



2011 **MicroFinance 100**

LATIN AMERICA AND THE CARIBBEAN





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MicroFinance 100

Latin America and the Caribbean



Microfinance Information Exchange (MIX)

Blaine Stephens, COO and Director of Analysis: bstephens@themix.org
Renso A. Martínez Ramírez, Regional Manager for Latin America and the Caribbean: Rmartinez@themix.org
www.themix.org; www.mixmarket.org

This report was written by Renso Martínez.



Multilateral Investment Fund (the MIF)

Member of the IDB Group

www.iadb.org/mif

Sergio Navajas, Senior Specialist:

Sergion@iadb.org

Lene Mikkelsen, Foromic Coordinator:

Lenem@iadb.org

Paola A. Pedroza, Consultant:

paolap@iadb.org

Editing

Patricia Ardila (Spanish)

Design and Production

The Word Express, Inc

Production

Martha Belden

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1300 New York Ave., NW
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FROM THE MANAGER

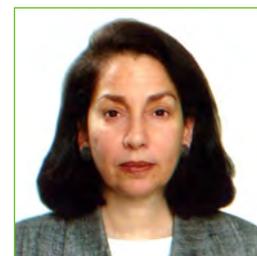
The Multilateral Investment Fund and the MIX are pleased to present the 2011 edition of “Microfinance Americas: The Top 100,” our annual snapshot of 100 leading microfinance institutions in Latin America and the Caribbean. As in the last two years, the rankings have been determined on the basis of the institutions’ performance in three key areas: outreach, efficiency and transparency. The overall picture is positive; microfinance activity continues to grow in the region.

When one takes a closer look at the numbers, a more complex portrait is revealed. While total portfolio growth is strong, the aftershocks of the international financial crisis are still being felt in the sector and growth is still below its historic, pre-crisis levels. Within the region there are also large differences in portfolio growth rates: Mexico’s sector growth is at a robust 32%, South America’s sector growth is experiencing a more moderate 16%, and Central America and the Caribbean’s sector growth is stagnant, at –1%.

This year’s report includes a closer look at the important issue of over-indebtedness, a matter of great concern in the microfinance industry worldwide. There is still much analysis to be done to better understand the most effective ways of avoiding over-indebtedness and ensuring that growth is directed in the right ways. In certain markets, the microcredit supply has reached saturation levels. In such cases, institutions must find effective and responsible ways of reaching new clients and expanding their range of financial products beyond credit to savings and insurance.

We also learn more in this report about what microfinance institutions are—and are not—doing to increase their credit product offerings. With the rapid, remarkable development of the microfinance industry in Latin America and the Caribbean over the past decades, we must find ways for institutions to grow along with their clients and meet the new needs that emerge as they move through the microenterprise phase to the small and medium enterprise stages.

We hope you will find this latest edition of “Microfinance Americas: The Top 100” to be informative and interesting.



Nancy Lee
General Manager
Multilateral
Investment Fund



MicroFinance 100

Latin America and the Caribbean

By Renso Martínez, Microfinance Information Exchange (MIX)

100

Microfinance activity continued to grow throughout 2010, albeit at a slower rate than in 2009. Although the total portfolio of all microfinance institutions (MFIs) in the Americas did increase by 22%, this was due to the additional policy actions implemented by many institutions to reign in the growing volume of delinquencies experienced in 2009. This phenomenon was a result of the general economic slowdown and the aftershocks of the international financial crisis affecting several countries of the region. According to available records, total MFI portfolio growth has yet to return to historic levels (30% per annum) and continues to exhibit significant differences when comparisons throughout the region: strong in Mexico (32%), stagnant in Central America and the Caribbean (-1%), and moderate in South America (16%). It is important to note, however, that loans to microenterprises increased 28% in 2010 compared to 16% in 2009.

Although credit activity dropped off in 2010, the preventive steps taken by institutions led to a number of positive results in terms of portfolio quality, including a modest reduction in delinquency levels (down to 4% from 4.6% in 2009), while the write-off rate remained stable at 1.7%. The preventative steps taken by institutions in 2010 were worth the investment; for example, one result of the decline in the delinquency rate was an increase in the return on assets, from 2.4% to 2.7%.

To provide a deeper analysis of the performances of MFIs in Latin America and the Caribbean, the Multilateral Investment Fund (MIF), pertaining to the Inter-American Development Bank (IDB), and Microfinance Information Exchange (MIX) present for the eighth consecutive year the annual ranking of the region's leading MFIs: *Microfinance Americas: The Top 100, 2011 edition*. This year's reporting sample consisted of

210 MFIs, whose performance information for 2010 was compiled and analyzed by specialists in the field, and was substantiated by auditors, public regulatory agencies, microfinance networks, risk rating agencies, and other independent sources.

