

Asia Microfinance Analysis and Benchmarking Report 2008

A Report from the
Microfinance Information Exchange, Inc. and Intellecap

March 2009

In Brief

The microfinance sector in Asia continues to evolve with consistent emphasis on efficiency and strong growth in outreach. Loan portfolios grew faster than at the global level, topping 90 percent growth in Cambodia and India, at the same time that India and Pakistan witnessed 50 percent growth in the number of borrowers served. Even as efficiency improvements slowed, MFIs in the region served borrowers at the lowest cost level of any region globally, less than half the next most efficient region at 37 USD per borrower.

Asian MFIs relied increasingly on commercial financing, whether through commercial borrowings or equity investments, to fund this growth. Commercial borrowings alone provided more than 75 percent of new loan funds

in 2007, bringing total financing from commercial borrowings to nearly 50 percent across both South Asia and East Asia and the Pacific. The growth of regulated, for profit models also garnered large pools of equity funding, with Indian MFIs taking in 100 million USD in new capital in 2007. Positive, stable returns and strong growth opportunities in large markets across the region continued to attract new funding for MFIs.

The *Asia Microfinance Analysis and Benchmarking Report 2008* draws on fiscal year (FY) 2007 data of 244 MFIs submitted for benchmarking analysis and data from a total 313 MFIs with published profiles on MIX Market. The data cover 16 countries across South Asia and East Asia and the Pacific (EAP): Afghanistan, Bangladesh, India, Nepal, Pakistan and Sri Lanka from South Asia and Cambodia, China, East Timor, Indonesia, Laos, Papua New Guinea, Philippines, Samoa, Thailand and Vietnam from EAP. A smaller panel of 184 MFIs provided sufficient data for analyzing performance trends over the 2006 – 07 period. **Table 1** presents a snapshot of the region, serving close to 47 million active borrowers with more than 10 billion USD in loans and sourcing more than 7 billion USD in deposits.

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Outreach and Scale

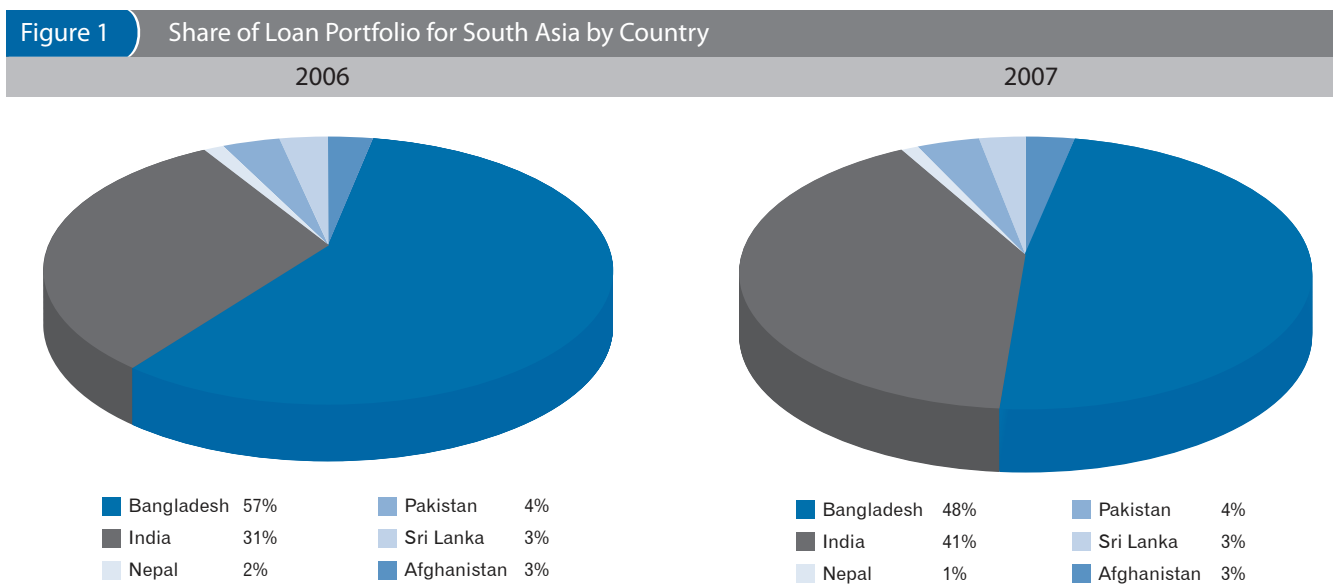
Loan portfolios for Asian MFIs grew quickly in 2007, compared with a global portfolio growth of 50 percent in USD terms during the year. Over the period, the gross loan portfolio (GLP) in Asia grew at more than 60 percent, adding 2.4 billion USD for surveyed MFIs. Across the region, growth varied significantly by country, as **Figure 3** shows. Bangladesh, Nepal and Indonesia all witnessed

Country	MFIs	Borrowers (Thousands)	Gross Loan Portfolio (USD Millions)	Deposits (USD Millions)
Afghanistan	14	358	106	5
Bangladesh	28	21,699	1680	374
Cambodia	15	802	469	348
China	6	32	13	-
East Timor	2	14	5	2
India	80	9,910	1,359	31
Indonesia	33	3,712	3,558	5,728
Laos	1	<1	<1	-
Nepal	34	478	81	16
Pakistan	15	1,248	143	32
Papua New Guinea	1	7	4	10
Philippines	55	1,921	365	222
Samoa	1	4	1	<1
Sri Lanka	14	943	263	189
Thailand	2	5	1	-
Vietnam	12	5,788	2,203	126
Total	313	46,921	10,250	7,083

Source: MIX Market 2007 data as of December 1, 2008.

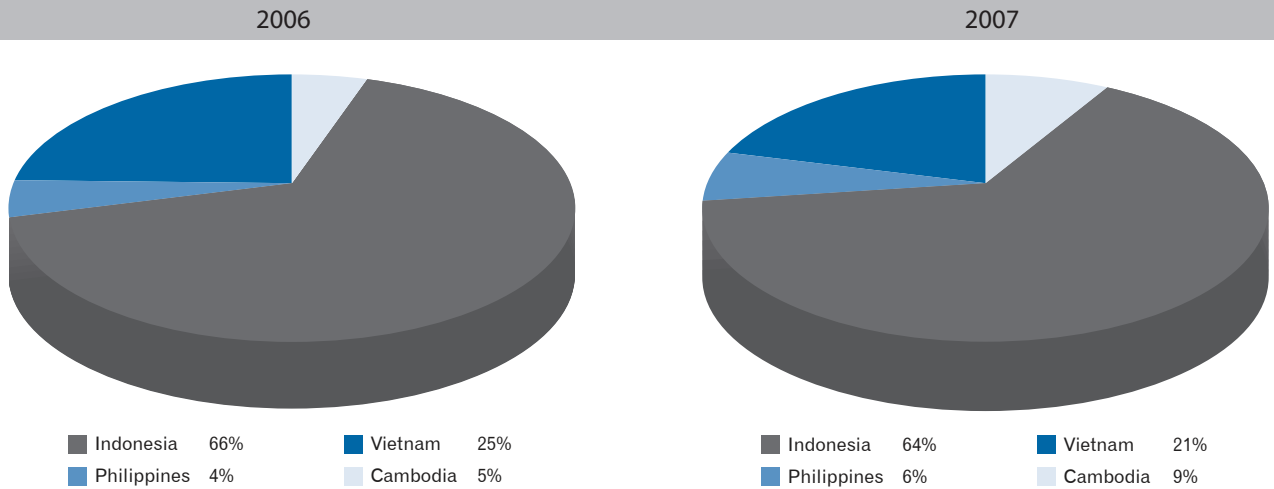
growth in balances of less than half the regional average. Bangladesh’s growth remains slow given the existing scale of the microcredit sector and its many leading MFIs. Indonesian and Nepali rural banks, by contrast, have more geographically restricted areas of operation, providing natural boundaries to growth. On the other end of the scale,

Cambodia, Vietnam and India experienced growth rates 50 percent higher than the average. While Cambodia and India drew in significant commercial funding to sustain this level of growth, Vietnam’s growth relied on concessional funding and grants.



Source: MicroBanking Bulletin 2007 MFI benchmarks. Data are totals by country for panel MFIs with 2006 and 2007 data.

Figure 2 Share of Loan Portfolio for East Asia/Pacific by Country



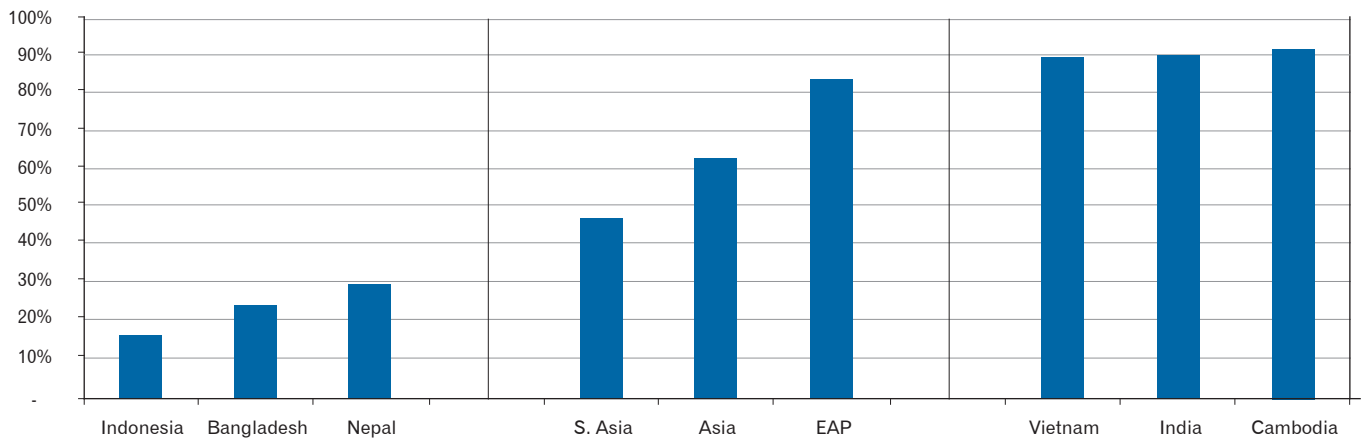
Source: MicroBanking Bulletin 2007 MFI benchmarks. Data are totals by country for panel MFIs with 2006 and 2007 data.

