

Introduction

For the second year running, MIX presents its **Composite Ranking** of the performance of microfinance institutions. Based on data published on MIX Market, the MIX Global 100 Composite Ranking highlights institutions that achieve high outreach and low transaction costs while being both profitable and transparent. The ranking offers a view onto well rounded, leading microfinance service providers¹.

In its first year, the MIX Global 100 Composite Ranking purported to be “a starting point for investigations into microfinance institutions,” a focal point for discussions on attributes of a well performing MFI. To judge by industry reactions, both private and public, the concept largely met that goal. Readers wrote in and spoke out about the ranking and offered feedback on how to improve it. MIX has benefited from this discussion, and the section on “An Evolving Methodology” highlights some of the changes in store for future editions of the **MIX Global 100 Composite Ranking**.

Interpreting the Results

The MIX Global 100 Composite Ranking presents 100 leading microfinance institutions, out of a sample of 652 that are *profitable* and top performers for the balance of

Table of Contents

Introduction	1
Interpreting the Results	1
Highlights	3
MIX Global 100 Composite Ranking	6
Ranking Methodology	10
Glossary of Terms and Definitions	13

results achieved among three key attributes: *outreach*, *efficiency*, and *transparency*. When each of these areas is viewed as a goal of microfinance, this ranking measures the balance achieved by an individual MFI, relative to the other MFIs considered for the ranking.

High performing microfinance institutions seek to maximize performance in a number of areas such as improving outreach, minimizing risk, reducing cost, and strengthening returns. Yet, as any manager knows, maximizing performance on all fronts at once is often an unattainable goal. How much can an MFI leverage staff resources be-

What is the MIX Global 100 Composite Ranking?

The MIX Global 100 Composite Ranking attempts to provide a composite picture of MFI performance using a series of attributes: outreach, efficiency, and transparency. It does not purport to be the definitive microfinance ranking, but does intend to offer a starting point for analysis of institutions operating in the sector.

While readers may use the Composite Ranking results for many analytical purposes, several are explicitly not intended. The MIX Global 100 Composite Ranking does not make a statement on development impact of any individual MFI. It is not intended to be a buy list of MFIs. The institutions have not been screened for their openness to foreign investment nor for the legality or practicality of cross-border investment in securities which they might issue. The Composite Ranking is also not intended to be a rating of the MFIs presented. The simplistic quantitative methodology used to construct the rankings does not replicate the scope and depth necessary to provide anything like a rating, and far less, a recommendation.

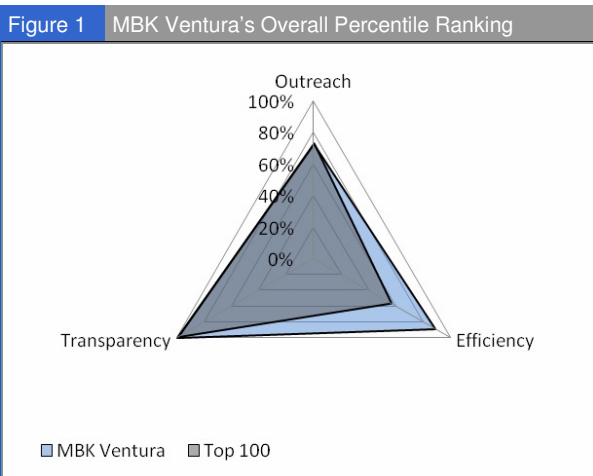
1. An Excel based tool containing the full ranking can be downloaded from www.themix.org/Industry Data/Analysis/Publications. Separate category rankings can be found with the Excel-based version of the composite ranking online. Readers can review all individual MFIs' performance online at www.mixmarket.org/Demand.

fore risk management declines and repayment suffers? How fast can service expand without jeopardizing portfolio quality? How do high profits impact growth? Juggling performance on several fronts often involves trade-offs or assigning priorities for improvements. What is the right balance between an MFI's operations and best service to the poor, especially over the long term?

The MIX Global 100 Composite Ranking and its various criteria seek to reflect that balance. MBK Ventura (Indonesia) ranked number 1 in this year's survey. How did their results earn them this ranking? The following paragraphs illustrate the methodology through an analysis of MBK Ventura. Readers can use the same steps to interpret the placement of any MFI listed in the ranking and in the full Excel document referenced in the footnote on the first page.

Visually, **Figure 1** captures MBK Ventura's ranking according to each area of performance, and presents its percentile rankings against the average for the top 100. In the Composite Ranking, each MFI's performance results are converted to percentile rankings (i.e. 99.00 percent means that 99 percent of peer results are lower than the MFI's) and then into commonly used order rankings (e.g., #1 is higher than #2). This Composite Ranking uses percentile rankings to compare and analyze data as they reflect both order – which is higher – and distance – how close is the next observation.

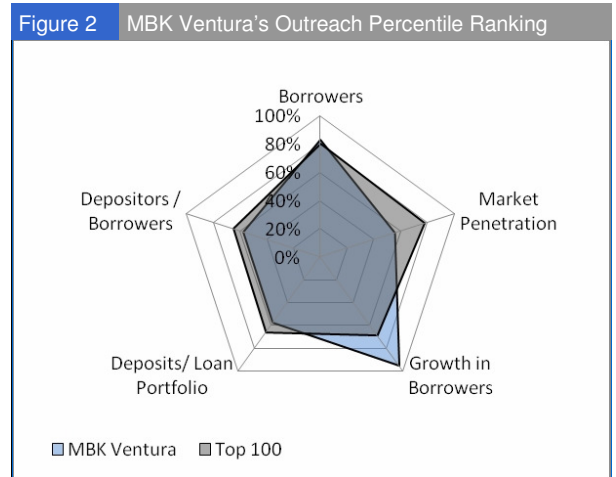
In order to be considered for the ranking, MBK Ventura met minimum *profitability* requirements. To measure profitability, the ranking considers the last three year's returns, and looks for MFIs that have covered 100 percent of their



Source: 2008 MIX Global 100 Composite Ranking based on data from MIX Market available on Dec. 1, 2008. Top 100 results are averages of percentile rankings for the top 100 MFIs in the MIX Global 100 Composite Ranking.

costs at least once in that period and that have covered 90 percent or more in 2007. In fact, MBK Ventura earned positive returns for all three years, and achieved 105 percent Operational Self Sufficiency (OSS) in 2007.

Once it met the profitability screen, MBK Ventura was ranked, along with 651 other MFIs, according to the three performance pillars, each a composite of related measures: outreach, efficiency, and transparency.

