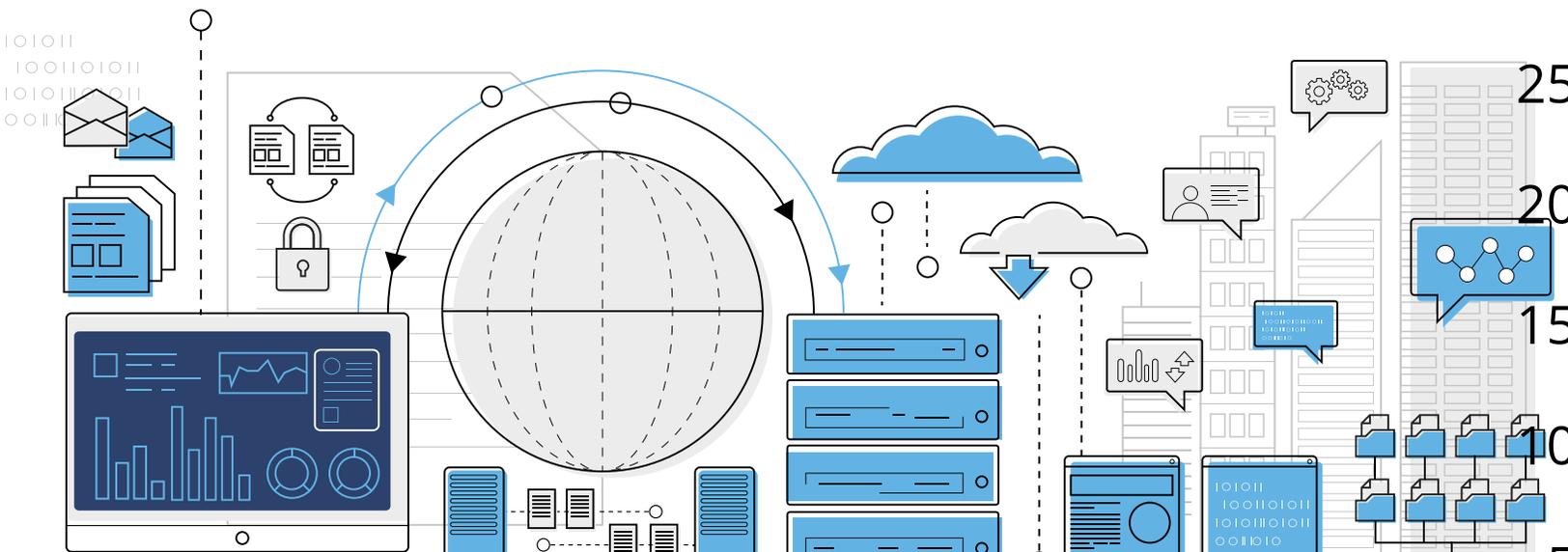




Annual REPORT FY2016

July 2015 - June 2016



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JEFF BINSTOCK

CEO, MIX



SEEMA DESAI

Resigned from Board in FY2016

About MIX

MIX envisions a world where appropriate and accessible financial services are available to everyone, everywhere. We deliver strategically important data, analytics, insights, and market intelligence to key decision makers in the financial inclusion industry.

Our online platforms, MIX Market and FINclusion Lab, enable coordinated investment, effective policy and positive social outcomes for the financially underserved. Incorporated in 2002, MIX is a nonprofit based in Washington, D.C., with regional offices in Africa, Asia, Europe and Latin America.

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“As “big data” continues to get bigger, we are committed to expanding and strengthening the information infrastructure while providing the critical data and insights at the foundation of your decision making.

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Dear Colleagues,

“News you can use.” Do you remember that slogan from US News and World Report? On mornings when my email inbox is full of celebrity gossip, cute puppy photos, and Facebook updates, it’s hard to find any truly useful information. What I really value are the sources that help me sift through that virtual haystack to find the needles: the facts, analysis, and perspectives that I need.

At MIX, we are honored to be your trusted source for data, analytics, and insights on financial services for the poor. Whether you’re managing investments, leading financial institutions, or developing policies that advance inclusion for the bottom of the pyramid, we are uncovering the relevant, timely, and accurate information you need to make evidence-based decisions.

With more than a decade providing data on the financial and social performance of thousands of FSPs, MIX Market remains the go-to platform for getting smart on microfinance markets. Earlier this year, we revamped the website to provide easier access to annual and quarterly data, analytical tools, and insight publications. And for those who value a snapshot of performance across the globe, we’ve brought back our annual benchmark report.