Borrower outreach in **Table 2** shows similar growth trends across the region. The borrower outreach has been supported by strong lending efficiency (8 USD per loan for Vietnam, 12 USD for India) and high staff productivity (230 loans per staff member for India, 181 for Vietnam). Building on this high staff productivity, Asian MFIs operating in densely populated areas attain colossal scale, with a handful serving several million clients each. With its concentration of large MFIs, Asian microfinance captures a disproportionate share of global clients. In 2007,

Asian MFIs served more than 47 million borrowers, reaching two-thirds of global borrowers while representing just one-third of institutions sampled.

While outreach across the region is concentrated in a handful of MFIs, these leading institutions represent diverse institutional types. The top 10 MFIs in Asia by number of active borrowers include banks, non banking financial intermediaries (NBFI) and NGOs, with Grameen Bank from Bangladesh topping the list (**Table 3**). These top 10

Figure 3 Growth in Loan Portfolio (2006 – 2007)



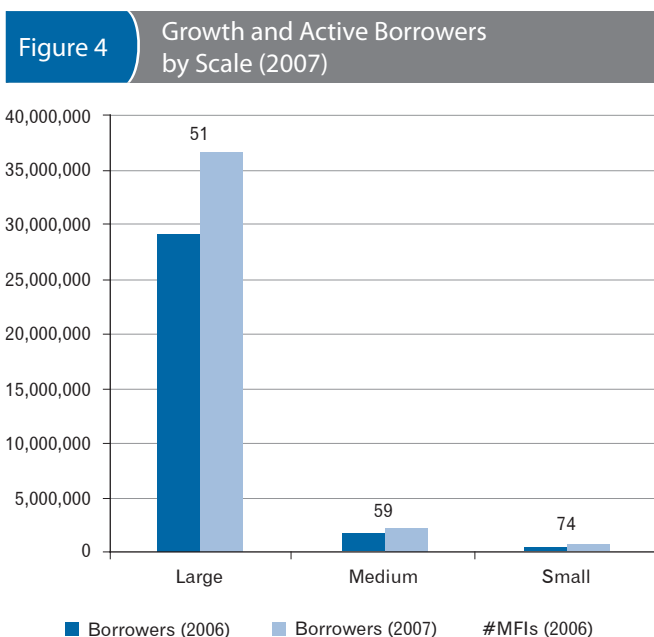
Source: MicroBanking Bulletin 2007 MFI benchmarks. Growth is based on totals for gross loan portfolio by country and region for panel MFIs with 2006 and 2007 data.

Country	Borrower Growth (2006-07)	
	(%)	(nb)
Nepal	13%	28,598
Bangladesh	20%	3,318,282
Vietnam	20%	965,045
Sri Lanka	22%	55,202
Afghanistan	32%	80,417
Cambodia	32%	193,408
Philippines	36%	438,417
Indonesia	36%	45,277
India	44%	2,895,159
Pakistan	57%	277,502
EAP	24%	1,656,631
Asia	26%	8,311,791
S. Asia	27%	6,655,160

Source: MicroBanking Bulletin 2007 MFI benchmarks. Growth is based on totals for gross loan portfolio by country and region for panel MFIs with 2006 and 2007 data.

MFIs account for 70 percent of total borrowers served in 2007. South Asian markets continue to demonstrate higher concentration of outreach in markets like Bangladesh and India, than do the markets in East Asia with a greater multitude of small and medium scale service providers. Among the 81 institutions sampled in India

and Bangladesh, 76 MFIs reached more than 100,000 clients, while 10 MFIs had more than half a million clients, well above the 2007 global median of 11,000 borrowers per MFI. As **Figure 4** demonstrates, however, the large MFI is still the engine for expanding outreach at the regional level.



Source: MicroBanking Bulletin 2007 MFI benchmarks. Data represent total borrowers by peer group for panel MFIs with 2006 and 2007 data.

MFIs across the region vary in their ability to offer deposit taking services to their clients. Whether as banks or rural banks, more MFIs in East Asia and the Pacific (EAP) than in South Asia (S. Asia) have used existing regulatory environments to collect deposits from microfinance clients. Out of the total 7 billion USD of deposits mobilized in Asia, 91 percent is captured by MFIs in East Asia and the Pacific (81 percent alone by BRI in Indonesia). **Table 4** shows the top five countries by total savings mobilized. Deposit per client is highest for Cambodia at approximately 1,180 USD, though the average of Asia is only 17 USD and that of East Asia and the Pacific is 19 USD.

Savings services, however, have also grown in South Asia. Nepali microfinance development banks continue to mobilize deposits from members, increasing their deposit base by more than 150 percent in 2007. Likewise, the creation of several microfinance banks in Pakistan in the last few years has built up the microdeposit base with nearly 100 percent growth in 2007 and an outstanding balance of more than 30 million USD.

Despite the remarkable breadth of outreach attained by Asian MFIs vis-a-vis their scale and growth, many potential microfinance clients continue to lack access to basic financial services. As **Table 5** indicates, penetration of microlending in the region is varied, with Bangladesh, Sri Lanka and Vietnam achieving significant depth at 35 percent, 29 percent and 25 percent respectively, but other

countries lag far behind. Penetration rates compare outstanding borrowers against a potential client base of the total population living below the poverty line. Against this metric, MFIs in Bangladesh cater to more than one-third of potential clients in the country, assuming that a client is accessing loans from a single MFI. In East Asia and the Pacific, the highest penetration among the poor

Table 3 Top 10 MFIs by Number of Active Borrowers (2007)

MFI	Country	Charter	Borrowers (nb)
Grameen Bank	Bangladesh	Bank	6,707,000
BRAC	Bangladesh	NGO	6,397,635
Vietnam Bank for Social Policies	Vietnam	Bank	5,648,140
ASA	Bangladesh	NGO	5,422,787
Bank Rakyat Indonesia	Indonesia	Bank	3,515,812
SKS	India	NBFI	1,629,474
Spandana	India	NBFI	1,188,861
SHARE Microfin Ltd.	India	NBFI	989,641
Bandhan	India	NBFI	896,698
Shri Kshetra Dharmasthala Rural Development Project (SKDRDP)	India	NGO	606,791

Source: MIX Market 2007 data as of December 1, 2008.

Table 4 Top 5 Countries by Total Savings Mobilized (2007)

Country	Accounts	Voluntary Deposits (USD Millions)	Deposits per Client (USD)
Indonesia	21,427,218	5,728	267
Bangladesh	14,749,585	374	25
Cambodia	295,212	348	1,180
Philippines	1,057,724	222	210
Sri Lanka	1,138,061	182	160

Source: MicroBanking Bulletin 2007 MFI benchmarks. Data represent totals by country.

Table 5 Penetration of Microfinance in Selected Countries (2007)

Country	Number of MFIs	Total Borrowers (Millions)	Total Population (Millions)	Poor Population (Millions)	Penetration Rates	
					Borrowers/pop. (%)	Borrowers/poor (%)
Bangladesh	274	24.8	142	71	17%	35%
Sri Lanka	23	1.4	20	5	7%	29%
Vietnam	11	6.1	83	24	7%	25%
Cambodia	14	0.6	14	5	4%	12%
Indonesia	49	6.4	221	60	3%	11%
Nepal	47	0.7	27	8	3%	8%
Philippines	96	1.9	83	31	2%	6%
India	288	10.9	1,090	312	1%	3%
Pakistan	28	0.9	156	51	1%	2%
China	11	0.1	1,300	60	0%	0%

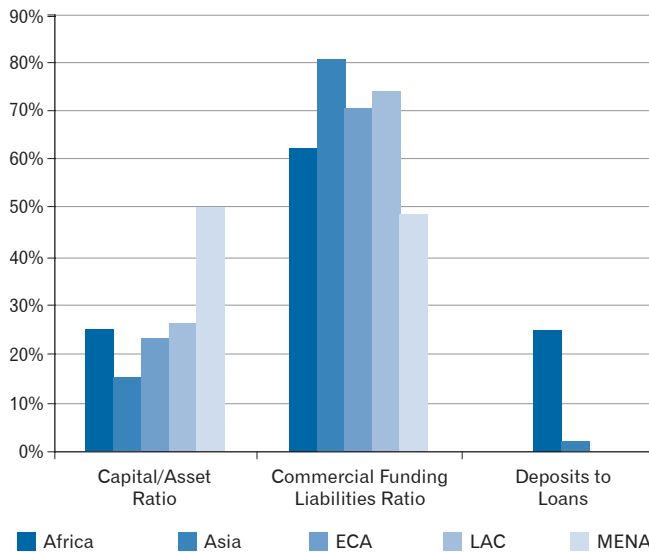
Source: MIX Market data, 2007, Microcredit Summit data, 2006, World Bank World Development Indicators, 2007

is in Vietnam, where a single institution boosts microborrower coverage to slightly more than one-fourth of the poor population. South Asia's largest market, India, still lags in coverage. Despite the spectacular growth of existing

Indian MFIs and a flurry of new start-ups, the penetration of microfinance lending services in the country is limited, at only 3.5 percent.

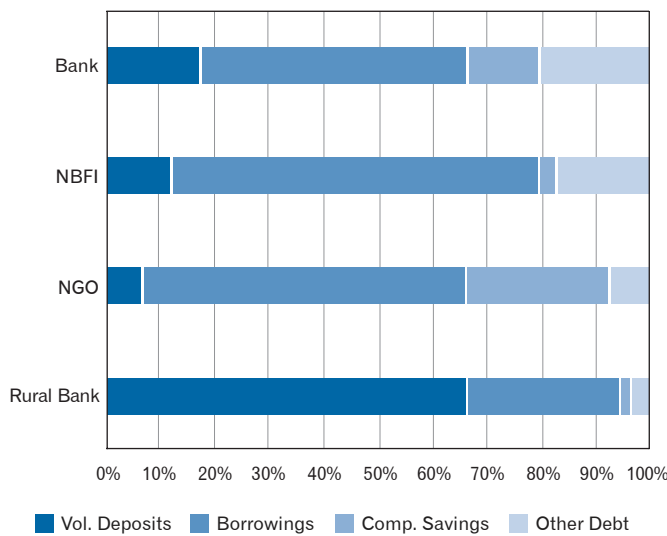
On the flip side, **Table 5** alludes to the significant opportunity in the microfinance sector and an opportunity for investors to facilitate MFIs in scaling up their outreach to the poor. New business models and innovative technologies combine to increase outreach, while also reducing transaction costs. These operational improvements will rely on new and vastly increased sources of funding to support continued growth in Asian microfinance.