COMPOSITE RANKING

For this edition of *Microfinance Americas: The Top 100*, the analysis was conducted using a similar methodology as in previous years, with the exception of a small number of changes. First, eligibility requirements in 2010 stipulated that the MFI had to have recorded a positive return on assets not only in 2010 but also in at least one of the two preceding years (2009 or 2008). In addition, the MFIs must have had more than 5,000 active loans outstanding. The methodology used in this ranking measures an institution's performance in three categories

The Top Five

- 1. Caja Nuestra Gente** (Peru) achieved the top spot based on its performance in the *outreach* pillar, reflecting a significant increase in its loans to microenterprises (46%) during 2010, together with the active use of its deposits in its financial services offerings.
- 2. Banco FIE** (Bolivia) garnered the second spot based on its success in broadening its market penetration and increasing its deposit accounts to a level well above the number of loans (a ratio of 2.4 to 1), thereby enhancing its financial services offerings, as reflected in the *outreach* pillar.
- 3. CrediAmigo** (Brazil), the production-oriented microcredit program of the Bank of Northeastern Brazil, was the only institution from the previous edition to retain a spot in this select group,

primarily due to the continued growth of its credit offerings that target lower-income populations which is made possible by its low operating costs.

- 4. CompartamosBanco** (Mexico) was ranked fourth by virtue of its status as the most important MFI dedicated to providing credit to microenterprises and enjoying the greatest degree of market penetration in the region, with these indicators supported by the results obtained in the *outreach* pillar.
- 5. Crezcamos** (Colombia) rounds out the top five, based on its success in the *efficiency* pillar, a result of its success not only in controlling its at-risk portfolio but also in achieving a sufficiently low cost per loan to allow it to continue to expand its service offerings to new clients.

WHERE ARE THE TOP 100 MFIS?



known as pillars: *outreach*, *efficiency*, and *transparency*. Overall performance of qualifying MFIs was determined by evaluating and scoring each of the indicators for each pillar on the basis of average percentiles, thereby obtaining a unique final result for each institution. The selected indicators describe: the role played by MFIs in the market, where efforts are made to balance results through the expansion of service coverage at reasonable operating costs and levels of risk, the transparency of the operations for the benefit of both the entire microfinance community and the general public.

The methodology behind this ranking, is based on a series of categories, which is expected to evolve with the market. Additionally, it is expected that the MFIs will keep pace with, or improve upon, the performance observed in previous years. In the first edition of the composite ranking in 2009 the results were heavily influenced by the *outreach* pillar, while in 2010 the *efficiency* pillar was more influential on the ranking. In this edition of the report, the results for the MFIs occupying the top spots reflect a greater influence exercised by the *outreach* pillar; due to the moderate growth opted for by many MFIs, together with controlled levels of at-risk portfolios and recovery of previous levels of profitability. Thus, it is unlikely that any MFI that opted for rapid growth at the expense of portfolio quality or that sought to improve their credit risk in exchange for higher operating costs occupies a top spot in this ranking.

MORE INFORMATION?

This report covers only a portion of the total information available information on microfinance in Latin America and the Caribbean. For more information, visit:

<http://www.mixmarket.org/mfi/region/Latin%20America%20and%20The%20Caribbean>.



