in this market may be a sign of things to come. Central America and the Caribbean were on their way to catching up with South America in MFI performance, especially considering the smaller size of many countries in this subregion. An enabling environment and greater emphasis on increasing access to microsavings could help them close the gap. In Mexico, the region's emerging market, rapidly expanding institutions attracted a wide range of investors looking to expand access to financial services for the nation's poor and to capitalize on the sector's strong profitability through innovative funding mechanisms.

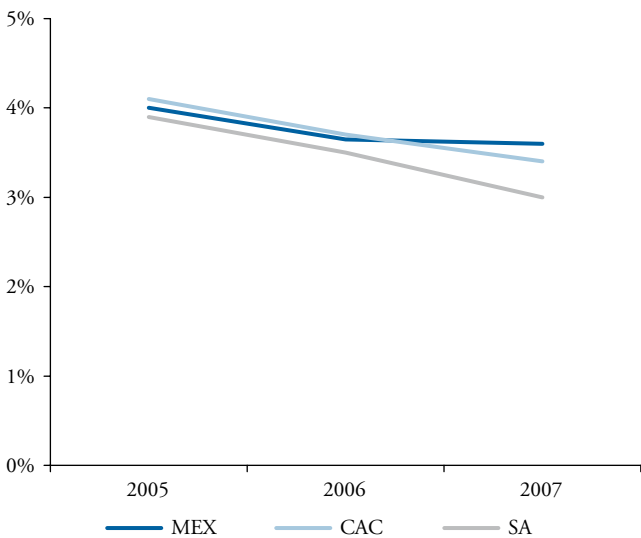
Despite these regional differences, all MFIs will face similar challenges in the years to come. On the macroeconomic level, Latin American microfinance institutions may feel the impact of rising world food prices and input costs. A likely result in the short term is continued strong portfolio growth due to increased demand from clients for larger loans. However, MFIs may also see increasing pressure from rising input and personnel costs, making it more difficult to increase operating efficiency and lower interest rates. As base interest rates increase and more Latin American markets increase leverage, portfolio refinancing costs will likely weigh on MFI returns.

Microfinance institutions in the region should also keep a close eye on portfolio risk, already reported

**Figure 13** Change on Efficiency: Two Perspectives



**Figure 14** Change on Portfolio at Risk > 30 Days



to be rising in some countries in 2008. Fast growth and heavy competition for new clients, including the impact of consumer lenders offering fast approval for individual loans going head-to-head with enterprise-based microlenders, may exert considerable stress on MFI delinquency rates. Much will depend on the capacity of microfinance institutions to make good lending decisions based on their strong methodologies and the quality of information provided by their countries' credit bureaus. The ability of increasingly diverse MFIs to plot out sound

growth strategies in rapidly developing markets will be critical to the health of the Latin American microfinance sector going forward.

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## Data and Data Preparation

The financial performance data used for this report are drawn from the *MicroBanking Bulletin Benchmarks* data set, published fall of 2008, culling information from 283 MFIs for the financial year ending December 31st, 2007. This report also uses information drawn from the Trend Lines data set – a subset of 179 MFIs tracked over three consecutive years (2005 – 2007). The results for the Trend Lines may differ from the *Benchmarks* presented in the Latin America Tables at the end of this report.

For benchmarking purposes, MIX collects and prepares MFI financial and outreach data according to international microfinance reporting standards as applied in the *MicroBanking Bulletin*. Raw data are collected from the

MFI, inputted into standard reporting formats and crosschecked with audited financial statements, ratings and other third party due diligence reports, as available. Performance results are then adjusted, using industry standard adjustments, to eliminate subsidy, guarantee minimal provisioning for risk and reflect the impact of inflation on institutional performance. This process increases comparability of performance results across institutions.

MIX thanks all institutions participating in the industry Benchmarks and extends its gratitude to the following network partners for facilitating data collection and their valuable support throughout the year: ASOMIF (Bolivia), COPEME (Peru), ProDesarrollo (Mexico), REDCAMIF (Central America), and Red Financiera Rural (Ecuador).