For financial service providers (FSPs), MIX Report Express is reducing the burden of redundant reporting by streamlining data intake and delivery. This year we’re going one step further and giving immediate feedback to FSPs on their data with trend analyses and peer benchmarking. Bringing this analysis directly to FSPs at the time of reporting not only improves data quality but supplies information to improve operations and better serve clients.

Making sense out of complicated data requires going beyond the numbers. Our FINclusion Lab platform overlays supply and demand data on country, state and city maps for a deeper understanding of access to finance. With maps and dashboards on more than 30 geographies, FINclusion Lab is helping government regulators and central banks make changes that improve the lives of the poor. Beyond our dashboards, we are working directly with central banks through the Alliance for Financial Inclusion to provide guidance on how regulators can use geospatial mapping to inform policy and monitor progress. A forthcoming report, based on surveys and case studies, will create guidelines for government regulators to assess their current need for financial access mapping and help them chart a course toward implementation.

MIX has begun to apply its expertise to emerging sectors, such as agricultural finance, small and medium enterprises, and alternative delivery channels. As “big data” continues to get bigger, we are committed to expanding and strengthening the information infrastructure while providing the critical data and insights at the foundation of your decision making. Thank you for your trust, partnership, and commitment toward providing appropriate and accessible financial services for everyone, everywhere.

JANE EDDY
Board Chair

Accomplishments IN FY2016

Easier Access to Data, Analysis, and Insights for Decision-Making

In early June, MIX launched a completely *redesigned website*. Using insights gleaned from market research, industry best practices, and extensive interviews with users, our team spent the past year rebuilding and integrating our platforms—*MIX Market* and *FINclusion Lab*—into a single website. Users are now able to easily access *annual and quarterly market data*, discover *insight-filled reports* from MIX’s expert analysts, and utilize *analytical tools* to dig into the data. We also improved the experience for our MIX Gold and MIX Intelligence subscribers by allowing them to access saved reports and publications through a personalized dashboard.

In addition, we continue to build upon our hybrid funding model with revenue generated from our newest solution—MIX Essentials. *MIX Essentials* subscriptions, along with individual data set and publication purchases, continue to grow and contribute to MIX’s sustainability, while our free solution, *MIX Discovery*, supports the public good and encourages visitors to deepen their understanding of the microfinance industry. Along with the implementation of new customer success technology, MIX is now able to better understand user needs and build stronger relationships with our clients.

Delivering Greater Value to Our Data Providers

MIX is dependent on strong relationships with our data providers because their contributions make it possible to bring transparency and accountability to the financial services sector. As part of our ongoing efforts to deliver reciprocal value to data providers, this year we piloted our new FSP Engagement Initiative. The aim of this initiative is to create trend analyses for individual FSPs based on their contributed data, identifying reporting errors, providing competitive benchmarks, and delivering a simple report that can be shared with management teams. We tested two prototypes—a static PDF and a dynamic spreadsheet—with 63 recipients at 47 FSPs. The feedback we received, while unanimously positive, also provided deeper insight into the features and benefits of greatest value to our data providers, helping FSPs identify areas of weakness, improve operations, and deliver better and more appropriate products to their customers.

Mix launched a completely redesigned website



We piloted our new FSP Engagement Initiative with,



Improving Policy Through Better Data and Tailored Services

In our *State of the Data 2015* report, we identified the key gaps in financial inclusion data and measurement. This year through our FINclusion Lab platform we launched three *new service offerings* to support government regulators, policy makers, and financial service providers in their efforts to improve financial inclusion data and measurement. Since introducing these services—Advisory Services, Custom Analytics, and On-Demand Reporting Solutions—MIX has worked with a handful of clients, including the National Bank of Rwanda, FSD Kenya, and Bank of Zambia. Based on the positive feedback we have received from central banks and regulatory authorities, it is clear that we are supporting the expansion of financial inclusion by helping government officials create better policies and track the impact of these policies.

Introducing Annual Global Benchmark Reports

This year we introduced the *Global Outreach and Financial Performance Benchmark* report. Our user research showed persistent demand for global and regional views of the financial and operational performance of the microfinance industry. Because MIX Market is the largest platform for microfinance data, we are in a unique position to compile this type of snapshot to create greater transparency. Through these comprehensive reports, we are addressing the following information gaps identified by our demand assessments: (1) understanding overall sector performance; (2) visualizing data through comparative views; (3) understanding the basic outline of the sector through key indicators; and (4) benchmarking for simple sector and peer group comparison. The Global Outreach and Financial Performance Benchmark report provides a simple yet highly informative view into the performance of the industry at global and regional levels. The report is available free to the public and will continue to be updated each year.