Figure 5 Financing Structure Across Regions (2007)



Source: MicroBanking Bulletin MFI Benchmarks, 2007. Data represent medians by region. ECA = Eastern Europe and Central Asia; LAC = Latin America and the Caribbean; MENA = Middle East and North Africa.

Figure 6 Debt Structure by Charter (2007)



Source: MicroBanking Bulletin 2007 MFI benchmarks. Data represent totals.

Funding Sources

Asian MFIs have drawn heavily on debt to fund their growth in portfolio, as demonstrated in **Figure 5**. They lead other regions in their ability to leverage equity with a debt-to-equity ratio of 4.9 compared with the global median of 3.2. Commercial debt provided the largest pool of funding for the loan portfolio. For every dollar in loan portfolio, the median Asian MFI raised 80 cents in commercially priced debt. While the global norm for microfinance is the highly capitalized MFI, the median Asian MFI held capital equivalent to just 15.2 percent of its asset base. This small capital cushion was 40 percent smaller than that of MFIs in Africa, Eastern Europe/Central Asia and Latin America and the Caribbean, where institutional capital backs a quarter of total assets.

Asian MFIs financed their lending activity through various forms of debt. As **Figures 6** and **7** demonstrate, the type of debt depended on local markets and legal structure.

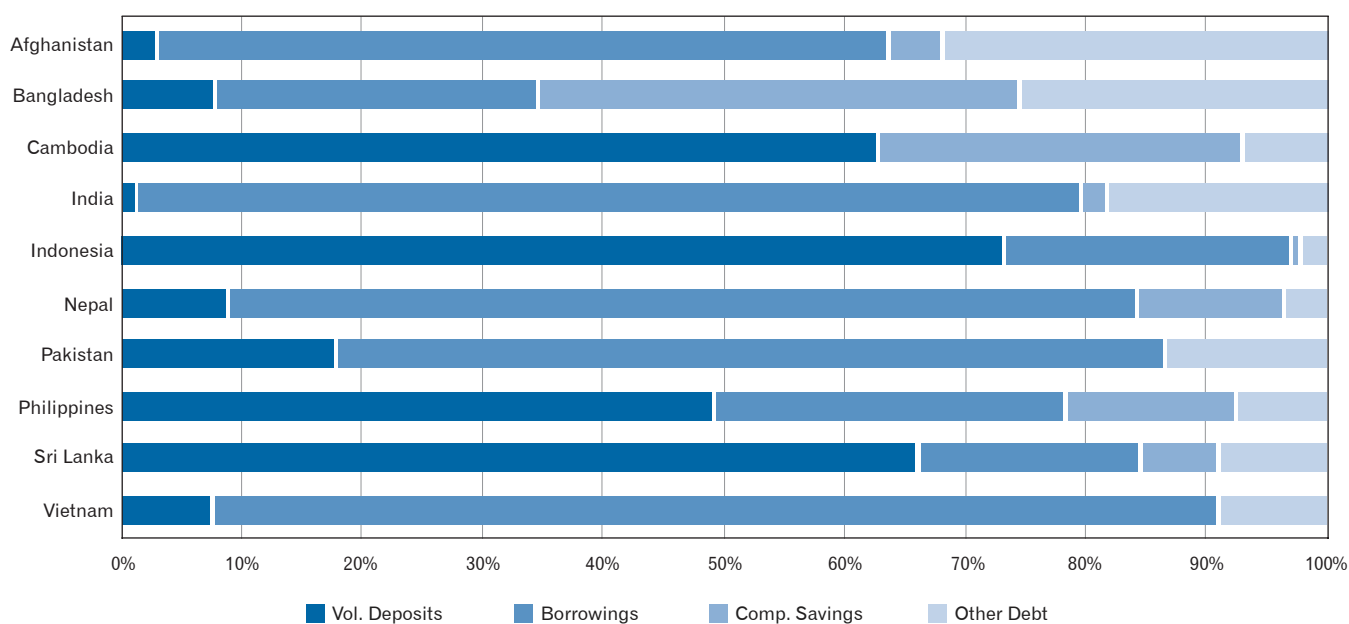
As demonstrated in **Figure 6**, legal charter constituted an important determinant in MFI debt structure in Asia. Most institutional types relied heavily on borrowings for debt financing, with several also mobilizing deposits. Rural banks deviated the most from the typical Asian MFI debt structure, mobilizing nearly 70 percent of their obligations directly from their clients through retail deposits. Even MFIs operating as banks matched client deposits more than two-to-one with external borrowings, at a much higher rate than their global peers. NGOs and NBFIs, being primarily licensed for credit services only, borrowed most — 60 to 70 percent of their onlending funds, with little to no retail deposits.

Further analysis by country shows even more variation across Asia, as **Figure 7** depicts. As would be expected, countries that ranked high in offering deposit taking services rely heavily on retail deposits for funding. Indonesia, the Philippines and Sri Lanka all stand out for their strong deposit bases, as does Cambodia, where a single MFI accounts for 99 percent of retail deposits. Bangladesh also draws heavily on member funds, but much of these are compulsory deposits, rather than voluntary savings products. Other countries draw on borrowings for onlending. India leads the pack with nearly

80 percent of its debt funding — and, indeed, with its high leverage, of its total funding — coming from external borrowings, through local bank refinancing.

Funding structures for Asian MFIs have evolved as quickly as their services have grown, as each institution seeks out new funding sources to support growth, as **Table 6** depicts. MFIs in most countries have kept similar debt-led structures as their portfolio increased in 2007. Some, however, have continued to leverage even further. Af-

Figure 7 Debt Structure by Country (2007)



Source: MicroBanking Bulletin 2007 MFI benchmarks. Data represent totals.

Table 6 Growth in Debt and Equity (2006 – 2007)

	Country	Equity	Liabilities
Higher Growth in Debt	Afghanistan	20%	84%
	Bangladesh	21%	48%
	Cambodia	18%	130%
	Nepal	11%	31%
	Pakistan	5%	36%
	Vietnam	66%	82%
Higher Growth in Equity	India	216%	91%
Equal growth in Debt / Equity	Indonesia	25%	27%
	Philippines	77%	72%
	Sri Lanka	20%	28%

Source: MicroBanking Bulletin 2007 MFI benchmarks. Data represent growth based on totals by country.

ghan MFIs initially built a capital base through donations, but have increasingly relied on borrowings from the apex wholesale lender to expand their portfolios in 2007. Similarly, Cambodian MFIs, already well capitalized, have attracted increasing amounts of foreign borrowings, boosting their leverage ratio in 2007. Indian MFIs have pursued a different trajectory. Already among the most leveraged in the region, these institutions have begun to attract equity infusions as they strive to improve capital adequacy in line

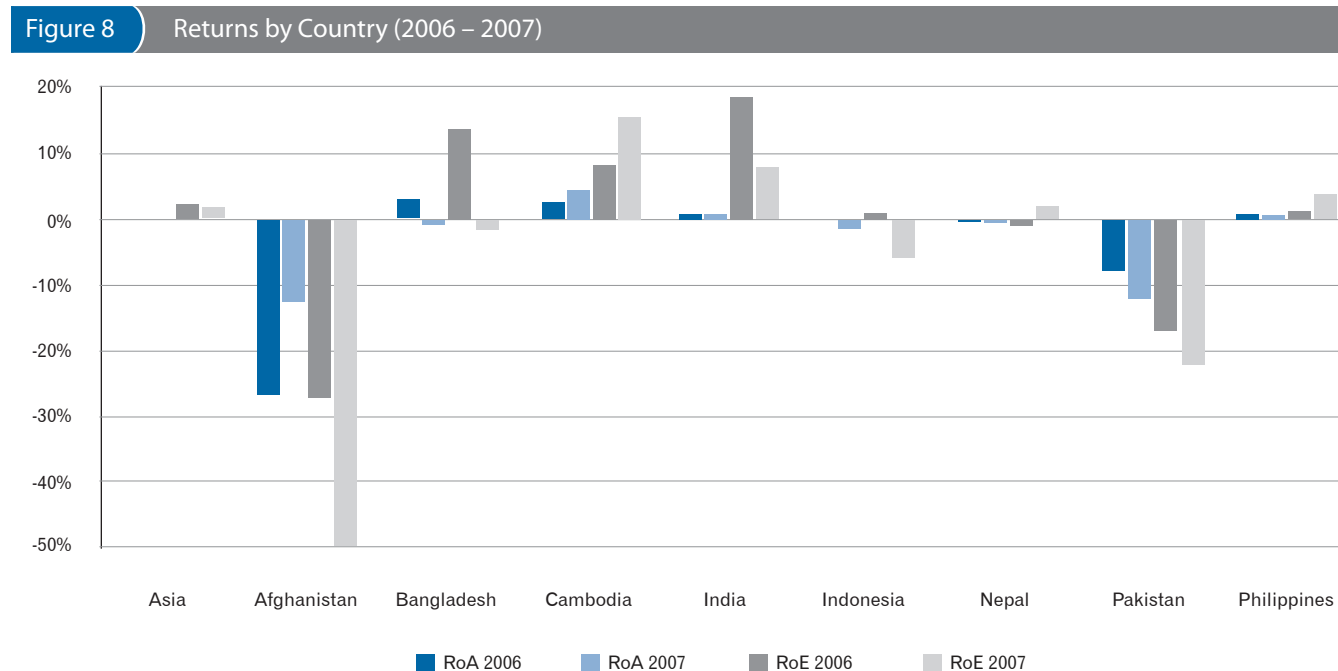
with tightening Reserve Bank of India norms over the next several years. In 2007, India's leading MFIs added more than 100 million USD in share capital to their equity base, and along with retained earnings, boosted equity more than three times over 2006.