### MFI Participants from Latin America and the Caribbean

#### Benchmarks 2007 (283 MFIs)

ACCOVI, ACME, ACODEP, ACORDE, Actuar Antioquia, Actuar Caldas, Actuar Tolima, ADICH, ADIM, ADMIC, ADOPEM, ADRA - PER, ADRI, AFODENIC, AGAPE, AgroCapital, AGUDES, ALSOL, Alternativa Microfinanzas, AMA, AMC de R.L., AMEXTRA, ANED, Apoyo Económico, Apoyo Integral, APROS, ASDIR, ASEI, ASIDME, Asociación Arariwa, Asociación Raíz, ASP Financiera, Associação Banco Popular, ATEMEXPA, AUGÉ, AYNLA, Banco ADEMI, Banco da Família, Banco del Trabajo, Banco Popular do Brasil, Banco Solidario, BancoEstado, BancoSol, BanCovelo, BanDesarrollo Microempresas, BanGente, BANHCAFE, BCSC, CACMU, CAFASA, Caja Libertad, Caja Nor Perú, Caja Popular Mexicana, Caja Popular Oblatos, CAME, Caritas, Caritas Esteli, CCC, CDRO, CEADe, CEAPE Maranhão, CEPESIU, CEPRODEL, CESOL ACJ, CIDRE, CMAC Arequipa, CMAC Cusco, CMAC Del Santa, CMAC Huancayo, CMAC Ica, CMAC Maynas, CMAC Paita, CMAC Sullana, CMAC Tacna, CMAC Trujillo, CMM Bogotá, CMM Medellín, COAC Acción Rural, COAC Artesanos, COAC Chone, COAC Fondvida, COAC Huaycopungo, COAC Jardín Azuayo, COAC Kullki Wasi, COAC La Benéfica, COAC Luz del Valle, COAC MCCH, COAC Mushuc Runa, COAC Sac Aiet, COAC San Antonio, COAC San Gabriel, COAC San José, COAC Santa Ana, COAC Santa Anita, COAC Unión Popular, COCDEP, CODESARROLLO, COFINCAFE, Columbia Microcreditos, CompartamosBanco, Conserva, Contactar, Coop 20 de Abril, Coop Avance, Coop Fátima, Coop Jesús Nazareno, Coop Juan XXIII, Coop Universitaria, COOPAC Chiquinquirá, COOPAC Leon XIII, COOPAC Norandino, COOPAC San Martín, COOPAC Santo Cristo, COOPROGRESO, CRAC CajaSur, CRAC Los Andes, CRAC Señor de Luren, Creamos Microfinanciera, Crece Safsa, CRECER, Credi Fé, CrediAmigo, CrediAvance, CrediCapital, CrediComún, Credicoop, CREDIMUJER, CRESOL BASER, CRYSQL, Despacho Amador, Diaconia, D-Miro, Don Apoyo, ECLOF - ECU, EcoFuturo FFP, EDAPROSPRO, EDPYME Alternativa, EDPYME Confianza, EDPYME Crear Arequipa, EDPYME Crear Tacna, EDPYME Credivisión, EDPYME Edficar, EDPYME Efectiva, EDPYME Nueva Visión, EDPYME Proempresa, EDPYME Raíz, Emprender, ENLACE, Espacios Alternativos, EurekaSoli, FACES, FADEMYPE, FADES, FAFIDESS, FAMA, FAPE, Fassis FFP, FDL, FED, FIACC, FIDERPAC, FIE FFP, FIE Gran Poder, FIELCO, FinAmérica, FinAmigo, Financiera CONSER, Financiera Familiar, Financiera Independencia, FINCA - ECU, FINCA - GTM, FINCA - HND, FINCA - HTI, FINCA - MEX, FINCA - NIC, FINCA - PER, FINCA - SLV, FinComún, FINDESA, FINSOL, FIPS, FIS, FMM Bucaramanga, FMM Popayán, FMMSD, FODEM, FODEMI, FOMIC, FONCRESOL, FONDECO, FONDESOL, FONDESPOIR, FONDESURCO, Fondo Esperanza, Fonkoze, Forjadores de Negocios, Fortaleza FFP, FOVIDA, FRAC, Friendship Bridge, FUBODE, FUDEMI, FUNBODEM, Fundación 4i-2000, Fundación Alternativa, Fundación CAMPO, Fundación Esperanza, Fundación Espoir, Fundación León 2000, Fundación MICROS, Fundación Mujer, Fundación Nieborowski, Fundación Paraguaya, Fundación San Miguel, FUNDAHMICRO, FUNDAMIC, FUNDEA, FUNDEBASE, FUNDECOCA, FUNDENUSE, FUNDEPYME, FUNDESER, FUNDESPE, FUNED, FUNHAVI, FUNSALDE, FYMA, GCM, GCOD, Génesis Empresarial, Genesis, Grameen Mendoza, Hermandad de Honduras, IAMSA, ICC BluSol, IDEPRO, IDER CV, IDESI Lambayeque, IDESPA, IMPRO, INSOTEC, Interfisa, Invirtiendo, Manuela Ramos, MCN, MiBanco, Microempresas de Antioquia, Microfinanciera Prisma, Microserfin, MIDE, ODEF, OLC, Oportunidad Microfinanzas, PADECOMSM, PILARH, PRESTANIC, PRISMA, ProCaja, ProCredit - BOL, ProCredit - ECU, ProCredit - NIC, ProCredit - SLV, PRODEM FFP, PRODESA, Progreso, ProMujer - BOL, ProMujer - MEX, ProMujer - NIC, ProMujer - PER, Sartawi, SemiSol, SFF, SFI, SOGESOL, SolFi, Te Creamos, UCADE Ambato, UCADE Guaranda, UCADE Latacunga, UCADE Santo Domingo, Visión de Finanzas, World Relief - HND, WWB Cali