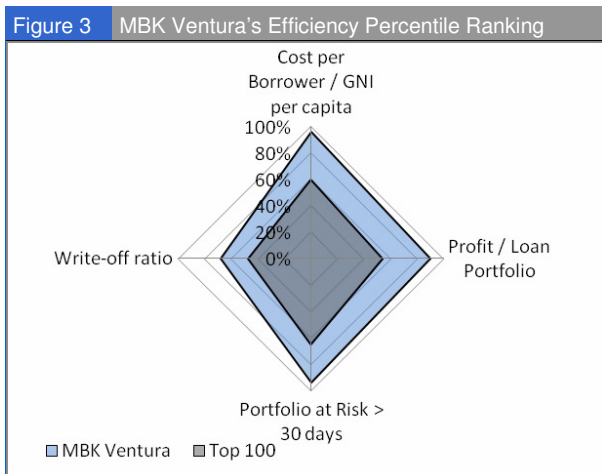


Source: 2008 MIX Global 100 Composite Ranking based on data from MIX Market available on Dec. 1, 2008. Top 100 results are averages of percentile rankings for the top 100 MFIs in the MIX Global Composite Ranking.

While MBK Ventura ranked first in overall performance, it achieved a lower percentile ranking than its peers in the *outreach* category. This category measures an MFI's ability to increase access to financial services. On two important components, this MFI scored highly: at the end of 2007, it served 64,000 borrowers and more than doubled its outreach in a single year, demonstrating significant growth. As **Figure 2** shows, MBK Ventura beat the top 100 average percentile ranking on this last element. However, in a large country like Indonesia with a significant poor population, MBK Ventura's outreach has yet to register significant market penetration, ranking 20 percent below the average percentile ranking for the top 100. Likewise, similar to many non bank financial institutions, this MFI cannot offer savings services to its clients. The lack of deposit services placed the institution just below the top 100 average. These last three measures pulled down MBK Ventura's outreach percentile ranking to 72.63 percent, in line with the average for the entire MIX Global 100 Composite Ranking of 73.19 percent.

MBK Ventura led the rankings through its *efficiency*, excelling at minimizing costs to its clients. In all four areas, the MFI beat the top 100 average percentile ranking by

significant margins, as **Figure 3** depicts. By keeping transaction costs low, managing portfolio quality to minimize credit default, and making profits a small component of overall earnings, MBK Ventura reduced the costs that clients pay to access services. At less than 1 percent of GNI per capita, MBK Ventura's operations generated one-third the average operating cost of the top 10 MFIs, and one-seventh that of the top 100. The institution also registered no write-offs and practically no portfolio at risk, demonstrating the high portfolio quality. Finally, while MBK Ventura was profitable, its profit as a percentage of average loan portfolio – or the profit margin built into its yield – totaled just 0.4 percent, the second lowest of the top ten ranking MFIs, and less than a quarter of the average for the same group. With such low overall costs to clients, MBK Ventura ranked at 88.92 percent, the highest efficiency percentile ranking of any MFI in the top 100.

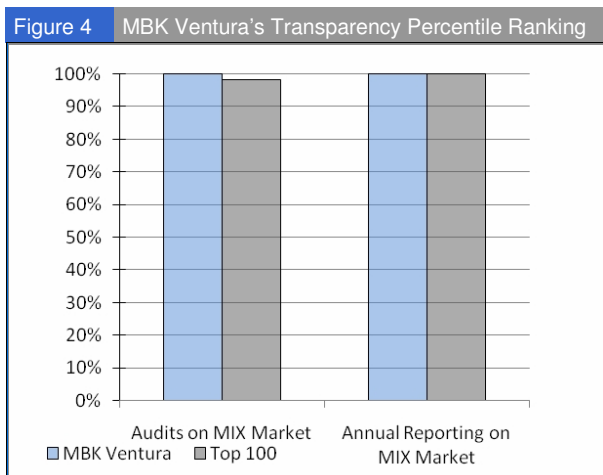


Source: 2008 MIX Global 100 Composite Ranking based on data from MIX Market available on Dec. 1, 2008. Top 100 results are averages of percentile rankings for the top 100 MFIs in the MIX Global 100 Composite Ranking.

MBK Ventura also ensured that the above achievements were **transparent** to the entire microfinance community. It posted three or more years of full financial and operating data on MIX Market, including two or more years of audit reports. Like many MFIs in this ranking MBK Ventura tied with leading MFIs at the 100th percentile ranking in transparency.

On the whole, as **Figure 1** captured, MBK Ventura met average MIX Global 100 Composite Ranking performance in outreach, but topped the charts in efficiency. This last pillar ranking pushed the MFI to the number 1 spot, with the most well rounded performance under the three categories.

For more technical details on constructing the ranking please consult the section on Methodology on page 10.



Source: 2008 MIX Global 100 Composite Ranking based on data from MIX Market available on Dec. 1, 2008. Top 100 results are averages of percentile rankings for the top 100 MFIs in the MIX Global 100 Composite Ranking

Highlights

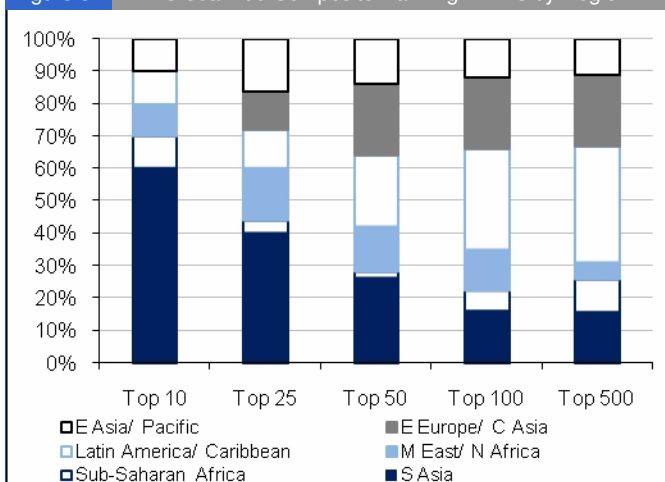
The 2008 MIX Global 100 Composite Ranking surveyed the business results of 971 institutions for FY 2007, an increase of nearly 20 percent over the 2007 sample set which referenced FY 2006 results. Leading performers were drawn from a diverse sample of MFIs that served over 67 million borrowers with over USD 35 billion in loans, and held USD 15 billion in deposits from 65 million microfinance clients. As **Figure 5** and **Figure 6** highlight, this year's survey ranked MFIs from all regions of the globe and included the range of service providers, from banks and other regulated financial institutions, to non profits and community owned cooperatives. The following pages offer some highlights of what the ranking shows.