An analysis of the 10 Asian MFIs with the largest increases in portfolio over the last five years shows similar trends in shifting funding structures. Large Bangladeshi NGOs, like

Table 7 Leverage Ratio of Top 10 MFIs by Absolute Increase in Portfolio (2003 – 2007)

MFI	Country	2003	2004	2005	2006	2007
Vietnam Bank for Social Policies	Vietnam	1.8	2.3	2.4	2.4	2.6
BRAC	Bangladesh	2.1	2.2	2.4	2.4	3.8
ACLEDA Bank	Cambodia	1.0	2.2	2.9	3.7	8.3
SKS	India	95.6	119.9	6.4	3.8	5.4
Grameen Bank	Bangladesh	4.1	5.5	7.9	8.3	10.0
ASA	Bangladesh	1.3	1.0	0.9	0.8	0.7
Spandana	India	9.0	10.5	27.1	29.7	8.6
SHARE	India	5.6	6.1	12.4	10.9	4.4
Asmitha	India	n/a	8.6	22.1	15.6	10.2
Bandhan	India	34.8	29.4	23.7	12.0	11.2

Source: MIX Market 2007 data as of December 1, 2008. BRI (Indonesia) had the largest portfolio increase, but the Unit Desa system does not represent the whole balance sheet of the bank.



Source: MicroBanking Bulletin 2007 MFI benchmarks. Data represent medians by country.

ASA and BRAC, have maintained low leverage ratios by earning enough profits to match increases in debt as they build their portfolios. Banks, like ACLEDA and Grameen, have extended new loans through increasing leverage of their strong capital bases, with both nearing debt 10 times total capital. For the large scale Indian microlenders, on the other hand, the growth in portfolio has been funded through various means, including bank refinancing, off balance sheet portfolios and recent capital injections. By the end of the 2007 period, however, most of these Indian institutions had lowered their leverage by attracting new capital, eager to participate in the long term growth and stable profits that the MFIs had generated.

Financial Performance

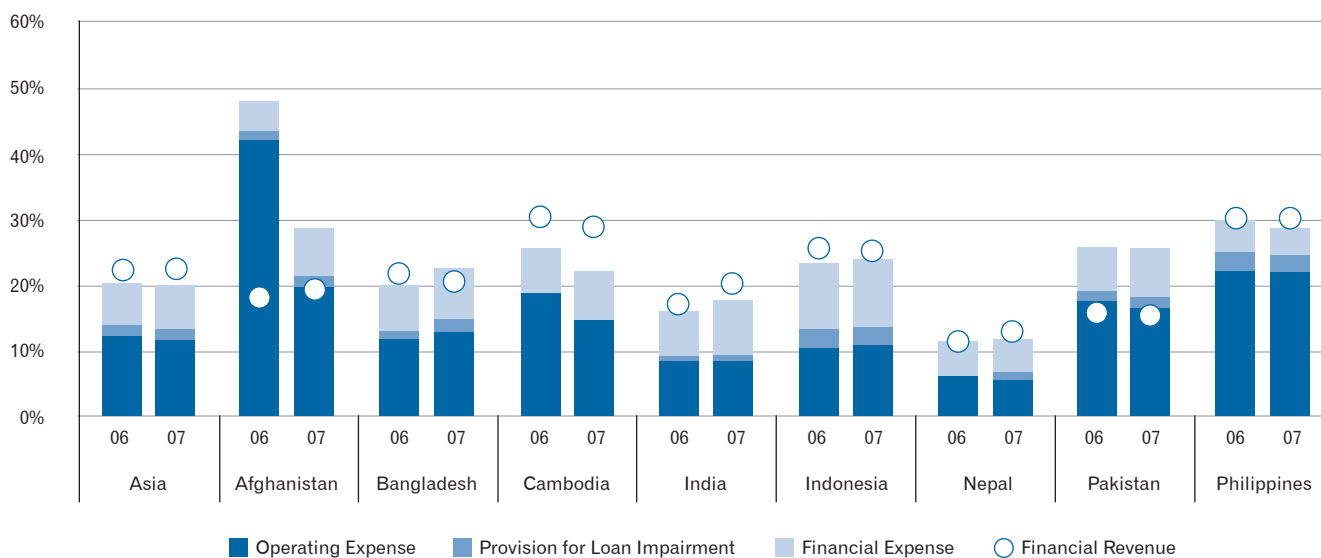
Asia's globally improving returns helped attract and retain new funding for portfolio growth in 2007. While median returns on assets remained stable across the region, a number of countries witnessed improved returns, including Afghanistan, Cambodia, India, and the Philippines. Increasing leverage for the typical MFI in the majority of markets also boosted returns on equity across the region. Only in India did the typical institution experience improved returns to its asset base while posting a decline in returns to equity. This movement underscores the trends

in funding structures in India, where equity investments over the year have started to reverse the leveraging trends of the last five years.

Returns in 2007 improved the most in two markets in Asia. Afghanistan's nascent microfinance providers witnessed the greatest gains in returns over the period. As **Figure 9** and **Figure 10** demonstrate, MFIs in the country have dramatically improved their cost of service delivery, with transaction costs as a percentage of asset or portfolio dropping by 50 percent for the median MFI. While this does not push the typical MFI in Afghanistan to full cost recovery, it does mean that slowly increasing financial revenues matched operating cost levels at the end of 2007, bringing break even within sight for the first time since the sector's inception in 2002. Cambodian MFIs also improved returns over the year. Growth in portfolio outpaced growth in borrowers and rising loan balances contributed to reduced operating expenses per dollar outstanding. With financing costs and provision for impairment constant over the prior year, returns in 2007 improved.

Portfolio yields (nominal) remained stable across the region with higher yields in East Asia and the Pacific, at 32.8 percent, than in South Asia, at 22.5 percent. While the typical yield for MFIs in many countries notched

Figure 9 Breakdown of Returns by Country (2006 – 2007)



Source: MicroBanking Bulletin 2007 MFI benchmarks. Data represent medians by country.

down by a percentage point over 2006, yields actually increased in a couple countries. Pakistan (+2.5 percentage points) and Afghanistan (+2.3 percentage points) both witnessed improved yields. These increases brought their regionally low portfolio earnings in line with yields prevalent through South Asia. In the case of Afghanistan, this increase also improved overall profitability.

Increasing leverage in most countries and MFIs across the region also drove up financing costs, as funding liabilities took on a greater portion of portfolio financing. Ten out of the 15 countries with 2006 – 2007 trend lines data saw the median financial expense ratio increase. Those markets where financing costs did not increase include the Philippines and Indonesia, where deposits provided a significant funding source for the median MFI.

Figure 10 Operating Expenses by Country (2006 – 2007)

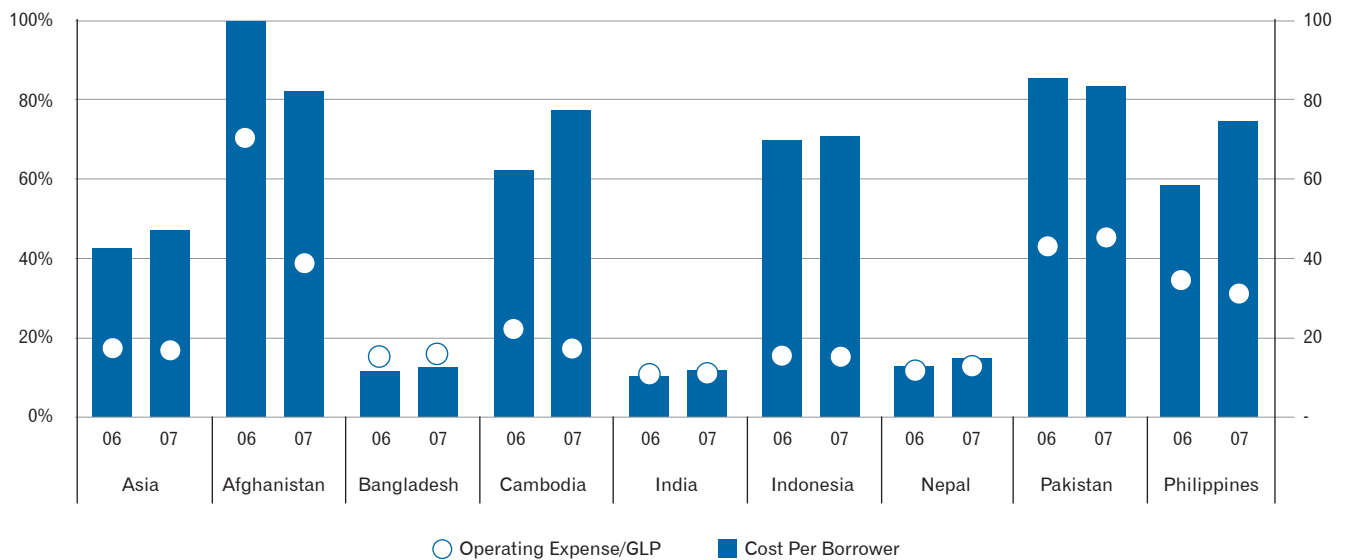
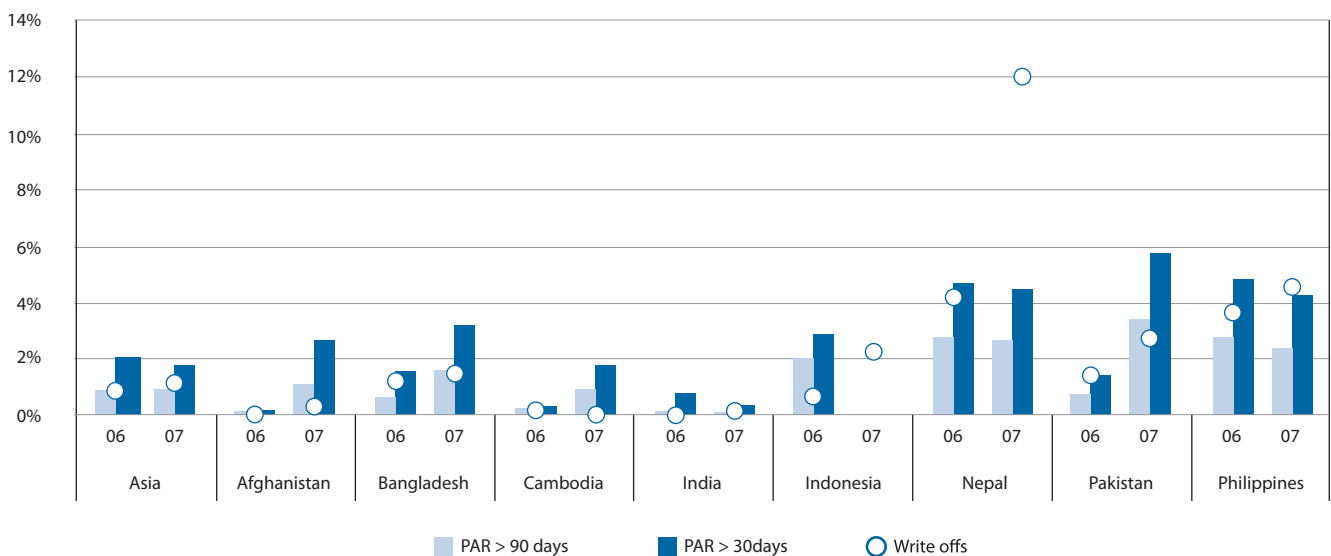


Figure 11 Portfolio Quality by Country (2006 – 2007)



Source: MicroBanking Bulletin 2007 MFI benchmarks. Data represent medians by country.