#### Trend Lines 2005–2007 (179 MFIs)

ACCOVI, ACME, ACODEP, ACORDE, Actuar Antioquia, Actuar Caldas, Actuar Tolima, ADICH, ADIM, ADMIC, ADOPEM, ADRA - PER, ADRI, AgroCapital, AGUDES, AMA, AMC de R.L., Apoyo Integral, ASDIR, ASEI, Asociación Arariwa, Asociación Raíz, ASP Financiera, AYNLA, Banco ADEMI, Banco da Família, Banco del Trabajo, Banco Solidario, BancoEstado, BancoSol, BanCovelo, BanDesarrollo Microempresas, BanGente, BCSC, Caja Nor Perú, Caja Popular Mexicana, Caritas, CDRO, CEADe, CEAPE Maranhão, CEPESIU, CEPRODEL, CMAC Arequipa, CMAC Cusco, CMAC Del Santa, CMAC Huancayo, CMAC Ica, CMAC Maynas, CMAC Paita, CMAC Sullana, CMAC Tacna, CMAC Trujillo, CMM Bogotá, CMM Medellín, COAC Acción Rural, COAC Jardín Azuayo, COAC MCCH, COAC Mushuc Runa, COAC Sac Aiet, COAC San José, CODESARROLLO, CompartamosBanco, Contactar, Coop Fátima, Coop Universitaria, COOPAC San Martín, COOPAC Santo Cristo, CRAC Los Andes, CRECER, Credi Fé, CrediAmigo, Credicoop, CREDIMUJER, CRYSQL, Diaconia, D-Miro, EcoFuturo FFP, EDAPROSPRO, EDPYME Alternativa, EDPYME Confianza, EDPYME Crear Arequipa, EDPYME Crear Tacna, EDPYME Edficar, EDPYME Efectiva, EDPYME Nueva Visión, EDPYME Proempresa, Emprender, ENLACE, FADES, FAFIDESS, FAMA, FAPE, Fassis FFP, FDL, FED, FIDERPAC, FIE FFP, FIE Gran Poder, FIELCO, FinAmérica, Financiera Familiar, FINCA - ECU, FINCA - GTM, FINCA - HND, FINCA - MEX, FINCA - NIC, FINCA - PER, FinComún, FINDESA, FINSOL, FMM Bucaramanga, FMM Popayán, FMMSD, FODEM, FODEMI, FOMIC, FONCRESOL, FONDESOL, FONDESURCO, Fonkoze, Fortaleza FFP, FOVIDA, Friendship Bridge, FUNBODEM, Fundación Alternativa, Fundación CAMPO, Fundación Espoir, Fundación León 2000, Fundación MICROS, Fundación Mujer, Fundación Nieborowski, Fundación Paraguaya, Fundación San Miguel, FUNDAHMICRO, FUNDAMIC, FUNDEA, FUNDECOCA, FUNDENUSE, FUNDESER, FUNDESPE, FUNED, FUNSALDE, FYMA, Génesis Empresarial, Genesis, Grameen Mendoza, Hermandad de Honduras, ICC BluSol, IDESI Lambayeque, IMPRO, INSOTEC, Interfisa, Manuela Ramos, MCN, MiBanco, Microempresas de Antioquia, Microserfin, MIDE, ODEF, OLC, PADECOMSM, PRESTANIC, PRISMA, ProCaja, ProCredit - BOL, ProCredit - ECU, ProCredit - NIC, ProCredit - SLV, PRODEM FFP, PRODESA, ProMujer - BOL, ProMujer - MEX, ProMujer - NIC, ProMujer - PER, SOGESOL, UCADE Ambato, Visión de Finanzas, World Relief - HND, WWB Cali