- **MFIs from South Asia and the Middle East and North Africa (MENA) ranked higher in MIX Global 100 Composite Ranking** than those from other regions. S. Asian MFIs made up a quarter of the top 50 spots, while representing only 15 percent of the full sample. Half of all MENA MFIs ranked in the top 100. MFIs in both regions benefited from strong growth results and low costs of service. MENA MFIs reached above average market penetration in at least two markets (Jordan, Morocco), and managed to reduce their costs per borrower to under 60 percent of average costs for the top 100, a feat matched by S. Asian MFIs.
- Leading that S. Asian contingent, **India was the only country with 10 or more MFIs in the ranking**, seven of which scored in the top 50. Five other countries posted five or more MFIs, including Cambodia, Bosnia, Colombia, Ecuador and Morocco. Indian MFIs in

the top 100 averaged above 50 percent growth in borrowers over the prior year, with the MFI in the second spot adding more than 200 percent more borrowers in the same year that it crossed one million clients. Top level efficiency also boosted their ranking, as Indian MFIs in the Composite Ranking kept costs to less than a quarter of the average, at 1.5 percent of GNI per capita, buoyed by low labor costs and high productivity.

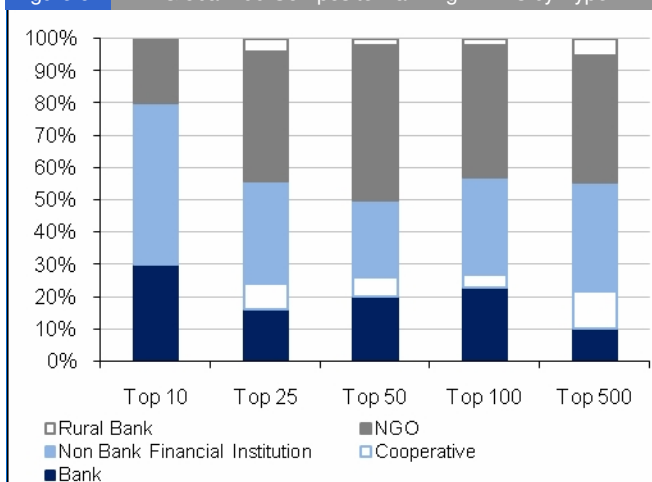
- Similar to last year, ***banks scored proportionately better in the rankings*** than institutions of other charter types. As **Figure 6** shows, banks represented a small group in the overall ranking; yet, half their sample claimed spots in the top 100, more than twice as many as samples of NGOs, NBFIs or other types of institutions. Few of the top ranked banks beat the global median growth rate of 20 percent, but their scale and service breadth (generally including both savings and credit) pushed many to the top 100. In their respective countries, banks achieved broad outreach, averaging 4.6 percent market penetration, nearly double the top 100 average.
- Few start-up institutions reached top spots in the Composite Ranking, as ***mature institutions with more than 10 years experience dominated the list***. Despite their age, these established MFIs rapidly expanded their service – more than 10 mature MFIs doubled their borrower base in 2007. They also benefited from an established presence and above average market penetration to take top spots in outreach. Only nine institutions of less than five years of operations ranked in the top 100.
- Of those young MFIs that did take top spots, five were affiliates of global networks. In total, ***global network affiliates claimed over a quarter of the top 100 spots***. Affiliates from Accion, ProCredit, FINCA, AKAM, Opportunity, ProMujer and WWB all made the list. No single factor raised network performance levels, as institutions varied greatly among networks. Some grew at more than 100 percent (FINCA) expanding access to credit, while others (AKAM, ProCredit) offered significant deposit taking services.
- ***Efficiency remains a challenge for MFIs in the Composite Ranking***, but marks have improved over last year. Between outreach and efficiency, top 100 MFIs score lower in efficiency than in outreach, with an average 56.5 percent ranking in efficiency compared with a 73.2 percent ranking in outreach. However, for the first year, five MFIs posted efficiency rankings above the 80th percentile, including this year's number one MFI. Overall performance of the top 100 improved five percentage points from an average 50.1 for the prior year results.
- ***Top 100 MFIs showed improved results in many performance areas***, including outreach. While average growth rates remained steady around 50 percent in 2007, this growth resulted in significant increases in outreach, from an average 146,000 to 208,000 clients per MFI in the ranking. As client outreach expanded faster than population growth, market penetration for the top 100 improved from an average 1.7 to 2.3 percent of population living below the poverty line.
- While the top 100 retained over two-thirds of its MFIs from 2007, ***many MFIs moved rankings between 2007 and 2008***, as **Figure 7** highlights. Few institutions remained in the same segment of the Composite Ranking as last year. Of MFIs in the top 10 for 2007 (based on a current, more updated sample of institutions), only two MFIs remained in the top 10. Nearly half of this year's top 100 moved more than 10 slots, and 11 increased their overall ranking by more than 10 percentage points. In all cases, improvements in the efficiency ranking boosted their overall ranks.
- What caused these MFIs to rise in the rankings? ***Ranking climbers moved up with gains in efficiency***. While many factors led to improvement rankings for individual MFIs, greater efficiency made the biggest impact. Of the 51 MFI that moved up 10 or more spots over last year's ranking, two-thirds improved their efficiency ranking more than their outreach ranking. For this group of climbers, the overall efficiency percentile went from 48.1 percent to 56.3 percent.
- ***Changes in efficiency rankings also brought down last year's top ranked MFIs***, including the top ranked Zakoura. Similar to last year, Zakoura managed to achieve above the 80th percentile in the outreach rankings, but it slipped in efficiency. In fact, its drop in rankings may represent trade-offs between growth and portfolio quality that the Composite Ranking is intended to capture. In a competitive marketplace, large scale Zakoura pursued strong growth, but experienced more volatile portfolio quality. The increase in portfolio at risk from less than 1 percent to nearly 3 percent at the end of 2007 brought down Zakoura's efficiency percentile ranking to 53.48 percent, impacting its overall ranking.

Figure 5 MIX Global 100 Composite Ranking—MFIs by Region



Source: 2008 MIX Global 100 Composite Ranking based on data from MIX Market available on Dec. 1, 2008.

Figure 6 MIX Global 100 Composite Ranking—MFIs by Type



Source: 2008 MIX Global 100 Composite Ranking based on data from MIX Market available on Dec. 1, 2008.

Figure 7 MIX Global 100 Composite Ranking—Movement from 2007 Rankings

2008 MIX Global 100 Composite Ranking—Movement from 2007

Region	Down	Up	n/a
East Asia & Pacific	2	9	1
Eastern Europe & Central Asia	6	16	
Latin America & the Caribbean	11	20	
Middle East and North Africa	5	8	
Sub-Saharan Africa	2	3	
South Asia	6	9	1
Grand Total	32	65	2

Source: 2008 MIX Global 100 Composite Ranking based on data from MIX Market available on Dec. 1, 2008.

An Evolving Methodology

This second edition of the MIX Global 100 Composite Ranking highlights the achievements that MFIs have made in expanding access to financial services, while minimizing costs to clients. These two goals, along with transparency and profitable operations, combine to present a picture of well rounded MFI performance. Yet, as several readers of last year's report noted, the Composite Ranking is still a work in progress. For some, it does not yet capture the breadth of institutional performance; for others, it glosses over nuances of some of the existing attributes. The methodology, like the sector, will evolve.