THE TOP 100 FROM LATIN AMERICA AND THE CARIBBEAN IN 2010 – COMPOSITE INDEX

TABLE 1

Ranking		Name of MFI	Country	Overall Score		2010 Rankings by Pillar			General Trend †
2010	2009			2010	2009	Outreach	Efficiency	Transparency	
1	15	CRAC Nuestra Gente	Peru	79.35%	75.23%	3	40	1	MIC
2	28	Banco FIE	Bolivia	78.72%	72.48%	1	56	1	MIC
3	1	CrediAmigo	Brazil	78.57%	79.97%	8	35	1	MIC only
4	9	CompartamosBanco	Mexico	77.16%	76.92%	2	76	1	MIC
5	92	Crezcamos	Colombia	77.06%	60.26%	55	5	1	MIC only
6	22	FINCA – Ecuador	Ecuador	76.85%	73.47%	46	7	1	MIC
7	12	CrediComún	Mexico	76.77%	75.38%	33	15	1	MIC only
8	14	FODEMI	Ecuador	75.73%	75.31%	40	13	1	MIC only
9	4	Banco ADOPEM	Dominican Republic	75.68%	78.48%	10	63	1	MIC
10	43	Crediscotia	Peru	75.06%	69.03%	5	91	1	CNS
11	31	CRECER	Bolivia	75.01%	71.83%	14	62	1	MIC only
12	13	FONDESOL	Guatemala	74.94%	75.44%	34	21	1	MIC only
13	19	FMM Popayán	Colombia	74.79%	74.64%	15	65	1	MIC
14	3	Pro Mujer– Bolivia	Bolivia	74.61%	78.67%	28	39	1	MIC
15	7	Banco ADEMI	Dominican Republic	74.30%	77.47%	19	58	1	MIC
16	61	EDPYME Raíz	Peru	74.24%	67.04%	50	14	1	MIC
17	2	Fundación Espoir	Ecuador	74.21%	79.75%	42	22	1	MIC only
18	138	Banco Familiar	Paraguay	74.19%	49.23%	6	100	1	MIC
19	16	COAC Mushuc Runa	Ecuador	74.18%	75.08%	37	27	1	MIC
20	11	BancoSol	Bolivia	73.76%	75.70%	17	77	1	MIC
21	32	Financiera Edyficar	Peru	73.29%	71.52%	7	106	1	MIC
22	66	Apoyo Integral	El Salvador	73.18%	65.58%	13	94	1	MIC
23	8	Banco Solidario	Ecuador	73.05%	77.18%	23	64	1	MIC
24	30	COAC San José	Ecuador	72.99%	71.88%	70	11	1	MIC
25	24	Visión Banco	Paraguay	72.57%	73.47%	9	112	1	CNS
26	50	Te Creemos	Mexico	72.56%	68.44%	31	51	1	MIC
27	73	CMAC Sullana	Peru	72.19%	64.94%	12	105	1	MIC
28	23	COAC Jardín Azuayo	Ecuador	72.12%	73.53%	66	16	1	CNS
29	N/A	Santander Microcrédito	Brazil	71.86%	N/A	50	29	1	MIC only
30	46	CODESARROLLO	Ecuador	71.39%	68.89%	45	41	1	MIC
31	37	Pro Mujer – Peru	Peru	71.24%	70.37%	52	37	1	MIC only
32	86	COAC Luz del Valle	Ecuador	71.17%	62.20%	67	19	1	CNS
33	47	MiBanco	Peru	71.10%	68.68%	4	123	1	MIC
34	N/A	COAC Nacional	Ecuador	71.10%	N/A	36	57	1	MIC
35	90	FinComún	Mexico	71.00%	60.67%	18	110	1	MIC & CNS
36	103	Financiera Crear	Peru	71.00%	58.68%	16	113	1	MIC
37	N/A	Central Cresol Baser	Brazil	70.92%	N/A	26	6	81	MIC
38	21	CMAC Arequipa	Peru	70.68%	73.67%	30	80	1	MIC
39	33	FINCA – Mexico	Mexico	70.42%	71.16%	34	69	1	MIC only
40	34	COOPROGRESO	Ecuador	70.41%	71.19%	39	60	1	MIC
41	49	Financiera Confianza	Peru	69.53%	68.59%	59	46	1	MIC
42	82	Diaconia	Bolivia	69.33%	62.40%	49	59	1	MIC
43	40	Manuela Ramos	Peru	68.51%	70.24%	107	8	1	MIC only
44	120	FINCA – Guatemala	Guatemala	68.42%	55.22%	41	92	1	MIC
45	133	Comultrasan	Colombia	68.28%	51.45%	47	81	1	CNS
46	71	FONDESURCO	Peru	67.46%	65.05%	77	42	1	MIC only
47	63	ADRA – Peru	Peru	67.20%	66.87%	95	25	1	MIC only
48	127	FUBODE	Bolivia	66.97%	54.06%	74	50	1	MIC
49	38	ProCredit – Ecuador	Ecuador	66.80%	70.36%	56	88	1	MIC
50	102	Pro Mujer – Nicaragua	Nicaragua	66.67%	58.75%	37	115	1	MIC
51	137	FONDECO	Bolivia	66.53%	49.75%	64	78	1	MIC
52	N/A	Fundación FACES	Ecuador	66.29%	N/A	94	34	1	MIC only
53	54	Financiera El Comercio	Paraguay	66.26%	68.18%	24	125	1	CNS
54	N/A	COAC Maquita Cusunchic	Ecuador	65.92%	N/A	104	28	1	CNS
55	76	EDPYME Alternativa	Peru	65.68%	64.03%	92	43	1	MIC

(continued on next page)