Rising delinquency in some markets brought down overall returns. Bangladeshi MFIs, whose long term financing and operating costs have remained steady for several years, experienced increased delinquency in 2007. As **Figure 11** shows, total arrears (balances over 30 days) and more persistent delinquency (balances over 90 days) doubled between 2006 and 2007, with portfolio at risk over 30 days increasing to nearly 3 percent for the median MFI. The provisioning costs associated with this increased delinquency reduced overall profitability, bringing the median MFI from positive returns in 2006 to negative returns a year later.

Conclusion

Asian MFIs grew quickly in 2007 thanks to increasing debt financing and equity investment. In the current economic slowdown, the growth of MFIs is expected to be affected as reduced market liquidity makes funds for portfolio lending scarce or more costly to access. A recently held CGAP virtual conference, “Microfinance and the Financial Crisis”¹, concluded that the global liquidity crunch will negatively impact the costs and availability of funding, especially for non deposit taking MFIs, whose funding is reliant more on equity and commercial borrowing, as evident from the aforementioned analysis. Rising funding costs will squeeze margins in profitable MFIs, forcing them to find new ways to reduce their exceptionally low operating costs or to turn to clients to cover increased costs.

The Asian microfinance sector has demonstrated leadership in the global arena through its impressive scale of outreach and tight operating cost. With large underserved markets, Asia still offers tremendous opportunities for the expansion of existing and greenfield institutions within the region. In 2008 – 2009, Asian MFIs will face the dual challenge of continuing strong growth in outreach amidst economic slowdowns while securing funding from financial markets in crisis.

This report was co-authored by MIX and Intellectap.

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 244 MFIs for the financial years 2007 and 2007 – 2008. This report also uses information drawn from the Trend Lines data set — a subset of 184 MFIs tracked over the two year period 2006 – 2007. The results for the Trend Lines may differ from the Benchmarks presented in the Asia tables at the end of this report. In addition, data on 313 MFIs with 2007 MIX Market profiles were used in the outreach and scale section of the 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 cross-checked 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: Centre for Microfinance (Nepal), Intellectap, MISFA (Afghanistan), M-Cril (India), Microfinance Council of the Philippines Inc., MICRA (Indonesia), and the Pakistan Microfinance Network.

¹ CGAP Virtual Conference: Microfinance and the Financial Crisis, November 18-20, 2008.

Asia MFI Participants

2007 Benchmarks

2006 – 2007 Trend Data (MFI Names in Italics)

Afghanistan	<i>AFS, AMFI, ARMP, BRAC - AFG, CFA, FINCA - AFG, FMFB - AFG, MADRAC, MoFAD, OXUS - AFG, Parwaz, Sunduq, WOCCU - AFG, WWI – AFG.</i>
Bangladesh	<i>ASA, ASOD, BASTOB, BEES, BRAC, BURO Bangladesh, COAST Trust, ESDO, Grameen Bank, HEED, IDF, JCF, PMUK, POPI, RDRS, RRF, Sajida, Shakti, TMSS, UDDIPAN.</i>
Cambodia	<i>ACLEDA, AMK, AMRET, CBIRD, CEB, Chamroeun, CHC-Limited, CREDIT, HKL, IPR, Maxima, PRASAC, Seilanithih, TPC, VFC.</i>
China	<i>ARDPAS, CFPA, CZWSDA, PATRA Hunchun, PATRA Yanbian.</i>
East Timor	<i>Moris Rasik</i>
India	<i>ABCRDM, Adhikar, AML, AMMACTS, Arohan, Asomi, AWS, Bandhan, BASIX, BFL, BISWA, BSS, BWDA, Cashpor MC, CReSA, Disha, Equitas, ESAF, GK, GOF, GU, GV, HiH, Indur MACS, Janodaya, KAS, KBSLAB, KOPSA, KRUSHI, Mahasemam - SMILE, MFI, Mimo Finance, NBJK, NDFS, NEEDED, Nidan, Nirmaan Bharati, Pushtikar, PWMACS, RASS, RGVN, Saadhana, Sangamam, Sanghamithra, Sarala, Sarvodaya Nano Finance, SCNL, SHARE, Share MACTS, SKDRDP, SKS, SMSS, Sonata, Spandana, SU, Swadhaar, SWAWS, Ujivan, VFS.</i>
Indonesia	<i>BMT Kayu Manis, BMT Pelita Insani, BMT Pringsewu, BPR AK, BPR AN, BPR Artadamas Mandiri, BPR Arthakelola, BPR BBTM, BPR Bhakti Daya Ekonomi, BPR BKK Cilacap, BPR Citama, BPR Dana Agung Bakti, BPR DMG, BPR Kebomas, BPR NSI, BPR Pinang Artha, BPR Profidana, BPR Pujon, BPR Sukawati Pancakanti, BPR Surya Yudha Kencana, CU Sawiran, Dian Mandiri, DINARI, LPD Ambengan, LPD Bayung Gede, LPD Bedha, LPD Buah, LPD Celuk, LPD Ketewel, LPD Kukuh, LPD Kuta, LPD Pecatu, LPD Sibatana, LPD Ubung, MBK Ventura, TLM, WKP, YAMIDA.</i>
Laos	<i>IFDP</i>
Nepal	<i>DD Bank, DEPROSC-Nepal, FORWARD, GBNB, JSCCS, Mahila, Mahuli, MGBB, MPGBB, NERUDO, Nirdhan, NSSC, SB Bank, SPGBB.</i>
Pakistan	<i>DAMEN, FMFB - Pakistan, Kashf, Khushhali Bank, NMFB, POMFB, Rozgar, TMFB.</i>
Papua New Guinea	<i>PNG Microfinance Ltd</i>
Philippines	<i>1st Valley Bank, ABS-CBN, ASA Philippines, ASHI, ASKI, Bangko Kabayan, Bangko Mabuhay, BCB, Cantilan Bank, CARD Bank, CARD NGO, CBMO, CEVI, CMEDFI, DSPI, ECLOF - PHL, FAIR Bank, FCBFI, FICO, GM Bank, Green Bank, HSPFI, JVOFI, Kasagana-Ka, KBank, Kazama Grameen, KCCDFI, KMBI, Life Bank, Mallig Plains RB, MEDF, New RB of Victorias, NWTF, OMB, PALFSI, RB Datu Paglas, RB Digos, RB Lebak, RB Mabitac, RB Oroquieta, Banco Santiago de Libon, RB Solano, RB Sto. Tomas, RB Talisayan, RSPI, Serviamus, TSKI, TSPI, Valiant RB, VEF.</i>
Samoa	<i>SPBD</i>
Sri Lanka	<i>BRAC - LKA, RRDB, Ruhuna, SDBL, SEEDS.</i>
Thailand	<i>SED</i>
Vietnam	<i>CEP, M7 Can Loc, M7 DB District, M7 DBP City, M7 Dong Trieu, M7 Mai Son, M7 Ninh Phuoc, M7 Uong bi, TCVM Thanh Hoa, TYM, VBSP.</i>