Two areas for future consideration include social performance measures and segmentation of credit products. As the industry adopts common social performance reporting standards, the Composite Ranking methodology will add this reporting to its attributes of transparency, and – eventually – to its measures of overall performance. Likewise, as the microcredit markets evolve, MFIs expand their product range and new entrants come to microfinance with new credit products. As MIX has already seen in its Latin American rankings, information on portfolio credit products provides a more complete picture of outreach. As information on microcredit portfolios improves in other regions, the Composite Ranking methodology will add this information to offer a better picture of borrower outreach. In both instances, additional information in these and other areas will improve the Composite Ranking's ability to measure transparency and other areas of performance.

MIX Global 100 Composite Ranking

2008 Ranking		MFI		2007 Ranking		Outreach			
Ranking	Overall Percentile	MFI Name	Country	Ranking	Overall Percentile	Borrowers (nb)	Market Penetration (%)	Growth in Borrowers (%)	Deposits/Loan Portfolio (%)
1	87.18%	MBK Ventura	Indonesia	23	76.97%	64,548	0.2	135.8	-
2	85.77%	SKS	India	1	84.05%	1,629,474	0.5	217.6	-
3	82.49%	SDBL	Sri Lanka	136	69.84%	93,797	2.1	29.3	0.9
4	81.78%	Cashpor MC	India	n/a	n/a	303,245	0.1	50.4	-
5	81.56%	BRAC	Bangladesh	56	73.95%	6,397,635	8.1	40.6	0.0
6	81.50%	JVS	Nepal	105	71.46%	19,439	0.2	131.0	0.2
7	80.58%	FMFB - Pakistan	Pakistan	16	77.51%	101,394	0.2	93.8	1.3
8	80.45%	Tamweelcom	Jordan	12	78.55%	31,407	3.9	77.2	-
9	80.13%	BANTRA	Peru	22	76.99%	768,239	5.2	36.3	0.9
10	79.89%	Al Amana	Morocco	5	82.06%	481,303	8.2	18.7	-
11	79.86%	Credi Fe	Ecuador	10	79.10%	80,339	1.3	21.0	-
12	79.75%	Sarvodaya Nano Finance	India	14	78.41%	174,911	0.1	50.0	-
13	79.62%	ProCredit Bank - BIH	Bosnia and Herzegovina	15	78.30%	68,752	9.3	61.9	0.4
14	79.52%	ESAF	India	13	78.45%	145,712	0.0	32.3	-
15	79.22%	CARD Bank	Philippines	137	69.82%	117,195	0.5	188.4	0.5
16	78.85%	ASC Union	Albania	20	77.05%	13,460	1.7	26.3	0.1
17	78.81%	FINCA - ARM	Armenia	357	59.53%	18,315	1.2	112.0	-
18	78.38%	Enda	Tunisia	32	76.28%	63,794	8.2	62.8	-
19	78.35%	AMK	Cambodia	17	77.25%	120,111	2.4	79.3	0.0
20	78.33%	BURO Bangladesh	Bangladesh	24	76.91%	354,020	0.4	34.4	0.4
21	78.30%	Zakoura	Morocco	2	83.15%	443,016	7.6	40.1	-
22	78.24%	Spandana	India	6	81.84%	1,188,861	0.4	29.8	-
23	78.12%	CARD NGO	Philippines	30	76.32%	320,299	1.5	100.6	-
24	77.96%	COAC Jardín Azuayo	Ecuador	29	76.38%	25,491	0.4	19.6	1.0
25	77.86%	NWTF	Philippines	70	73.35%	76,203	0.3	14.5	0.0
26	77.75%	ProCredit Bank - ROM	Romania	42	75.09%	39,269	0.7	32.6	0.4
27	77.69%	Kashf	Pakistan	25	76.75%	295,396	0.6	117.2	0.0
28	77.56%	ProCredit - SLV	El Salvador	59	73.91%	70,666	2.8	12.3	0.9
29	77.55%	FMM Popayán	Colombia	33	76.22%	223,839	0.8	62.4	-
30	77.48%	INMAA	Morocco	283	63.14%	10,236	0.2	61.0	-
31	77.32%	Khan Bank	Mongolia	46	74.97%	282,681	30.0	20.4	1.0
32	77.26%	CMM Bogotá	Colombia	79	72.73%	72,275	0.2	29.9	-
33	77.20%	Partner	Bosnia and Herzegovina	52	74.42%	51,982	7.1	51.5	-
34	77.13%	MIKROFIN	Bosnia and Herzegovina	27	76.49%	51,508	7.0	78.6	-
35	77.11%	Al Tadamun	Egypt	75	72.94%	41,027	0.3	122.2	-
36	77.04%	INECO	Armenia	203	67.12%	56,190	3.7	64.8	0.7
37	76.82%	FMM Bucaramanga	Colombia	47	74.91%	148,153	0.5	50.5	-
38	76.78%	FBPMC	Morocco	21	76.99%	176,738	3.0	34.1	-
39	76.71%	AMRET	Cambodia	49	74.72%	187,477	3.7	32.1	0.0
40	76.52%	CREŞOL	Brazil	300	62.01%	50,885	0.1	73.1	0.3
41	76.45%	AccessBank	Azerbaijan	58	73.91%	46,653	1.1	179.8	0.1
42	76.38%	FINCA - GTM	Guatemala	31	76.31%	41,100	0.5	108.2	-
43	76.32%	ProCredit Bank - MKD	Macedonia	26	76.65%	28,639	6.5	34.6	0.6
44	76.24%	ASA Philippines	Philippines	4	82.29%	65,505	0.3	127.1	0.3
45	76.16%	FODEMI	Ecuador	109	71.36%	13,969	0.2	44.5	-
46	75.93%	AWS	India	185	68.04%	33,196	0.0	23.6	-
47	75.92%	CREDO	Georgia	135	69.97%	12,177	0.5	178.1	-
48	75.85%	CRSA	India	11	78.80%	24,120	0.0	10.3	-
49	75.83%	CMM - Medellín	Colombia	77	72.81%	66,377	0.2	61.2	-
50	75.80%	ProCredit - ECU	Ecuador	81	72.67%	49,864	0.8	38.4	0.4

Note: 2007 Composite Rankings are based on the latest available data for FY06 for all MFIs publishing annual results to MIX Market as of December 1, 2008. As a result, these Composite Rankings may differ from those published last year.