Through our FINclusion Lab platform we launched three new service offerings:

- 1 Advisory Services
- 2 Custom Analytics
- 3 On-Demand Reporting Solutions

This year we introduced the *Global Outreach and Financial Performance Benchmark* report.



Current and Upcoming Initiatives: 2017 AND BEYOND

Ensuring Consistent and Reliable Data for Decision Makers

Following the FSP Engagement Initiative pilot, we are refining the feedback reports based on comments from respondents. This year our product and technology teams are working to develop an automated production process that will enable us to deliver these reports to the 550+ FSPs that report quarterly data. We will also expand the types of reports available to ensure we are meeting the various needs of our data providers. This includes reports intended for management teams, fact sheets with detailed explanations of ratios and calculations, and other reports that allow FSPs to regularly assess their performance. These efforts will ensure that we receive consistent and reliable data from FSPs in markets around the world.

Building the Information Infrastructure for Agricultural Finance

Smallholder farmers constitute one of the single largest market segments for financial inclusion, covering an estimated 450 million smallholder farmers and as many as two billion people in their households. Yet financing available to smallholder

farmers lags the potential need, estimated to be in excess of \$2 billion. MIX is evolving to meet this need. In 2016 MIX partnered with Council on Smallholder Agricultural Finance (CSAF) members to aggregate financial and impact data on their portfolio of smallholder agricultural finance. The resulting aggregate analysis, shared publicly through the *CSAF 2015 Year in Review* report and subsequent presentations, provided unique insights into major social lender funding flows and challenges in supporting smallholder agriculture. We also developed interactive dashboards to allow CSAF members to further analyze aggregate portfolio data by country, commodity, borrower type, and additional segments. As part of our new strategy for 2016 to 2020, we are working to address the information needs of agricultural investors, lenders, FSPs, smallholder producer organizations, and service providers through a comprehensive approach that builds on MIX's core competencies and existing MIX Market platform. Through conversations with global and local lenders, MIX has identified a number of initial products around which to build the platform to support smallholder farmer finance and its ecosystem of actors. MIX sees the same opportunity to facilitate the expansion of financial inclusion for smallholder farmers that it identified for individuals through microfinance 14 years ago.

“

The VoC initiative leverages *interactive voice response technology to proactively ask for client feedback* centered on client protection principles, which in turn can be *used by FSPs and investors to improve their operations* and more effectively monitor their social performance.

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Packaging Market Insights for Policy Makers and Regulators