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

2007 Asia Country Benchmarks – Median Values

	Afghanistan	Bangladesh	Cambodia	China	India	Indonesia
INSTITUTIONAL CHARACTERISTICS						
Number of MFIs in Sample	14	20	15	5	59	38
Age	4	17	11	6	9	15
Total Assets	3,890,323	16,476,396	12,335,829	1,132,155	8,161,635	1,330,005
Offices	8	143	21	4	41	2
Personnel	95	1,129	248	26	216	29
FINANCING STRUCTURE						
Capital/Asset Ratio	12.4%	12.7%	29.1%	31.5%	10.6%	14.7%
Commercial Funding Liabilities Ratio	0.0%	8.4%	64.6%	0.0%	94.1%	112.3%
Debt to Equity	6.4	7.4	2.4	0.2	8.4	5.3
Deposits to Loans	0.0%	6.5%	1.9%	0.0%	0.0%	90.8%
Deposits to Total Assets	0.0%	4.4%	1.6%	0.0%	0.0%	66.3%
Portfolio to Assets	62.9%	79.2%	85.6%	88.6%	84.3%	69.2%
OUTREACH INDICATORS						
Number of Active Borrowers	13,979	145,358	23,247	2,049	45,317	1,599
Percent of Women Borrowers	53.2%	98.9%	84.3%	85.0%	100.0%	50.8%
Number of Loans Outstanding	13,979	145,358	23,247	2,049	45,317	1,599
Gross Loan Portfolio	2,535,290	11,552,170	10,305,326	1,043,069	6,504,038	869,123
Average Loan Balance per Borrower	203	81	514	388	144	672
Average Loan Balance per Borrower/GNI per Capita	62.9%	16.6%	90.9%	16.7%	15.1%	44.1%
Average Outstanding Balance	203	82	514	388	132	672
Average Outstanding Balance/GNI per Capita	62.9%	16.6%	90.9%	15.8%	14.8%	44.1%
Number of Voluntary Depositors	-	59,075	241	-	-	3,183
Number of Voluntary Deposit Accounts	-	48,520	241	-	-	3,183
Voluntary Deposits	-	608,721	99,495	-	-	723,825
Average Deposit Balance per Depositor	n/a	19	738	n/a	47	263
Average Deposit Account Balance	n/a	15	738	n/a	47	263
MACROECONOMIC INDICATORS						
GNI per Capita	323	493	480	2,010	820	1,420
GDP Growth Rate	12.4%	5.6%	10.5%	10.7%	9.2%	5.5%
Deposit Rate	7.6%	9.2%	1.9%	4.1%	6.0%	8.0%
Inflation Rate	13.0%	9.1%	5.9%	4.8%	6.4%	6.4%
Financial Depth	18.0%	59.2%	23.6%	165.3%	70.6%	41.3%
OVERALL FINANCIAL PERFORMANCE						
Return on Assets	(12.4%)	(3.0%)	4.2%	(2.4%)	0.6%	(1.1%)
Return on Equity	(55.0%)	(16.4%)	14.1%	(5.1%)	8.2%	(3.8%)
Operational Self-Sufficiency	67.0%	101.2%	136.7%	102.5%	111.3%	119.9%
Financial Self-Sufficiency	58.9%	87.4%	125.8%	81.9%	106.7%	99.5%
REVENUES						
Financial Revenue/Assets	19.1%	20.0%	28.6%	10.6%	19.5%	25.0%
Profit Margin	(70.8%)	(14.5%)	20.5%	(22.1%)	6.3%	(0.5%)
Yield on Gross Portfolio (nominal)	31.8%	23.2%	36.0%	13.5%	20.8%	30.8%
Yield on Gross Portfolio (real)	16.6%	12.9%	28.5%	8.3%	13.6%	22.9%
EXPENSES						
Total Expense/Assets	28.0%	23.9%	23.2%	11.2%	18.0%	25.8%
Financial Expense/Assets	7.0%	7.6%	7.5%	3.6%	8.0%	9.9%
Provision for Loan Impairment/Assets	2.1%	2.1%	0.2%	0.0%	0.9%	3.1%
Operating Expense /Assets	19.5%	13.6%	15.8%	8.3%	8.1%	10.6%
Personnel Expense/Assets	12.3%	9.8%	8.6%	5.4%	4.7%	6.3%
Administrative Expense/Assets	6.7%	3.4%	6.1%	2.9%	3.3%	4.1%
Adjustment Expense/Assets	3.0%	3.9%	1.3%	1.6%	0.5%	4.0%
EFFICIENCY						
Operating Expense/Loan Portfolio	38.8%	17.2%	17.9%	11.7%	10.4%	15.3%
Personnel Expense/Loan Portfolio	24.6%	12.5%	9.8%	8.4%	6.2%	9.0%
Average Salary/GNI per Capita	14.3	2.6	7.5	0.9	1.9	1.9
Cost per Borrower	82	14	81	36	12	73
Cost per Loan	82	13	81	36	12	73
PRODUCTIVITY						
Borrowers per Staff Member	98	128	81	76	225	58
Loans per Staff Member	98	128	81	76	230	58
Borrowers per Loan Officer	149	202	211	121	318	129
Loans per Loan Officer	149	202	211	121	336	129
Voluntary Depositors per Staff Member	-	33	1	-	-	139
Deposit Accounts per Staff Member	-	29	1	-	-	139
Personnel Allocation Ratio	54.7%	59.7%	50.5%	63.0%	70.1%	48.2%
RISK AND LIQUIDITY						
Portfolio at Risk>30 Days	2.7%	3.8%	0.3%	0.0%	0.5%	1.9%
Portfolio at Risk>90 Days	1.4%	2.2%	0.1%	0.0%	0.2%	0.8%
Write-off Ratio	0.3%	1.9%	0.2%	0.0%	0.1%	2.3%
Loan Loss Rate	0.3%	1.9%	0.1%	0.0%	0.1%	2.3%
Risk Coverage Ratio	117.7%	85.0%	100.0%	n/a	106.8%	34.6%
Non-earning Liquid Assets as a % of Total Assets	34.3%	6.3%	1.9%	10.7%	5.3%	14.4%

2007 Asia Country Benchmarks – Median Values

	Nepal	Pacific Islands	Pakistan	Philippines	Sri Lanka	Vietnam
INSTITUTIONAL CHARACTERISTICS						
Number of MFIs in Sample	14	3	8	50	5	11
Age	13	7	4	20	9	10
Total Assets	6,128,543	2,760,557	14,363,407	6,272,660	48,919,665	604,477
Offices	19	9	33	11	48	1
Personnel	106	103	430	137	440	32
FINANCING STRUCTURE						
Capital/Asset Ratio	8.2%	11.1%	31.2%	17.7%	10.8%	50.3%
Commercial Funding Liabilities Ratio	100.9%	47.4%	62.9%	83.5%	78.0%	3.0%
Debt to Equity	10.5	1.1	2.3	4.2	7.9	1.0
Deposits to Loans	12.9%	35.1%	43.7%	34.5%	74.9%	3.0%
Deposits to Total Assets	7.2%	28.3%	13.4%	22.8%	57.4%	2.4%
Portfolio to Assets	61.2%	55.3%	36.0%	66.5%	74.2%	91.7%
OUTREACH INDICATORS						
Number of Active Borrowers	16,951	7,082	31,682	15,095	91,565	4,691
Percent of Women Borrowers	100.0%	n/a	16.3%	95.5%	47.6%	98.3%
Number of Loans Outstanding	17,455	7,082	31,682	15,095	119,634	4,691
Gross Loan Portfolio	2,469,148	2,226,665	5,369,303	4,090,743	34,550,646	550,825
Average Loan Balance per Borrower	163	240	187	186	244	94
Average Loan Balance per Borrower/GNI per Capita	47.8%	26.3%	22.5%	11.2%	18.7%	11.8%
Average Outstanding Balance	144	240	175	186	193	94
Average Outstanding Balance/GNI per Capita	42.1%	26.3%	21.0%	11.2%	13.3%	11.8%
Number of Voluntary Depositors	19,786	10,732	8,850	9,936	187,502	1,586
Number of Voluntary Deposit Accounts	27,676	10,732	8,850	9,936	250,003	1,586
Voluntary Deposits	318,598	782,213	341,513	1,574,117	13,287,252	9,209
Average Deposit Balance per Depositor	15	73	116	165	96	n/a
Average Deposit Account Balance	15	73	116	165	63	n/a
MACROECONOMIC INDICATORS						
GNI per Capita	341	840	770	1,671	1,447	792
GDP Growth Rate	2.5%	6.0%	6.2%	7.3%	6.3%	8.5%
Deposit Rate	2.2%	1.1%	8.9%	3.7%	9.1%	7.5%
Inflation Rate	6.1%	5.6%	7.6%	2.8%	15.8%	8.3%
Financial Depth	55.8%	n/a	48.0%	62.0%	43.3%	86.4%
OVERALL FINANCIAL PERFORMANCE						
Return on Assets	1.2%	(4.6%)	(12.1%)	0.6%	(1.7%)	1.0%
Return on Equity	20.4%	(9.3%)	(22.0%)	3.3%	(10.5%)	2.4%
Operational Self-Sufficiency	119.5%	95.7%	70.1%	111.3%	112.5%	143.1%
Financial Self-Sufficiency	118.8%	86.3%	50.8%	105.7%	97.9%	106.8%
REVENUES						
Financial Revenue/Assets	13.8%	27.4%	15.3%	30.7%	15.9%	16.5%
Profit Margin	15.8%	(15.9%)	(101.0%)	5.4%	(2.1%)	6.4%
Yield on Gross Portfolio (nominal)	20.4%	38.7%	27.9%	42.9%	17.9%	16.7%
Yield on Gross Portfolio (real)	13.5%	37.5%	18.9%	39.0%	3.6%	7.7%
EXPENSES						
Total Expense/Assets	13.2%	31.8%	25.7%	31.1%	17.0%	16.1%
Financial Expense/Assets	4.8%	4.6%	7.5%	4.6%	8.0%	6.5%
Provision for Loan Impairment/Assets	1.0%	0.5%	1.6%	1.9%	1.5%	1.3%
Operating Expense /Assets	6.5%	26.7%	16.6%	22.6%	7.1%	7.5%
Personnel Expense/Assets	4.8%	13.8%	10.1%	11.8%	4.4%	4.7%
Administrative Expense/Assets	1.3%	12.9%	6.5%	9.9%	2.9%	3.0%
Adjustment Expense/Assets	0.6%	0.1%	3.1%	1.2%	2.1%	4.5%
EFFICIENCY						
Operating Expense/Loan Portfolio	12.0%	44.5%	45.4%	31.3%	10.1%	7.9%
Personnel Expense/Loan Portfolio	8.0%	23.4%	23.3%	16.7%	5.5%	4.9%
Average Salary/GNI per Capita	6.4	4.8	4.4	2.4	2.3	1.0
Cost per Borrower	15	117	84	68	28	8
Cost per Loan	15	117	84	68	19	8
PRODUCTIVITY						
Borrowers per Staff Member	181	93	84	109	174	191
Loans per Staff Member	193	93	84	114	204	191
Borrowers per Loan Officer	272	208	181	211	393	219
Loans per Loan Officer	285	208	181	229	473	219
Voluntary Depositors per Staff Member	197	283	64	89	403	10
Deposit Accounts per Staff Member	232	283	64	89	538	10
Personnel Allocation Ratio	67.8%	50.0%	52.7%	57.4%	36.8%	77.8%
RISK AND LIQUIDITY						
Portfolio at Risk>30 Days	2.5%	2.0%	5.8%	4.5%	2.9%	0.0%
Portfolio at Risk>90 Days	1.4%	0.9%	3.5%	2.5%	2.5%	0.0%
Write-off Ratio	2.8%	1.4%	2.9%	4.4%	4.6%	1.1%
Loan Loss Rate	2.8%	1.4%	2.0%	2.7%	4.4%	1.1%
Risk Coverage Ratio	79.3%	49.5%	96.5%	74.5%	48.0%	100.0%
Non-earning Liquid Assets as a % of Total Assets	9.3%	14.4%	2.0%	4.0%	1.7%	7.5%