MIX Global 100 Composite Ranking

Outreach		Efficiency					Transparency			Profitability	
Depositors/ Borrowers (%)	Outreach Percentile	Cost per Borrower/ GNI per Capita (%)	Profit/ Loan Portfolio (%)	Portfolio at Risk > 30 Days (%)	Write-Off Ratio (%)	Efficiency Percentile	Audits on MIX Market (diamonds)	Annual Reporting on MIX Market (years)	Transpar- ency Percentile	OSS	Maximum OSS since 2005
-	72.63%	0.9	0.4	0.0	-	88.92%	4	3	100.00%	101	123
-	82.53%	2.1	2.6	0.1	0.3	74.78%	4	3	100.00%	120	121
2.0	82.30%	2.6	1.7	4.1	0.4	65.17%	4	3	100.00%	114	125
-	69.45%	1.6	0.6	1.8	0.6	75.88%	4	3	100.00%	102	102
0.0	82.29%	2.4	1.7	3.8	1.4	62.38%	4	3	100.00%	107	137
1.2	72.26%	2.4	4.1	0.0	-	72.23%	4	3	100.00%	122	127
0.8	80.20%	7.1	(4.4)	2.1	0.5	61.55%	4	3	100.00%	90	109
-	77.98%	2.6	7.1	-	0.0	63.37%	4	3	100.00%	131	135
0.8	85.39%	4.6	(1.4)	5.3	11.0	55.02%	4	3	100.00%	97	114
-	75.33%	3.1	1.9	1.9	0.9	64.33%	4	3	100.00%	111	130
-	70.75%	3.5	0.5	1.0	1.2	68.82%	4	3	100.00%	115	122
-	65.83%	0.3	0.6	8.7	0.2	73.42%	4	3	100.00%	107	107
1.2	85.26%	11.7	1.0	1.6	0.5	53.60%	4	3	100.00%	105	110
-	60.93%	1.9	0.8	2.4	-	77.63%	4	3	100.00%	103	134
0.2	83.10%	3.5	2.8	2.8	3.3	54.55%	4	3	100.00%	109	127
0.1	65.43%	5.3	1.4	0.0	-	71.12%	4	3	100.00%	112	118
-	74.08%	10.2	(2.0)	0.2	0.6	62.37%	4	3	100.00%	95	214
-	80.65%	2.0	11.6	0.5	0.4	54.48%	4	3	100.00%	143	156
0.0	82.60%	4.0	10.6	-	0.1	52.45%	4	3	100.00%	147	147
1.1	77.48%	2.8	3.6	5.4	0.3	57.50%	4	3	100.00%	115	158
-	81.35%	2.5	6.2	2.9	0.6	53.55%	4	3	100.00%	126	130
-	72.18%	0.8	5.0	4.4	0.1	62.55%	4	3	100.00%	159	159
-	83.30%	2.4	10.0	0.5	1.1	51.07%	4	3	100.00%	123	136
2.6	69.96%	4.3	0.9	4.5	0.1	63.92%	4	3	100.00%	112	112
1.0	65.79%	2.6	0.6	3.3	1.0	67.78%	4	3	100.00%	101	103
2.7	75.14%	15.6	0.5	1.3	-	58.12%	4	3	100.00%	103	106
0.9	82.68%	2.9	14.9	0.7	0.1	50.38%	4	3	100.00%	164	175
2.1	75.65%	9.7	1.3	1.6	0.2	57.02%	4	3	100.00%	109	114
-	79.50%	1.8	10.2	1.7	0.4	53.15%	4	3	100.00%	145	169
-	60.15%	3.8	(0.4)	1.3	0.5	72.30%	4	3	100.00%	99	122
5.2	85.31%	8.5	5.4	1.2	0.2	46.63%	4	3	100.00%	136	142
-	66.90%	2.9	1.8	1.7	1.1	64.87%	4	3	100.00%	107	115
-	78.63%	4.6	5.3	0.6	0.8	52.98%	4	3	100.00%	133	144
-	80.58%	5.7	5.9	1.3	0.1	50.82%	4	3	100.00%	140	152
-	73.65%	2.0	18.2	-	-	57.67%	4	3	100.00%	158	158
0.0	82.48%	5.2	7.7	1.5	0.0	48.63%	4	3	100.00%	152	194
-	76.00%	2.9	8.0	1.1	0.3	54.45%	4	3	100.00%	127	142
-	77.68%	3.2	12.4	0.5	-	52.67%	4	3	100.00%	206	206
0.0	77.94%	4.3	10.3	0.1	0.0	52.18%	4	3	100.00%	145	145
0.8	71.18%	7.6	1.1	1.4	0.6	58.38%	4	3	100.00%	109	109
0.2	81.08%	13.8	5.3	0.1	-	48.28%	4	3	100.00%	127	127
-	75.43%	2.5	9.1	2.0	0.1	53.72%	4	3	100.00%	120	120
4.1	80.30%	18.3	2.3	0.8	0.3	48.67%	4	3	100.00%	114	114
1.1	78.85%	2.1	13.5	1.1	0.8	49.88%	4	3	100.00%	128	128
-	62.28%	2.2	4.2	0.7	0.5	66.20%	4	3	100.00%	123	136
-	48.80%	0.8	3.2	0.2	-	79.00%	4	3	100.00%	119	128
-	69.85%	10.2	2.2	0.1	0.1	57.92%	4	3	100.00%	111	114
-	41.58%	1.3	0.9	-	-	85.97%	4	3	100.00%	104	121
-	71.33%	3.1	4.6	1.4	1.0	56.17%	4	3	100.00%	118	120
1.5	76.89%	12.9	1.0	1.9	0.9	50.50%	4	3	100.00%	107	112

Note: 2007 Composite Rankings are based on the latest available data for FY06 for all MFIs publishing annual results to MIX Market as of December 1, 2008. As a result, these Composite Rankings may differ from those published last year.