Category	Peer Group	Definition
Sub-Regions	MEX	44 MFIs from Mexico
	CAC	86 MFIs from Central America and The Caribbean: Costa Rica (8), Dominican Republic (4), El Salvador (12), Guatemala (16), Haiti (7), Honduras (13), Nicaragua (23) and Panama (3)
	SA	153 MFIs from South America: Argentina (4), Bolivia (24), Brazil (8), Chile (4), Colombia (16), Ecuador (41), Paraguay (6), Peru (49) and Venezuela (1)

## Indicator Definitions

### INSTITUTIONAL CHARACTERISTICS

Number of MFIs	Sample Size of Group
Age	Years Functioning as an MFI
Total Assets	Total Assets, adjusted for inflation and standardized provisioning for loan impairment and write-offs
Offices	Number, including head office
Personnel	Total number of staff members

### FINANCING STRUCTURE

Capital/Asset Ratio	Adjusted Total Equity/Adjusted Total Assets
Commercial Funding Liabilities Ratio	(Voluntary and Time Deposits + Borrowings at Commercial Interest Rates)/Adjusted Average Gross Loan Portfolio
Debt to Equity	Adjusted Total Liabilities/Adjusted Total Equity
Deposits to Loans	Voluntary Deposits/Adjusted Gross Loan Portfolio
Deposits to Total Assets	Voluntary Deposits/Adjusted Total Assets
Portfolio to 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
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
Gross Loan Portfolio	Gross Loan Portfolio, adjusted for standardized write-offs
Average Loan Balance per Borrower	Adjusted Gross Loan Portfolio/Adjusted Number of Active Borrowers
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
Average Outstanding Balance/GNI per Capita	Adjusted Average Outstanding Balance/GNI per Capita
Number of Voluntary Depositors	Number of depositors with voluntary deposit and time deposit accounts
Number of Voluntary Deposit Accounts	Number of voluntary deposit and time deposit accounts
Voluntary Deposits	Total value of voluntary deposit and time deposit accounts
Average Deposit Balance per Depositor	Voluntary Deposits/Number of Voluntary Depositors
Average Deposit Balance per Depositor/GNI per capita	Average Deposit Balance per Depositor/GNI per capita
Average Deposit Account Balance	Voluntary Depositors/Number of Voluntary Deposit Accounts
Average Deposit Account Balance/GNI per capita	Average Deposit Account Balance/GNI per capita

### MACROECONOMIC INDICATORS

GNI per Capita	Total income generated by a country's residents, irrespective of location/Total number of residents
GDP Growth Rate	Annual growth in the total output of goods and services occurring within the territory of a given country
Deposit Rate	Interest rate offered to resident customers for demand, time, or savings deposits
Inflation Rate	Annual change in average consumer prices
Financial Depth	Money aggregate including currency, deposits and electronic currency (M3)/GDP

### OVERALL FINANCIAL PERFORMANCE

Return on Assets	(Adjusted Net Operating Income - Taxes)/Adjusted Average Total Assets
Return on Equity	(Adjusted Net Operating Income - Taxes)/Adjusted Average Total Equity
Operational Self-Sufficiency	Financial Revenue/(Financial Expense + Impairment Losses on Loans + Operating Expense)
Financial Self-Sufficiency	Adjusted Financial Revenue/Adjusted (Financial Expense + Impairment Losses on Loans + Operating Expense)