2007 Asia Benchmarks – Median Values

	Asia	Trends 2006	Trends 2007	Large	Medium	Small
INSTITUTIONAL CHARACTERISTICS						
Number of MFIs in Sample	244	184	184	82	74	88
Age	11	10	11	12	11	10
Total Assets	5,359,517	4,696,627	7,202,673	25,890,596	5,430,227	1,130,529
Offices	15	13	16	73	17	4
Personnel	134	130	151	690	135	36
FINANCING STRUCTURE						
Capital/Asset Ratio	15.2%	17.1%	15.7%	14.7%	10.8%	21.0%
Commercial Funding Liabilities Ratio	80.7%	73.1%	83.1%	81.6%	97.0%	59.3%
Debt to Equity	4.9	4.2	4.7	5.8	7.6	2.8
Deposits to Loans	2.1%	1.4%	3.5%	0.6%	2.5%	6.1%
Deposits to Total Assets	1.4%	0.9%	2.3%	0.5%	1.9%	2.7%
Portfolio to Assets	74.8%	73.8%	71.0%	79.1%	71.1%	67.4%
OUTREACH INDICATORS						
Number of Active Borrowers	18,117	15,967	20,938	129,704	22,089	3,036
Percent of Women Borrowers	97.7%	82.8%	80.3%	96.8%	100.0%	91.7%
Number of Loans Outstanding	18,206	16,295	21,608	132,688	22,396	3,211
Gross Loan Portfolio	3,592,235	2,876,947	4,313,535	20,390,238	3,913,259	833,873
Average Loan Balance per Borrower	165	151	184	162	177	184
Average Loan Balance per Borrower/GNI per Capita	19.6%	19.6%	20.6%	18.6%	21.4%	18.1%
Average Outstanding Balance	162	149	184	152	173	184
Average Outstanding Balance/GNI per Capita	18.6%	19.6%	20.0%	18.2%	21.4%	16.5%
Number of Voluntary Depositors	568	286	505	241	3,696	568
Number of Voluntary Deposit Accounts	209	222	228	209	-	485
Voluntary Deposits	45,560	51,557	122,977	201,488	73,859	35,077
Average Deposit Balance per Depositor	130	4.5	9.5	148	81	187
Average Deposit Account Balance	125	4.0	5.5	139	113	187
MACROECONOMIC INDICATORS						
GNI per Capita	1,013	775	1,013	820	952	1,420
GDP Growth Rate	7.3%	5.6%	7.3%	8.9%	7.3%	7.3%
Deposit Rate	6.0%	6.0%	6.0%	6.0%	6.0%	7.5%
Inflation Rate	6.4%	6.3%	6.4%	6.4%	6.4%	6.4%
Financial Depth	62.0%	53.3%	59.2%	62.0%	62.0%	51.9%
OVERALL FINANCIAL PERFORMANCE						
Return on Assets	0.2%	0.1%	0.2%	0.6%	(0.2%)	0.2%
Return on Equity	2.3%	2.3%	2.3%	3.0%	1.7%	1.3%
Operational Self-Sufficiency	113.2%	113.3%	112.5%	112.3%	112.9%	113.5%
Financial Self-Sufficiency	102.6%	101.8%	102.6%	107.5%	100.8%	101.5%
REVENUES						
Financial Revenue/Assets	20.5%	22.0%	22.6%	20.2%	20.5%	22.4%
Profit Margin	2.6%	1.8%	2.5%	6.9%	0.8%	1.5%
Yield on Gross Portfolio (nominal)	26.8%	28.4%	28.6%	24.9%	26.8%	30.8%
Yield on Gross Portfolio (real)	18.1%	19.5%	20.4%	16.8%	19.5%	22.0%
EXPENSES						
Total Expense/Assets	22.2%	22.6%	23.2%	20.9%	22.0%	25.6%
Financial Expense/Assets	6.9%	6.4%	6.9%	7.7%	6.7%	6.6%
Provision for Loan Impairment/Assets	1.3%	1.2%	1.3%	1.0%	1.5%	1.5%
Operating Expense /Assets	11.6%	12.9%	12.1%	10.7%	11.5%	14.1%
Personnel Expense/Assets	6.7%	7.2%	7.2%	5.9%	6.7%	8.2%
Administrative Expense/Assets	4.7%	5.9%	5.3%	4.4%	4.7%	5.6%
Adjustment Expense/Assets	1.8%	1.7%	1.8%	1.6%	1.4%	2.5%
EFFICIENCY						
Operating Expense/Loan Portfolio	16.0%	17.4%	16.6%	14.1%	16.4%	19.6%
Personnel Expense/Loan Portfolio	9.4%	10.2%	9.8%	8.3%	9.7%	12.0%
Average Salary/GNI per Capita	2.4	2.5	2.6	2.9	2.5	2.0
Cost per Borrower	37	42.5	47.0	26	26	52
Cost per Loan	36	42.0	45.5	22	26	52
PRODUCTIVITY						
Borrowers per Staff Member	129	116.7	119.7	160	133	84
Loans per Staff Member	131	117.3	123.7	165	140	86
Borrowers per Loan Officer	218	198.2	206.5	266	265	168
Loans per Loan Officer	236	200.3	215.0	272	275	168
Voluntary Depositors per Staff Member	3	1.4	2.0	1	15	31
Deposit Accounts per Staff Member	1	0.7	1.2	1	-	7
Personnel Allocation Ratio	61.4%	58.4%	58.2%	59.7%	62.0%	61.1%
RISK AND LIQUIDITY						
Portfolio at Risk>30 Days	1.7%	2.0%	1.8%	1.8%	2.3%	0.9%
Portfolio at Risk>90 Days	0.9%	0.9%	1.1%	1.1%	1.3%	0.4%
Write-off Ratio	1.0%	0.8%	1.1%	0.8%	1.2%	1.0%
Loan Loss Rate	0.9%	0.7%	1.1%	0.8%	1.2%	1.0%
Risk Coverage Ratio	79.9%	61.5%	62.5%	96.2%	73.8%	60.5%
Non-earning Liquid Assets as a % of Total Assets	5.8%	5.1%	5.5%	3.5%	7.0%	9.4%

2007 Asia Benchmarks – Median Values

	Asia Bank	Asia Cooperative	Asia NGO	Asia NBFI	Asia Rural Bank
INSTITUTIONAL CHARACTERISTICS					
Number of MFIs in Sample	6	12	103	66	57
Age	9	10	11	7	17
Total Assets	268,631,071	2,766,910	4,163,846	11,106,825	4,902,183
Offices	112	6	24	26	4
Personnel	2,439	36	161	236	47
FINANCING STRUCTURE					
Capital/Asset Ratio	20.0%	12.1%	18.4%	18.2%	12.5%
Commercial Funding Liabilities Ratio	48.6%	85.0%	34.9%	77.4%	120.4%
Debt to Equity	4.6	7.5	3.8	4.5	6.0
Deposits to Loans	29.1%	22.5%	0.0%	0.0%	96.7%
Deposits to Total Assets	15.4%	18.4%	0.0%	0.0%	67.0%
Portfolio to Assets	57.0%	81.6%	78.6%	78.2%	68.4%
OUTREACH INDICATORS					
Number of Active Borrowers	105,024	6,235	30,623	32,104	3,645
Percent of Women Borrowers	82.6%	100.0%	99.3%	96.5%	65.3%
Number of Loans Outstanding	105,024	6,235	30,623	33,729	3,645
Gross Loan Portfolio	171,036,420	1,840,562	3,471,665	6,869,744	2,372,723
Average Loan Balance per Borrower	267	237	104	180	638
Average Loan Balance per Borrower/GNI per Capita	31.6%	23.2%	13.3%	27.1%	48.5%
Average Outstanding Balance	267	237	103	169	638
Average Outstanding Balance/GNI per Capita	31.6%	23.2%	12.8%	24.2%	47.9%
Number of Voluntary Depositors	10,921	3,000	-	-	9,936
Number of Voluntary Deposit Accounts	10,921	3,348	-	-	10,891
Voluntary Deposits	23,518,756	193,659	-	-	2,063,626
Average Deposit Balance per Depositor	950	148	15	114	263
Average Deposit Account Balance	950	114	15	97	263
MACROECONOMIC INDICATORS					
GNI per Capita	683	1,013	820	785	1,420
GDP Growth Rate	7.9%	9.2%	7.3%	9.2%	6.3%
Deposit Rate	5.6%	6.0%	6.0%	6.0%	8.0%
Inflation Rate	7.1%	6.4%	6.4%	6.4%	6.4%
Financial Depth	60.6%	63.0%	62.0%	48.4%	41.3%
OVERALL FINANCIAL PERFORMANCE					
Return on Assets	(0.6%)	0.8%	0.6%	(0.6%)	(0.1%)
Return on Equity	(5.2%)	8.8%	2.4%	(0.8%)	3.0%
Operational Self-Sufficiency	105.8%	115.1%	110.9%	109.6%	121.7%
Financial Self-Sufficiency	101.3%	102.6%	102.6%	100.7%	104.1%
REVENUES					
Financial Revenue/Assets	17.8%	17.5%	22.1%	20.0%	21.7%
Profit Margin	0.9%	2.6%	2.6%	0.7%	3.9%
Yield on Gross Portfolio (nominal)	28.3%	17.9%	25.7%	26.9%	29.0%
Yield on Gross Portfolio (real)	17.2%	10.3%	15.9%	17.4%	23.9%
EXPENSES					
Total Expense/Assets	17.4%	16.5%	23.1%	22.6%	21.9%
Financial Expense/Assets	4.2%	7.8%	6.5%	7.5%	7.2%
Provision for Loan Impairment/Assets	1.7%	0.7%	1.3%	0.8%	2.0%
Operating Expense /Assets	10.7%	5.6%	13.5%	11.9%	9.9%
Personnel Expense/Assets	5.9%	3.4%	8.7%	7.1%	5.1%
Administrative Expense/Assets	4.8%	2.2%	4.8%	5.6%	4.3%
Adjustment Expense/Assets	1.6%	1.2%	1.5%	1.7%	2.6%
EFFICIENCY					
Operating Expense/Loan Portfolio	19.9%	8.0%	16.6%	16.7%	15.9%
Personnel Expense/Loan Portfolio	10.8%	4.3%	11.6%	9.5%	8.6%
Average Salary/GNI per Capita	5.3	1.7	2.1	3.8	2.4
Cost per Borrower	70	19	19	38	93
Cost per Loan	70	19	17	35	88
PRODUCTIVITY					
Borrowers per Staff Member	96	166	149	155	73
Loans per Staff Member	96	166	160	158	74
Borrowers per Loan Officer	136	283	239	282	165
Loans per Loan Officer	136	283	249	287	165
Voluntary Depositors per Staff Member	37	139	-	-	186
Deposit Accounts per Staff Member	37	169	-	-	215
Personnel Allocation Ratio	61.1%	59.7%	63.7%	57.4%	50.4%
RISK AND LIQUIDITY					
Portfolio at Risk>30 Days	4.1%	2.0%	1.6%	0.7%	4.2%
Portfolio at Risk>90 Days	2.2%	1.0%	1.0%	0.4%	2.3%
Write-off Ratio	0.3%	1.7%	0.9%	0.4%	4.0%
Loan Loss Rate	0.0%	1.7%	0.8%	0.4%	2.7%
Risk Coverage Ratio	125.7%	55.1%	96.0%	88.8%	48.8%
Non-earning Liquid Assets as a % of Total Assets	3.7%	3.6%	8.4%	4.9%	3.5%