MIX Global 100 Composite Ranking

2008 Ranking		MFI		2007 Ranking		Outreach			
Ranking	Overall Percentile	MFI Name	Country	Ranking	Overall Percentile	Borrowers (nb)	Market Penetration (%)	Growth in Borrowers (%)	Deposits/Loan Portfolio (%)
51	75.73%	ProCredit Bank - BGR	Bulgaria	28	76.40%	61,771	6.3	28.4	0.6
52	75.72%	DBACD	Egypt	43	75.08%	80,960	0.6	17.5	-
53	75.66%	WWB Cali	Colombia	34	76.11%	218,191	0.7	33.0	-
54	75.47%	MFW	Jordan	67	73.60%	34,713	4.3	47.7	-
55	75.42%	FINCA - AZE	Azerbaijan	101	71.54%	74,262	1.7	50.7	-
56	75.31%	MI-BOSPO	Bosnia and Herzegovina	99	71.58%	30,565	4.2	57.5	-
57	75.29%	SPBD	Samoa	n/a	n/a	3,654	5.4	54.4	0.1
58	75.28%	CompartamosBanco	Mexico	38	75.45%	838,754	4.5	36.0	0.0
59	75.26%	ProCredit - BOL	Bolivia	106	71.40%	94,326	1.5	20.9	0.5
60	75.06%	EKI	Bosnia and Herzegovina	115	71.09%	44,459	6.0	58.3	-
61	75.02%	KBSLAB	India	102	71.52%	45,207	0.0	39.1	0.8
62	75.01%	SEAP	Nigeria	287	62.94%	24,276	0.0	317.1	-
63	74.92%	FIE	Bolivia	65	73.61%	79,553	1.3	23.4	0.6
64	74.84%	Miselini	Mali	315	61.33%	24,583	0.3	49.0	0.4
65	74.83%	XacBank	Mongolia	51	74.48%	59,793	6.3	5.4	0.8
66	74.71%	PAMECAS	Senegal	261	64.60%	69,287	1.7	49.2	0.8
67	74.64%	VFC	Cambodia	80	72.73%	53,885	1.1	52.7	0.0
68	74.56%	FONDEP	Morocco	50	74.52%	111,495	1.9	46.0	-
69	74.54%	BANCOVELO	Honduras	285	63.02%	23,844	0.7	40.3	0.3
70	74.52%	ACLEDA	Cambodia	84	72.61%	185,492	3.7	16.0	1.1
71	74.38%	TPC	Cambodia	108	71.37%	73,748	1.5	32.0	0.0
72	74.32%	Génesis Empresarial	Guatemala	35	75.73%	77,941	1.0	17.8	-
73	74.21%	BCSC	Colombia	72	73.16%	737,312	2.5	20.5	1.1
74	74.14%	ACSI	Ethiopia	40	75.31%	597,723	1.7	11.3	0.3
75	74.06%	FINCA - ECU	Ecuador	82	72.64%	58,584	1.0	14.4	0.2
76	74.03%	ACBA	Armenia	44	75.05%	85,259	5.6	37.6	0.4
77	74.03%	SINERGIJA	Bosnia and Herzegovina	128	70.45%	9,707	1.3	52.1	-
78	73.95%	CREDIAMIGO	Brazil	86	72.42%	299,975	0.7	27.2	-
79	73.86%	Ameen	Lebanon	n/a	n/a	8,427	0.8	7.1	-
80	73.82%	Fundación Espoir	Ecuador	153	69.18%	20,674	0.3	34.9	-
81	73.63%	ProCredit Bank - KOS	Kosovo	63	73.75%	75,134	9.8	44.4	0.9
82	73.63%	ESED	Egypt	87	72.41%	93,871	0.7	15.4	-
83	73.41%	PRIZMA	Bosnia and Herzegovina	149	69.25%	29,310	4.0	40.3	-
84	73.41%	FULM	Macedonia	98	71.58%	4,524	1.0	24.0	0.7
85	73.32%	EDPYME EDYFICAR	Peru	112	71.25%	137,018	0.9	62.4	-
86	73.30%	ProCredit - NIC	Nicaragua	76	72.89%	75,443	2.8	20.9	0.5
87	73.29%	GK	India	224	66.56%	117,647	0.0	42.5	-
88	73.21%	SAT	Ghana	54	74.13%	56,879	0.9	10.0	0.1
89	73.09%	Finamerica	Colombia	88	72.40%	39,842	0.1	13.4	0.9
90	73.04%	ProMujer - Peru	Peru	74	72.95%	39,728	0.3	18.1	-
91	72.94%	Apoyo Integral	El Salvador	162	68.71%	32,779	1.3	43.3	-
92	72.93%	FMFB - TJK	Tajikistan	227	66.43%	17,778	0.4	163.2	0.1
93	72.78%	EDPYME Alternativa	Peru	114	71.11%	17,290	0.1	52.3	-
94	72.72%	PRODEM	Bolivia	90	72.37%	85,578	1.4	10.5	0.9
95	72.68%	CRECER	Bolivia	57	73.93%	101,616	1.6	14.9	-
96	72.66%	D-miro	Ecuador	293	62.52%	23,364	0.4	103.9	-
97	72.66%	ARDI	Morocco	173	68.39%	74,052	1.3	237.5	-
98	72.61%	ABCRDM	India	61	73.83%	102,655	0.0	41.8	-
99	72.56%	CEP	Vietnam	118	70.96%	74,360	0.3	15.8	0.0
100	72.40%	Shakti	Bangladesh	36	75.73%	145,888	0.18	(10.1)	-

Note: 2007 Composite Rankings are based on the latest available data for FY06 for all MFIs publishing annual results to MIX Market as of December 1, 2008. As a result, these Composite Rankings may differ from those published last year.