### REVENUES

Financial Revenue/Assets	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/Assets	Adjusted (Financial Expense + Net Loan Loss Provision Expense + Operating Expense)/Adjusted Average Total Assets
Financial Expense/Assets	Adjusted Financial Expense/Adjusted Average Total Assets
Provision for Loan Impairment/Assets	Adjusted Impairment Losses on Loans/Adjusted Average Total Assets
Operating Expense/Assets	Adjusted Operating Expense/Adjusted Average Total Assets
Personnel Expense/Assets	Adjusted Personnel Expense/Adjusted Average Total Assets
Administrative Expense/Assets	Adjusted Administrative Expense/Adjusted Average Total Assets
Adjustment Expense/Assets	(Adjusted Net Operating Income - Unadjusted 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
Cost per Loan	Adjusted Operating Expense/Adjusted Average Number of Loans

### PRODUCTIVITY

Borrowers per Staff Member	Adjusted Number of Active Borrowers/Number of Personnel
Loans per Staff Member	Adjusted Number of Loans Outstanding/Number of Personnel
Borrowers per Loan Officer	Adjusted Number of Active Borrowers/Number of Loan Officers
Loans per Loan Officer	Adjusted Number of Loans Outstanding/Number of Loan Officers
Voluntary Depositors per Staff Member	Number of Voluntary Depositors/Number of Personnel
Deposit Accounts per Staff Member	Number of Deposit Accounts/Number of Personnel
Personnel Allocation Ratio	Number of Loan Officers/Number of Personnel

### RISK AND LIQUIDITY

Portfolio at Risk > 30 Days	Outstanding balance, portfolio overdue > 30 Days + renegotiated portfolio/Adjusted Gross Loan Portfolio
Portfolio at Risk > 90 Days	Outstanding balance, portfolio overdue > 90 Days + renegotiated portfolio/Adjusted Gross Loan Portfolio
Write-off Ratio	Adjusted Value of loans written-off/Adjusted Average Gross Loan Portfolio
Loan Loss Rate	(Adjusted Write-offs - Value of Loans Recovered)/Adjusted Average Gross Loan Portfolio
Risk Coverage Ratio	Adjusted Impairment Loss Allowance/PAR > 30 Days
Non-earning Liquid Assets as a % of Total Assets	Adjusted Cash and banks/Adjusted Total Assets
Current Ratio	Short Term Assets/Short Term Liabilities