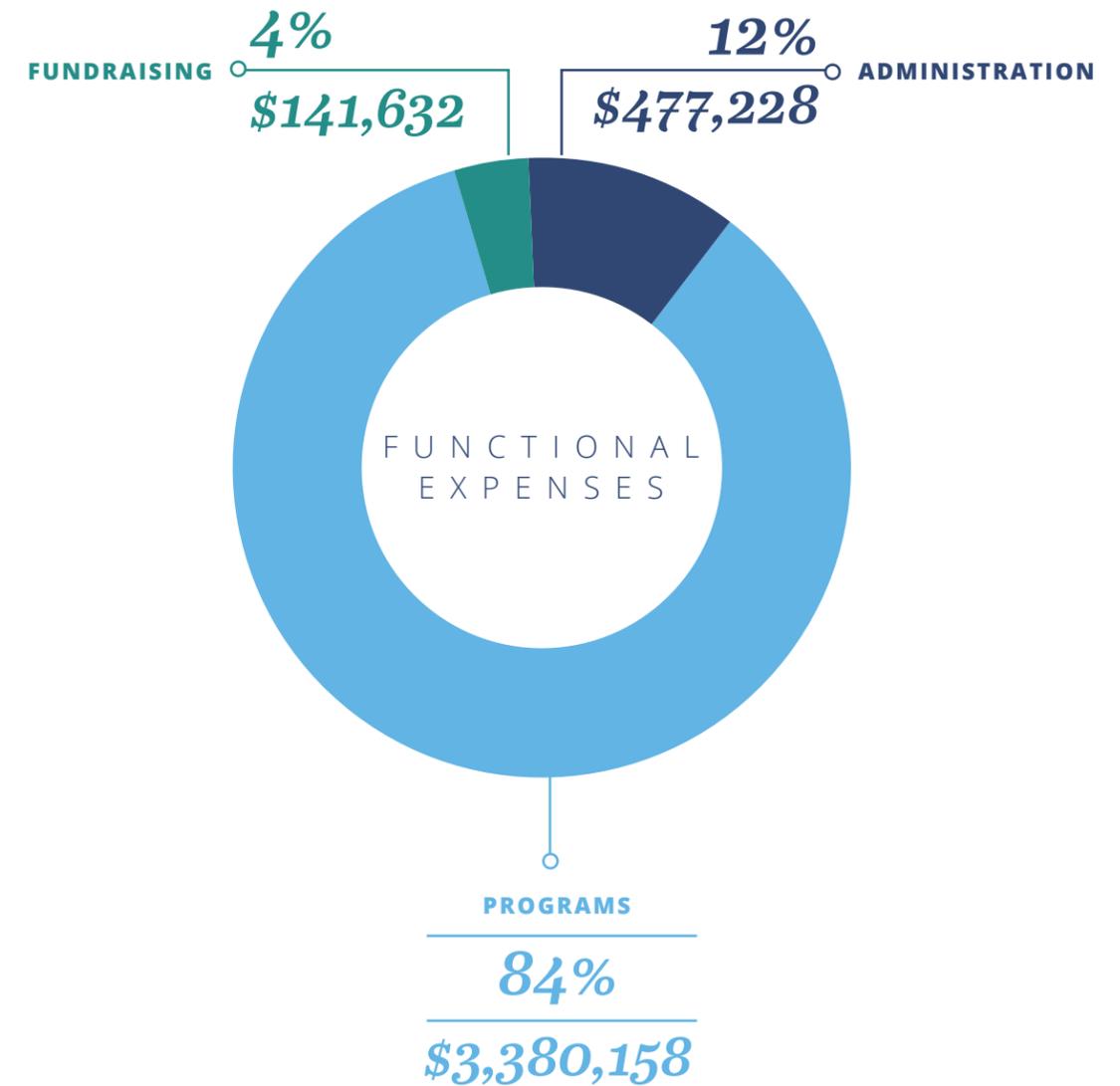
As part of our evolving offerings through the FINclusion Lab platform, we are introducing a new section of the website called Market Insights. While our *Interactive Dashboards*—dynamic visualizations that allow users to explore data related to financial access—cater more to analysts, Market Insights are intended to support decision makers at the highest levels. These summaries will be available for 20 countries and will highlight key findings from the data, provide use cases that address common challenges for policy makers, and help users make better decisions. The Market Insights section will make it possible for decision makers at central banks, regulatory authorities, and financial service providers to quickly access actionable intelligence to inform planning and policy decisions and to monitor performance.

Expanding the Voice of the Client Initiative

Last year we completed the first two pilots of the *Voice of the Client* (VoC) initiative in *India* and *Peru*. The idea of the VoC initiative was originally conceived by Hivos, building on its citizen-monitoring experiences in fields outside microfinance. Hivos was the principal funder of the first two pilots in India and Peru, which were coordinated and managed jointly by MIX and Hivos. The VoC initiative leverages interactive voice response technology to proactively ask for client feedback centered on client protection principles, which in turn can be used by FSPs and investors to improve their operations and more effectively monitor their social performance. Building on the initial successes, this year we are expanding the VoC initiative in Peru and beginning work in Cambodia. This technology is also applicable to other areas of data collection and is another important tool in MIX's portfolio to expand information and the development of important insights.