MIX Global 100 Composite Ranking

Outreach		Efficiency					Transparency			Profitability	
Depositors/ Borrowers (%)	Outreach Percentile	Cost per Borrower/ GNI per Capita (%)	Profit/ Loan Portfolio (%)	Portfolio at Risk > 30 Days (%)	Write-Off Ratio (%)	Efficiency Percentile	Audits on MIX Market (diamonds)	Annual Reporting on MIX Market (years)	Transpar- ency Percentile	OSS	Maximum OSS since 2005
3.1	80.89%	18.5	1.9	0.9	1.0	46.32%	4	3	100.00%	113	120
-	67.05%	1.2	13.1	0.1	0.0	60.10%	4	3	100.00%	160	168
-	74.63%	2.8	6.7	1.5	0.9	52.37%	4	3	100.00%	129	131
-	75.83%	2.6	10.4	1.4	0.4	50.58%	4	3	100.00%	141	151
-	78.10%	4.8	6.4	0.3	1.5	48.15%	4	3	100.00%	122	146
-	76.63%	4.1	8.1	0.3	0.9	49.32%	4	3	100.00%	142	143
1.2	69.24%	4.6	2.5	2.0	1.0	56.63%	4	3	100.00%	104	104
0.0	80.30%	1.9	23.6	2.7	0.5	45.53%	4	3	100.00%	176	181
2.2	77.55%	23.2	1.4	1.1	0.6	48.22%	4	3	100.00%	111	111
-	78.33%	5.8	7.8	0.4	0.4	46.85%	4	3	100.00%	152	155
2.2	62.39%	4.2	1.2	5.9	-	62.67%	4	3	100.00%	107	108
-	63.70%	3.5	5.1	0.8	-	61.32%	4	3	100.00%	111	119
2.6	77.65%	18.7	2.3	0.7	0.6	47.12%	4	3	100.00%	117	123
0.1	69.61%	9.3	1.5	3.4	-	54.90%	4	3	100.00%	104	105
1.7	71.76%	9.9	3.7	0.6	0.1	52.73%	4	3	100.00%	119	124
2.7	84.94%	17.6	4.5	0.0	2.6	39.18%	4	3	100.00%	119	119
0.0	75.90%	8.0	6.4	0.2	0.2	48.03%	4	3	100.00%	131	131
-	78.68%	2.5	14.7	0.9	1.9	45.00%	4	3	100.00%	176	198
1.4	73.20%	20.7	0.1	4.1	0.1	50.42%	4	3	100.00%	101	111
1.3	79.69%	38.4	4.6	0.1	-	43.87%	4	3	100.00%	128	129
0.0	73.69%	4.7	9.4	0.3	0.2	49.45%	4	3	100.00%	145	166
-	68.63%	4.4	2.2	2.2	3.5	54.33%	4	3	100.00%	110	110
3.3	83.81%	9.7	2.6	6.2	2.3	38.82%	4	3	100.00%	114	114
0.5	72.91%	3.9	9.8	1.3	0.1	49.52%	4	3	100.00%	225	225
1.0	68.90%	3.1	4.2	3.8	1.1	53.28%	4	3	100.00%	120	163
1.5	82.76%	9.6	7.6	0.2	1.1	39.33%	4	3	100.00%	154	154
-	67.28%	6.8	4.3	0.4	0.2	54.80%	4	3	100.00%	127	131
-	73.30%	2.0	14.1	1.2	1.0	48.55%	4	3	100.00%	141	146
-	51.85%	2.7	1.7	1.4	0.4	69.73%	4	3	100.00%	112	112
-	63.85%	3.9	5.0	0.6	0.5	57.60%	4	3	100.00%	114	119
4.0	88.05%	35.8	6.4	1.3	0.3	32.83%	4	3	100.00%	150	150
-	67.38%	2.2	5.9	11.7	-	53.50%	4	3	100.00%	126	129
-	73.85%	4.0	5.4	2.4	2.6	46.38%	4	3	100.00%	123	142
1.7	63.20%	4.5	1.9	13.9	-	57.03%	4	3	100.00%	111	111
-	79.43%	5.5	7.0	2.7	1.1	40.53%	4	3	100.00%	138	138
2.1	77.76%	25.5	2.6	1.4	0.8	42.15%	4	3	100.00%	114	121
-	62.33%	1.5	0.7	0.0	0.0	86.15%	3.5	3	71.40%	114	128
0.9	65.45%	12.7	0.8	1.7	0.4	54.18%	4	3	100.00%	111	134
1.1	61.84%	7.2	(0.8)	3.8	0.7	57.43%	4	3	100.00%	98	111
-	60.85%	1.7	16.0	0.1	-	58.27%	4	3	100.00%	151	154
-	72.93%	6.8	3.7	2.9	1.4	45.88%	4	3	100.00%	120	120
0.2	72.13%	38.6	3.2	0.1	0.1	46.65%	4	3	100.00%	114	135
-	61.45%	5.2	0.9	3.6	1.2	56.90%	4	3	100.00%	105	123
3.9	75.25%	26.4	2.4	0.8	1.1	42.92%	4	3	100.00%	113	113
-	69.38%	5.1	8.6	0.9	0.1	48.67%	4	3	100.00%	130	137
-	71.33%	4.4	7.3	1.5	0.9	46.67%	4	3	100.00%	126	149
-	82.08%	2.8	2.9	2.8	0.2	64.50%	3.5	3	71.40%	110	171
-	61.40%	0.8	0.7	0.7	-	85.02%	3.5	3	71.40%	102	102
0.3	64.24%	3.1	9.4	1.2	0.0	53.45%	4	3	100.00%	156	156
-	53.60%	2.73	4.79	1.32	0.01	63.60%	4	3	100.00%	129	133

Note: 2007 Composite Rankings are based on the latest available data for FY06 for all MFIs publishing annual results to MIX Market as of December 1, 2008. As a result, these Composite Rankings may differ from those published last year.

Ranking Methodology

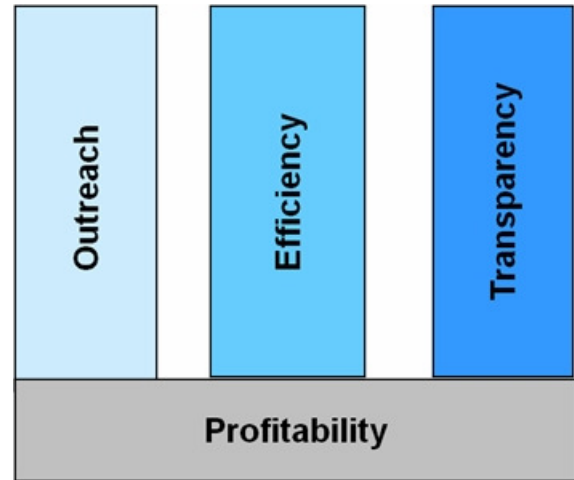
The MIX Global 100 Composite Ranking table is a composite ranking of MFI performance. Based on a number of criteria, this ranking seeks to present the leading, most well rounded, high performing institutions.

Rankings are calculated based on the percentile ranking of each variable in outreach, efficiency, and transparency. After MFIs are screened out according to the financial sustainability criteria, the resulting pool of institutions is ranked according to variables in each of the three other pillars. An average percentile ranking is determined for each pillar, based on the percentile rankings in each variable described above. The three average percentile rankings for the three pillars are then averaged to create an overall percentile ranking. The final MFI ranking is its sequence in the overall percentile ranking.

The approach adopted to establish composite performance rankings is based on **three principles**:

1. **Quantitative:** The factors that measure MFI success in the ranking should be quantifiable, whether as pure operational and financial results or simple metrics where any number of observers would arrive at the same result, such as “Does the MFI publish audited financial statements?”. No qualitative indicators are included.
2. **Simple:** The approach should be straightforward and easy to reproduce. Variables are not explicitly weighted in the composite score. An MFI not currently listed should be able to determine where it would fall in the ranking. Listed MFIs should be able to determine how improvements in one area of performance would impact their ranking. The Excel version of the ranking that can be downloaded from www.themix.org > Industry Data > Analysis > Publications includes a tool to allow MFIs to enter or update their results to discover their new relative ranking.
3. **Goal-oriented:** The measures of success should encourage widely held goals of microfinance. As discussed in this methodology, the Composite Ranking considers the goals of outreach, efficiency, transparency and profitability.

MFIs are screened for profitability and then ranked in each of three areas: outreach, efficiency, and transparency. Built on a foundation of sustainable profits, these **three pillars** constitute goals for microfinance service providers, as the following graphic and text explain:



Profitability: This indicator measures the goal of delivering services in a financially sustainable manner. Unlike the three pillars, this measure is not ranked, but is used as a filter for MFIs to be considered for the Composite Ranking. MFIs must be profitable to be considered for the list, but higher profits do not secure higher rankings. This means that this ranking methodology does not consider achieving the highest profit to be a goal. Rather, profit generation is considered a necessary condition for the other goals.

Variable	Explanation
Operational Self - Sufficiency	A measure of the ability of an MFI to cover its costs. MFIs considered for this ranking must have at least 90 percent cost recovery in 2007 and have achieved 100 percent at least one year within the last three years. This metric allows MFIs that experience periodic downturns to be considered for the ranking, while excluding perennial loss makers.