## Latin America and the Caribbean

	LAC	Only Micro Enterprise	Types of Credit Micro Enterprise	Consumer	Consum. & Microent.	Regulation Regulated	Regulation Non Regulated
<b>INSTITUTIONAL CHARACTERISTICS</b>							
Number of MFIs	283	113	133	31	6	86	197
Age	12	10	14	17	14	14	12
Total Assets	8,301,630	3,803,613	14,318,085	50,171,445	13,816,724	55,999,186	5,041,098
Offices	9	6	11	21	7	22	6
Personnel	89	57	110	224	106	280	54
<b>FINANCING STRUCTURE</b>							
Capital/Asset Ratio	26.4%	38.6%	19.4%	17.1%	26.3%	15.5%	35.9%
Commercial Funding Liabilities Ratio	74.2%	58.4%	82.8%	98.0%	90.0%	92.9%	63.2%
Debt to Equity	2.7	1.4	4.1	4.9	2.9	5.4	1.7
Deposits to Loans	0.0%	0.0%	0.0%	78.0%	79.5%	61.7%	0.0%
Deposits to Total Assets	0.0%	0.0%	0.0%	62.9%	60.4%	49.1%	0.0%
Portfolio to Assets	80.9%	79.5%	82.9%	75.9%	77.7%	80.3%	81.4%
<b>OUTREACH INDICATORS</b>							
Number of Borrowers	11,682	7,053	13,750	24,564	4,236	33,068	6,518
Percent of Women Borrowers	63.1%	79.2%	56.6%	51.2%	57.3%	53.1%	71.2%
Number of Loans Outstanding	11,730	7,064	14,480	24,564	4,779	34,719	6,657
Gross Loan Portfolio	6,638,122	3,039,476	11,368,889	34,292,817	10,700,362	42,781,713	3,934,420
Average Loan Balance per Borrower	743	381	1,078	1,484	1,373	1,615	559
Average Loan Balance per Borrower/GNI per Capita	32.0%	11.8%	46.2%	56.8%	113.0%	58.9%	21.1%
Average Outstanding Balance	717	374	1,018	1,307	1,373	1,444	559
Average Outstanding Balance/GNI per Capita	29.6%	11.8%	44.1%	49.6%	113.0%	51.7%	21.1%
Number of Voluntary Depositors	0	0	0	22,344	5,923	22,782	0
Number of Voluntary Deposit Accounts	0	0	0	23,089	5,923	26,739	0
Voluntary Deposits	0	0	0	15,857,653	1,867,088	25,225,990	0
Average Deposit Balance per Depositor	0	0	0	610	344	666	0
Average Deposit Account Balance	0	0	0	503	344	569	0
<b>MACROECONOMIC INDICATORS</b>							
GNI per Capita	2,840	2,920	2,840	2,920	1,100	2,885	2,840
GDP Growth Rate	4.8%	4.8%	4.6%	4.8%	4.5%	6.1%	4.6%
Deposit Rate	4.1%	3.5%	4.1%	4.1%	4.1%	3.5%	4.1%
Inflation Rate	4.0%	4.0%	5.5%	4.0%	8.7%	3.6%	4.6%
Financial Depth	30.7%	28.3%	37.2%	28.3%	38.3%	27.7%	37.2%
<b>OVERALL FINANCIAL PERFORMANCE</b>							
Return on Assets	1.7%	1.8%	1.7%	1.5%	1.8%	1.8%	1.6%
Return on Equity	7.2%	4.6%	8.9%	7.2%	12.2%	11.9%	4.8%
Operational Self-Sufficiency	114.4%	110.5%	116.9%	114.7%	113.5%	116.6%	113.0%
Financial Self-Sufficiency	109.4%	106.7%	110.2%	111.9%	113.1%	112.4%	106.8%
<b>REVENUES</b>							
Financial Revenue/Assets	28.3%	36.0%	25.9%	21.9%	16.4%	24.9%	30.9%
Profit Margin	8.6%	6.3%	9.3%	10.6%	11.6%	11.1%	6.4%
Yield on Gross Portfolio (nominal)	31.7%	44.4%	29.9%	24.9%	16.9%	28.4%	35.0%
Yield on Gross Portfolio (real)	26.2%	37.4%	22.8%	18.3%	10.5%	22.8%	28.7%
<b>EXPENSES</b>							
Total Expense/Assets	25.9%	34.9%	22.8%	19.9%	16.8%	21.5%	28.0%
Financial Expense/Assets	6.4%	5.9%	7.1%	6.0%	4.7%	6.6%	6.3%
Provision for Loan Impairment/Assets	1.6%	1.6%	1.7%	2.2%	0.2%	1.7%	1.6%
Operating Expense/Assets	15.9%	26.2%	13.0%	10.6%	10.7%	11.9%	19.5%
Personnel Expense/Assets	8.5%	15.2%	7.0%	5.0%	5.2%	6.1%	10.4%
Administrative Expense/Assets	7.2%	10.7%	5.8%	6.0%	5.3%	5.5%	8.2%
Adjustment Expense/Assets	0.9%	1.1%	0.8%	0.4%	0.8%	0.3%	1.2%
<b>EFFICIENCY</b>							
Operating Exp./GLP	19.5%	32.9%	16.2%	13.9%	13.4%	15.1%	24.1%
Personnel Expense/Loan Portfolio	10.5%	19.2%	8.6%	7.1%	6.3%	7.9%	12.8%
Average Salary/GNI per Capita	383.8%	300.0%	418.8%	400.8%	614.9%	463.5%	316.0%
Cost per Borrower	152	123	162	175	182	205	132
Cost per Loan	146	119	154	154	182	181	132
<b>PRODUCTIVITY</b>							
Borrowers per Staff Member	120	123	113	126	76	107	122
Loans per Staff Member	123	124	120	155	76	120	124
Borrowers per Loan Officer	230	236	230	233	120	209	239
Loans per Loan Officer	242	236	251	277	123	238	245
Voluntary Depositors per Staff Member	0	0	0	193	107	109	0
Deposit Accounts per Staff Member	0	0	0	217	116	121	0
Personnel Allocation Ratio	55.0%	55.7%	52.4%	63.0%	61.1%	59.7%	53.8%
<b>RISK AND LIQUIDITY</b>							
Portfolio at Risk > 30 Days	3.2%	3.0%	3.0%	6.1%	2.8%	3.5%	3.0%
Portfolio at Risk > 90 Days	1.8%	1.4%	1.8%	2.6%	2.3%	2.1%	1.6%
Write-off Ratio	1.7%	1.3%	1.7%	3.2%	1.5%	2.4%	1.5%
Loan Loss Rate	1.6%	1.1%	1.6%	3.2%	1.1%	2.0%	1.3%
Risk Coverage Ratio	97.7%	91.4%	105.5%	91.9%	105.7%	102.4%	95.3%
Non-earning Liquid Assets as a % of Total Assets	6.3%	6.2%	6.2%	7.3%	5.5%	7.7%	5.8%
Current Ratio	256.6%	336.6%	216.2%	109.0%	69.0%	116.6%	336.6%