2007 East Asia and Pacific Benchmarks – Median Values

	EAP Bank	EAP Cooperative	EAP NGO	EAP NBFI	EAP Rural Bank
INSTITUTIONAL CHARACTERISTICS					
Number of MFIs in Sample	4	3	48	17	52
Age	9	1	10	11	18
Total Assets	240,565,777	679,949	1,646,284	11,419,419	3,129,130
Offices	110	4	8	16	3
Personnel	2,314	15	80	157	36
FINANCING STRUCTURE					
Capital/Asset Ratio	32.3%	5.0%	34.5%	29.1%	13.9%
Commercial Funding Liabilities Ratio	88.9%	107.7%	21.8%	61.0%	120.2%
Debt to Equity	2.2	19.9	1.3	2.4	5.8
Deposits to Loans	68.5%	87.2%	0.0%	1.4%	100.2%
Deposits to Total Assets	27.9%	70.4%	0.0%	1.1%	68.1%
Portfolio to Assets	62.0%	83.4%	70.8%	85.6%	68.7%
OUTREACH INDICATORS					
Number of Active Borrowers	105,024	1,862	10,581	18,118	3,211
Percent of Women Borrowers	82.6%	n/a	95.7%	84.4%	46.4%
Number of Loans Outstanding	105,024	1,862	10,581	18,118	3,211
Gross Loan Portfolio	159,348,077	623,352	1,080,901	4,218,960	2,181,223
Average Loan Balance per Borrower	267	218	104	355	753
Average Loan Balance per Borrower/GNI per Capita	28.7%	13.7%	8.3%	60.4%	48.2%
Average Outstanding Balance	267	218	103	355	711
Average Outstanding Balance/GNI per Capita	28.7%	13.7%	7.8%	60.4%	46.4%
Number of Voluntary Depositors	12,415	3,000	-	214	9,459
Number of Voluntary Deposit Accounts	12,415	3,000	-	214	10,325
Voluntary Deposits	63,143,538	543,841	-	99,495	2,096,326
Average Deposit Balance per Depositor	1,386	181	19	429	319
Average Deposit Account Balance	1,386	181	19	429	310
MACROECONOMIC INDICATORS					
GNI per Capita	1,232	1,420	1,671	480	1,666
GDP Growth Rate	7.9%	5.5%	7.3%	10.5%	6.3%
Deposit Rate	3.7%	8.0%	3.7%	1.9%	8.0%
Inflation Rate	4.4%	6.4%	2.8%	5.9%	6.4%
Financial Depth	62.0%	41.3%	62.0%	23.6%	41.3%
OVERALL FINANCIAL PERFORMANCE					
Return on Assets	(3.2%)	0.5%	0.5%	4.2%	0.4%
Return on Equity	(7.9%)	3.5%	1.0%	13.4%	3.3%
Operational Self-Sufficiency	94.0%	107.4%	106.1%	137.2%	122.6%
Financial Self-Sufficiency	88.8%	101.3%	102.2%	125.8%	105.7%
REVENUES					
Financial Revenue/Assets	20.5%	34.5%	31.2%	28.4%	23.0%
Profit Margin	(17.8%)	1.3%	2.2%	20.5%	5.4%
Yield on Gross Portfolio (nominal)	30.7%	41.6%	42.4%	34.6%	29.3%
Yield on Gross Portfolio (real)	25.4%	33.1%	35.9%	27.2%	24.1%
EXPENSES					
Total Expense/Assets	23.8%	41.3%	32.1%	22.9%	22.5%
Financial Expense/Assets	4.2%	10.6%	5.3%	6.9%	7.1%
Provision for Loan Impairment/Assets	1.7%	0.0%	1.7%	0.1%	2.2%
Operating Expense /Assets	17.4%	26.1%	25.2%	14.0%	10.3%
Personnel Expense/Assets	9.3%	13.9%	14.4%	7.9%	5.2%
Administrative Expense/Assets	8.1%	11.8%	10.3%	5.6%	4.5%
Adjustment Expense/Assets	2.0%	1.4%	1.7%	1.5%	2.8%
EFFICIENCY					
Operating Expense/Loan Portfolio	30.5%	33.4%	36.9%	17.9%	15.9%
Personnel Expense/Loan Portfolio	16.2%	17.8%	21.4%	9.8%	8.6%
Average Salary/GNI per Capita	4.8	0.7	1.9	6.4	2.3
Cost per Borrower	70	71	40	54	98
Cost per Loan	70	71	39	54	98
PRODUCTIVITY					
Borrowers per Staff Member	96	60	143	93	63
Loans per Staff Member	96	60	146	93	70
Borrowers per Loan Officer	142	133	218	234	152
Loans per Loan Officer	142	133	219	234	161
Voluntary Depositors per Staff Member	55	200	-	1	191
Deposit Accounts per Staff Member	55	200	-	1	216
Personnel Allocation Ratio	57.0%	45.2%	63.2%	47.8%	44.7%
RISK AND LIQUIDITY					
Portfolio at Risk>30 Days	4.3%	0.0%	1.7%	0.2%	4.3%
Portfolio at Risk>90 Days	2.2%	0.0%	0.9%	0.1%	2.2%
Write-off Ratio	0.6%	8.2%	1.0%	0.2%	3.4%
Loan Loss Rate	0.6%	8.2%	1.0%	0.1%	2.6%
Risk Coverage Ratio	70.2%	n/a	86.7%	94.4%	48.8%
Non-earning Liquid Assets as a % of Total Assets	3.7%	3.3%	10.9%	1.9%	3.5%

2007 South Asia Benchmarks – Median Values

	S Asia Cooperative	S Asia NGO	S Asia NBF	S Asia Rural Bank
INSTITUTIONAL CHARACTERISTICS				
Number of MFIs in Sample	9	55	49	5
Age	10	12	6	12
Total Assets	3,908,714	8,161,635	10,794,231	11,109,748
Offices	6	50	26	30
Personnel	44	368	304	248
FINANCING STRUCTURE				
Capital/Asset Ratio	13.9%	9.4%	13.6%	0.9%
Commercial Funding Liabilities Ratio	76.3%	66.9%	81.6%	216.8%
Debt to Equity	6.2	9.4	5.8	47.9
Deposits to Loans	13.0%	0.0%	0.0%	26.7%
Deposits to Total Assets	7.4%	0.0%	0.0%	18.5%
Portfolio to Assets	79.5%	80.1%	74.2%	44.8%
OUTREACH INDICATORS				
Number of Active Borrowers	8,743	62,729	47,062	42,856
Percent of Women Borrowers	100.0%	99.8%	100.0%	86.5%
Number of Loans Outstanding	8,743	62,729	47,717	42,856
Gross Loan Portfolio	2,226,667	6,332,314	7,061,893	4,799,459
Average Loan Balance per Borrower	255	109	162	188
Average Loan Balance per Borrower/GNI per Capita	25.3%	16.3%	19.3%	53.3%
Average Outstanding Balance	255	103	150	188
Average Outstanding Balance/GNI per Capita	25.3%	16.3%	18.4%	53.3%
Number of Voluntary Depositors	2,346	-	-	43,843
Number of Voluntary Deposit Accounts	3,696	-	-	54,279
Voluntary Deposits	185,300	-	-	1,979,714
Average Deposit Balance per Depositor	114	13	74	45
Average Deposit Account Balance	79	11	63	50
MACROECONOMIC INDICATORS				
GNI per Capita	1,013	820	820	341
GDP Growth Rate	9.2%	9.2%	9.2%	2.5%
Deposit Rate	6.0%	6.0%	6.0%	2.2%
Inflation Rate	6.4%	6.4%	6.4%	6.1%
Financial Depth	70.2%	59.2%	70.2%	55.8%
OVERALL FINANCIAL PERFORMANCE				
Return on Assets	2.3%	0.6%	(1.7%)	(2.7%)
Return on Equity	10.7%	6.0%	(8.3%)	(11.4%)
Operational Self-Sufficiency	130.0%	113.2%	105.3%	102.2%
Financial Self-Sufficiency	121.1%	103.0%	96.9%	76.4%
REVENUES				
Financial Revenue/Assets	15.2%	19.2%	18.2%	11.8%
Profit Margin	17.4%	2.9%	(3.1%)	(30.9%)
Yield on Gross Portfolio (nominal)	16.9%	23.3%	24.9%	27.9%
Yield on Gross Portfolio (real)	9.6%	13.7%	15.9%	20.6%
EXPENSES				
Total Expense/Assets	13.2%	21.4%	21.1%	18.4%
Financial Expense/Assets	7.7%	7.8%	7.5%	7.2%
Provision for Loan Impairment/Assets	1.3%	1.2%	1.0%	2.0%
Operating Expense /Assets	5.1%	9.8%	11.4%	5.9%
Personnel Expense/Assets	2.8%	6.8%	6.2%	5.0%
Administrative Expense/Assets	1.8%	3.4%	5.5%	0.9%
Adjustment Expense/Assets	0.8%	1.2%	2.1%	2.0%
EFFICIENCY				
Operating Expense/Loan Portfolio	5.7%	13.6%	16.3%	15.1%
Personnel Expense/Loan Portfolio	3.8%	9.2%	9.3%	10.3%
Average Salary/GNI per Capita	1.8	2.4	3.2	6.7
Cost per Borrower	14	14	26	28
Cost per Loan	14	13	23	28
PRODUCTIVITY				
Borrowers per Staff Member	181	166	160	152
Loans per Staff Member	181	168	164	152
Borrowers per Loan Officer	324	254	293	203
Loans per Loan Officer	324	259	311	203
Voluntary Depositors per Staff Member	94	-	-	177
Deposit Accounts per Staff Member	97	-	-	186
Personnel Allocation Ratio	66.7%	65.7%	64.8%	64.4%
RISK AND LIQUIDITY				
Portfolio at Risk>30 Days	2.5%	1.6%	1.7%	4.0%
Portfolio at Risk>90 Days	1.2%	1.0%	0.7%	2.7%
Write-off Ratio	0.0%	0.6%	0.7%	14.0%
Loan Loss Rate	0.0%	0.6%	0.7%	14.0%
Risk Coverage Ratio	69.3%	115.4%	87.4%	55.7%
Non-earning Liquid Assets as a % of Total Assets	9.8%	7.1%	6.3%	6.6%

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