Outreach: This pillar measures the goal of expanding access to financial services along the following variables:

Variable	Explanation
Borrowers	A measure of clients reached with credit services. This metric favors larger MFIs, as well as MFIs with larger potential markets.
Growth in Borrowers	A measure of pace of service expansion. This metric favors MFIs starting with small client bases.
Market Penetration	A measure of borrower outreach relative to an indicator of potential market. For two MFIs with the same number of borrowers, this measure favors the one operating in a small market with fewer potential clients.
Deposit Mobilization	An average of scores in the following two variables:
Deposits/Loan Portfolio	A measure of an MFI's ability to fund loans from client deposits. This metric favors institutions allowed to mobilize deposits.
Depositors/Borrowers	A measure of the balance in services between lending and deposit mobilization. This metric favors institutions allowed to mobilize deposits.

Efficiency: This pillar measures the goal of reducing costs to clients along the following variables:

Variable	Explanation
Cost per Borrower/ GNI per Capita	A measure of the cost of serving borrowers, relative to local income levels. Ranked inversely, this metric seeks to eliminate cost differences across countries rising from different living standards while weighing costs relative to each borrower served.
Profit/Loan Portfolio	A measure of the size of an MFI's profit margin as a component of yield. If revenues are the sum of expenses and profits, profit levels are the one component of revenues most directly within an MFI's control. Ranked inversely, this metric favors MFIs with smaller profit margins. MFIs that met the overall profitability requirements and posted losses for 2007 are scored as having zero profits.
Portfolio Quality as defined by:	An average of scores in the following two variables:
Portfolio at Risk > 30 Days	A measure of on-going portfolio quality. Ranked inversely, this metric may favor group-based methodologies with internal accounts or group guarantees or MFIs with aggressive write-off policies.
Write Off Ratio	A measure of actual loss on portfolio, as recognized by the MFI's policy on portfolio management. Ranked inversely, this metric favors MFIs with no or very lax write-off policies.

Transparency: This pillar measures the goal of publicly disseminating performance results in a standard, comparable manner as indicated by the following variables:

Variable	Explanation
Annual Reporting on MIX Market	A measure of the availability of standard, comparable, publicly available performance results for an MFI. The score is based on the annual results published for an MFI on MIX Market for FY2005, 2006, and 2007.
Audits on MIX Market	A measure of the ability of MIX or outside analysts to validate the reported financial performance results. Based on the MIX Market diamond score, an MFI gets three points for information presented without audited financial statements, and four points for presenting audits. The score is the average of the FY2006 and 2007 MIX Market profiles.

Example application of the Composite Ranking methodology for MBK Ventura, ranked #1 in the 2008 MIX Global 100 Composite Ranking:

971 MFIs (starting sample)



652 MFIs screened for profitability



MFIs ranked according to percentile scores, averaged across the following variables:

Pillar	Metric	Result (by metric)	Percentile (by metric)	Percentile (by pillar)	Percentile (overall)
Outreach	Borrowers	64,548	82.90%	72.63%	87.18%
	Market Penetration	0.2%	55.30%		
	Growth in Borrowers	135.8%	94.90%		
	Deposits/Loan Portfolio	0.0%			
	Depositors/Borrowers	0.0%	57.40%		
Efficiency	Cost per Borrower/GNI per Capita	0.9%	95.80%	88.92%	
	Profit/Loan Portfolio	0.4%	90.00%		
	Portfolio at Risk>30 Days	0.0%	80.95%		
	Write-off Ratio	0.0%			
Transparency	Audits on MIX Market	4	100.0%	100.0%	
	Annual Reporting on MIX Market	3	100.0%		

No MFI earned a perfect potential percentile ranking of 100.00 percent. MBK Ventura's results earned the highest overall percentile ranking 87.13 percent, making it the number 1 ranked MFI in the 2008 Composite Ranking.

Glossary of Terms and Definitions

MIX defines data in accordance with generally accepted microfinance industry reporting standards as presented in *Measuring the Performance of Microfinance Institutions: A Framework for Reporting, Analysis and Monitoring* (SEEP, 2005). The following terms and indicators are used in this survey:

Term	Definition
Annual reporting on MIX Market	The number of years of annual operational and financial results published by an MFI on MIX Market.
Audits on MIX Market	The number of years of audits available in an MFI profile on MIX Market. MFI profiles on MIX Market receive diamond scores according to the level and quality of information presented. Three diamond profiles include full financial and operational results. Four diamond profiles report all information for a three diamond profile and include audited financial statements.
Borrowers	Number of borrowers with loans outstanding.
Cost per Borrower / GNI per Capita	Operating expense / Average number of active borrowers / GNI per capita.
Deposits / Loan Portfolio	Voluntary deposits / Gross loan portfolio
Depositors / Borrowers	Number of voluntary depositors / Number of active borrowers.
GNI per Capita	Total income generated by a country's residents, irrespective of location / Total number of residents.
Gross Loan Portfolio	All outstanding loan principal due for all microfinance clients.
Growth in Borrowers	The percentage change in Borrowers over the prior year.
Market Penetration	Borrowers / Population living below the national poverty line in the country.
Number of Voluntary Depositors	Number of microfinance depositors with voluntary deposit and time deposit accounts.
Operational Self-Sufficiency	Financial Revenue / (Financial Expense + Impairment Losses on Loans + Operating Expense).
Portfolio at Risk > 30 Days	Outstanding balance, portfolio overdue > 30 Days / Gross loan portfolio
Profit / Loan Portfolio	Net income relative to the average loan portfolio. Similar to Return on Assets, this metric measures net income after taxes relative to an asset base, in this case, the loan portfolio. Using the loan portfolio as the base makes for easy comparison with yield to identify the percent of yield determined by profits
Voluntary Depositors	Total value of voluntary deposit and time deposit accounts.
Write Off Ratio	Value of loans written-off / Average gross loan portfolio.

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MIX would like to thank the more than 1,300 MFIs who make these rankings and other industry analysis possible by posting their annual operating and financial results to MIX Market. MIX also benefited from comments of the many readers of last year's rankings who sent thoughtful comments and feedback on the Composite Ranking methodology and its results. Thanks go to Xavier Reille, CGAP, and Philip Brown, Citi, for their on-going advice on the Composite Ranking and to the MIX team that helped create and refine the Composite Ranking methodology: Scott Gaul, Adrian Gonzalez, and Peter Wall.

Blaine Stephens
COO, Director of Analysis
Microfinance Information Exchange, Inc. (MIX)
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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
- Eastern Europe and Central Asia Microfinance Analysis and Benchmarking

The reports are based on data from year 2007, collected from microfinance institutions located throughout the developing world. The series represents the most methodologically consistent in-depth reports on the performance of microfinance providers produced to date. To view the other regional reports and all MIX publications, go to www.themix.org.

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