	South America	Sub-Regions Central America	The Caribbean	Mexico	Bolivia	Countries Ecuador	Nicaragua	Peru
<b>INSTITUTIONAL CHARACTERISTICS</b>								
Number of MFIs	153	75	11	44	24	41	23	49
Age	14	14	10	7	15	11	14	13
Total Assets	12,287,337	7,071,151	11,225,721	6,141,236	26,187,208	2,913,248	12,279,839	17,659,400
Offices	10	8	17	9	15	4	10	10
Personnel	97	72	245	89	157	27	102	119
<b>FINANCING STRUCTURE</b>								
Capital/Asset Ratio	21.8%	33.1%	25.2%	31.5%	23.9%	22.9%	22.9%	20.4%
Commercial Funding Liabilities Ratio	80.1%	65.6%	65.8%	76.0%	83.2%	75.2%	75.6%	84.6%
Debt to Equity	3.4	2.0	1.6	2.0	3.2	3.4	3.4	3.9
Deposits to Loans	0.0%	0.0%	0.0%	0.0%	0.0%	51.2%	0.0%	0.0%
Deposits to Total Assets	0.0%	0.0%	0.0%	0.0%	0.0%	41.2%	0.0%	0.0%
Portfolio to Assets	81.9%	83.4%	71.9%	72.7%	80.6%	84.5%	81.6%	80.9%
<b>OUTREACH INDICATORS</b>								
Number of Borrowers	12,397	9,034	14,094	8,722	12,064	3,601	14,480	14,554
Percent of Women Borrowers	56.8%	66.2%	80.8%	87.0%	51.2%	62.8%	57.9%	54.0%
Number of Loans Outstanding	12,397	9,140	14,094	8,722	12,064	3,601	14,480	16,942
Gross Loan Portfolio	9,791,985	5,812,006	7,216,618	4,524,597	20,841,919	2,286,618	10,264,418	14,753,524
Average Loan Balance per Borrower	1,018	682	288	367	1,164	1,124	714	934
Average Loan Balance per Borrower/GNI per Capita	38.5%	41.2%	47.6%	4.7%	105.8%	39.6%	71.4%	32.0%
Average Outstanding Balance	964	666	288	367	1,112	1,031	688	844
Average Outstanding Balance/GNI per Capita	35.2%	40.6%	47.6%	4.7%	101.1%	36.3%	68.8%	28.9%
Number of Voluntary Depositors	0	0	0	0	0	2,138	0	0
Number of Voluntary Deposit Accounts	0	0	0	0	0	2,138	0	0
Voluntary Deposits	0	0	0	0	0	637,259	0	0
Average Deposit Balance per Depositor	0	0	0	0	0	169	0	0
Average Deposit Account Balance	0	0	0	0	0	169	0	0
<b>MACROECONOMIC INDICATORS</b>								
GNI per Capita	2,840	2,540	480	7,870	1,100	2,840	1,000	2,920
GDP Growth Rate	4.6%	4.6%	2.3%	4.8%	4.6%	4.5%	3.7%	8.0%
Deposit Rate	4.1%	6.1%	1.5%	3.2%	3.5%	4.1%	6.1%	3.2%
Inflation Rate	2.3%	6.9%	8.5%	4.0%	8.7%	2.3%	11.1%	1.8%
Financial Depth	27.7%	38.7%	37.5%	28.3%	52.4%	24.5%	38.3%	27.7%
<b>OVERALL FINANCIAL PERFORMANCE</b>								
Return on Assets	1.7%	1.6%	0.6%	2.3%	1.9%	0.7%	1.6%	3.4%
Return on Equity	7.2%	6.1%	4.8%	12.0%	12.8%	3.4%	7.9%	13.4%
Operational Self-Sufficiency	114.6%	118.5%	105.4%	109.6%	120.6%	109.9%	115.4%	125.5%
Financial Self-Sufficiency	111.3%	107.4%	106.7%	106.8%	115.5%	107.1%	107.7%	120.9%
<b>REVENUES</b>								