Audited FINANCIALS

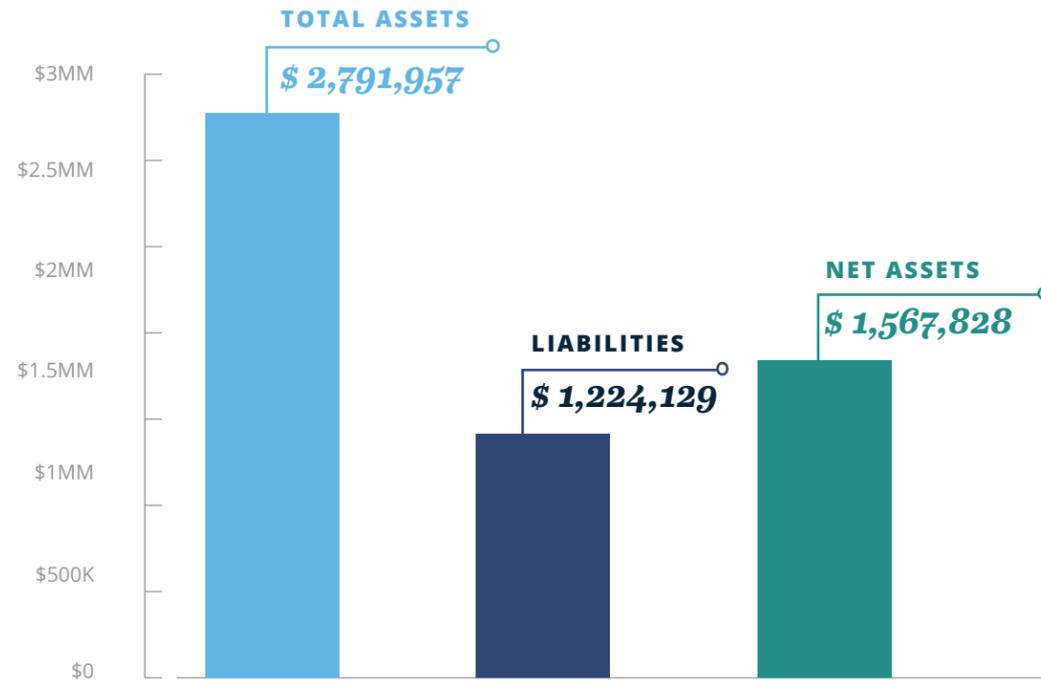
1 July 2015 to 30 June 2016



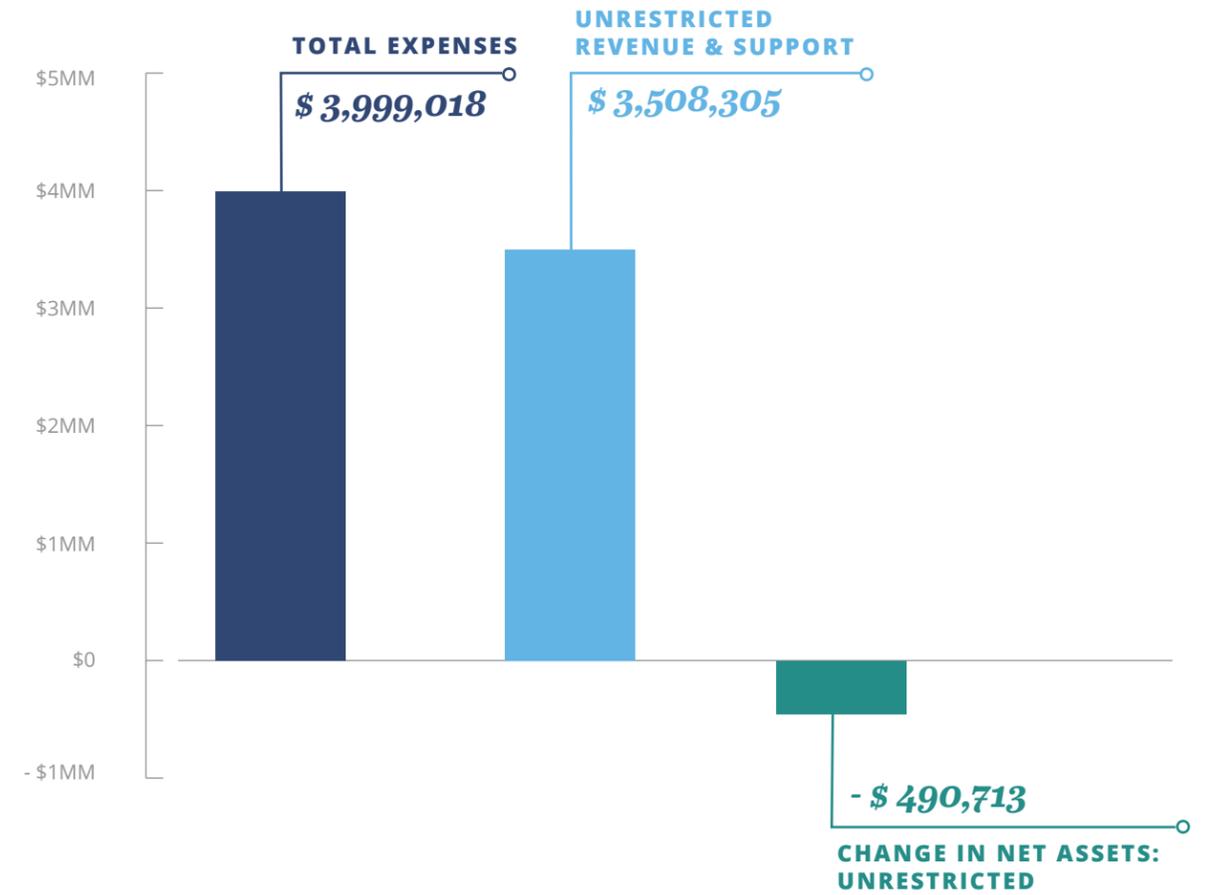
TOTAL EXPENSES FY16

\$3,999,018

FINANCIAL POSITION



ACTIVITIES



Complete audited financial statements are available upon request.

Promoting financial inclusion through *data* and *insight*.



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