Financial Revenue/Assets	25.2%	27.9%	33.4%	47.0%	18.8%	18.2%	31.8%	28.3%
Profit Margin	10.1%	6.9%	6.3%	6.4%	13.4%	6.6%	7.2%	17.3%
Yield on Gross Portfolio (nominal)	28.3%	33.2%	45.5%	61.6%	20.1%	20.6%	34.4%	32.1%
Yield on Gross Portfolio (real)	23.1%	24.6%	37.0%	55.4%	10.5%	18.0%	20.9%	29.8%
<b>EXPENSES</b>								
Total Expense/Assets	21.3%	26.8%	46.2%	44.0%	15.5%	18.5%	28.3%	22.2%
Financial Expense/Assets	5.7%	7.8%	7.7%	7.0%	4.6%	4.3%	9.1%	6.3%
Provision for Loan Impairment/Assets	1.6%	1.6%	4.2%	1.8%	0.6%	1.4%	1.9%	1.6%
Operating Expense/Assets	12.6%	16.9%	32.0%	31.3%	11.0%	12.4%	16.8%	13.3%
Personnel Expense/Assets	6.8%	8.7%	17.1%	17.5%	5.9%	6.2%	7.4%	8.2%
Administrative Expense/Assets	6.0%	7.1%	11.6%	11.8%	4.5%	6.2%	8.0%	6.0%
Adjustment Expense/Assets	0.5%	2.2%	0.7%	0.7%	0.0%	0.4%	2.2%	0.3%
<b>EFFICIENCY</b>								
Operating Exp./GLP	16.1%	20.6%	42.7%	43.0%	13.5%	15.6%	20.6%	17.2%
Personnel Expense/Loan Portfolio	8.6%	11.1%	27.7%	25.6%	7.8%	7.6%	8.0%	10.0%
Average Salary/GNI per Capita	395.4%	440.3%	753.7%	143.0%	855.3%	351.7%	726.1%	381.1%
Cost per Borrower	160	132	119	162	194	148	132	161
Cost per Loan	147	131	119	162	188	141	126	147
<b>PRODUCTIVITY</b>								
Borrowers per Staff Member	126	107	85	113	94	128	101	135
Loans per Staff Member	138	109	85	113	94	152	106	152
Borrowers per Loan Officer	246	192	190	215	137	360	227	220
Loans per Loan Officer	279	198	190	215	137	360	233	242
Voluntary Depositors per Staff Member	0	0	0	0	0	185	0	0
Deposit Accounts per Staff Member	0	0	0	0	0	185	0	0
Personnel Allocation Ratio	54.5%	56.2%	46.2%	52.1%	62.2%	42.6%	51.4%	63.8%
<b>RISK AND LIQUIDITY</b>								
Portfolio at Risk > 30 Days	3.1%	3.3%	4.8%	3.1%	2.2%	2.6%	3.1%	3.5%
Portfolio at Risk > 90 Days	2.1%	1.6%	2.9%	1.3%	1.8%	1.4%	1.8%	2.5%
Write-off Ratio	1.9%	1.6%	4.6%	1.3%	1.3%	1.1%	1.7%	2.2%
Loan Loss Rate	1.7%	1.4%	3.8%	1.3%	0.8%	0.9%	1.7%	2.0%
Risk Coverage Ratio	102.9%	92.4%	86.1%	94.7%	140.1%	128.9%	112.1%	104.3%
Non-earning Liquid Assets as a % of Total Assets	6.4%	5.8%	5.3%	6.1%	6.1%	5.6%	7.5%	9.7%
Current Ratio	221.9%	641.3%	389.0%	133.0%	217.8%	489.9%	602.8%	144.8%

# MIX 2008 Reports

This publication is part of a series of regional industry reports produced by the Microfinance Information Exchange, Inc.:

- Africa Microfinance Analysis and Benchmarking
- Asia Microfinance Analysis and Benchmarking
- Arab Microfinance Analysis and Benchmarking
- Latin America Microfinance Analysis and Benchmarking
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