THE TOP 100 FROM LATIN AMERICA AND THE CARIBBEAN IN 2010 – COMPOSITE INDEX

TABLE 1

Ranking		Name of MFI	Country	Overall Score		2010 Rankings by Pillar			General Trend †
2010	2009			2010	2009	Outreach	Efficiency	Transparency	
56	68	EDPYME Proempresa	Peru	65.25%	65.53%	75	75	1	MIC
57	N/A	Financiera Fama	Nicaragua	65.23%	N/A	69	85	1	MIC
58	80	CRYSOL	Guatemala	65.11%	62.92%	110	23	1	MIC
59	48	Interfisa Financiera	Paraguay	64.94%	68.62%	71	89	1	CNS
60	52	Alternativa Solidaria	Mexico	64.42%	68.33%	87	72	1	MIC only
61	45	AgroCapital	Bolivia	64.09%	68.86%	108	33	1	MIC
62	72	FINCA – Peru	Peru	63.88%	65.06%	91	74	1	MIC only
63	35	FMM Bucaramanga	Colombia	63.78%	70.80%	11	83	81	MIC
64	N/A	COAC Atuntaqui	Ecuador	63.28%	N/A	100	61	1	N/A
65	N/A	ICC BluSol	Brazil	62.87%	N/A	105	55	1	MIC only
66	62	Pro Mujer – Mexico	Mexico	62.32%	67.03%	62	17	81	MIC only
67	6	PRODEM FFP	Bolivia	61.79%	77.62%	27	73	81	MIC
68	N/A	Apoyo Económico	Mexico	61.71%	N/A	63	124	1	CNS
69	87	Emprender	Bolivia	61.66%	62.02%	76	117	1	MIC
70	154	Cooperativa Financiera Confiar	Colombia	61.57%	40.88%	113	53	1	CNS
71	88	Microcrédito para el Desarrollo	Peru	61.51%	61.32%	124	20	1	MIC only
72	N/A	COAC Chone	Ecuador	61.38%	N/A	101	93	1	MIC
73	114	CMAC Huancayo	Peru	61.23%	56.43%	29	67	81	MIC
74	58	ODEF Financiera	Honduras	61.02%	67.48%	68	122	1	MIC
75	111	COOPAC Los Andes	Peru	61.02%	56.72%	90	9	81	MIC
76	116	ATEMEXPA	Mexico	61.01%	55.89%	86	3	104	MIC only
77	155	CMAC Piura	Peru	60.67%	40.77%	21	47	104	MIC
78	67	Interactuar	Colombia	60.51%	65.51%	103	95	1	MIC only
79	81	Microserfin	Panama	60.41%	62.54%	79	120	1	MIC only
80	44	Centro de Apoyo al Microempresario	Mexico	60.01%	68.95%	25	102	81	MIC only
81	N/A	Oportunidad Microfinanzas	Mexico	59.73%	N/A	106	1	104	MIC only
82	96	Fundación Realidad	Mexico	58.33%	59.45%	82	26	81	MIC only
83	N/A	Crece Safsa	Mexico	58.31%	N/A	99	4	104	MIC only
84	N/A	Invirtiendo	Mexico	58.29%	N/A	32	54	104	MIC only
85	N/A	Banco da Família	Brazil	58.28%	N/A	125	44	1	MIC & CNS
86	100	Conserva	Mexico	58.00%	59.31%	58	24	104	MIC only
87	57	Financiera América	Colombia	57.88%	67.44%	22	119	81	MIC
88	84	FUNBODEM	Bolivia	57.44%	62.30%	114	103	1	MIC
89	98	Cooperativa Fátima	Bolivia	57.12%	59.32%	117	96	1	MIC & CNS
90	78	CMAC Paita	Peru	57.04%	63.16%	84	38	81	MIC
91	109	Crezkamos Kapital	Mexico	56.41%	57.87%	93	10	104	MIC
92	130	CRAC Los Andes	Peru	56.20%	52.97%	65	71	81	MIC
93	135	CRAC Señor de Luren	Peru	55.98%	50.95%	60	44	104	MIC
94	129	Grupo Consultor para la Microempresa	Mexico	55.54%	53.14%	85	49	81	MIC only
95	110	AMEXTRA	Mexico	55.45%	57.00%	88	18	104	MIC only
96	39	EcoFuturo FFP	Bolivia	55.04%	70.37%	53	108	81	MIC
97	89	EDPYME Nueva Visión	Peru	54.67%	61.41%	80	68	81	MIC
98	150	CEAPE Piauí	Brazil	54.51%	42.37%	126	90	1	MIC only
99	99	CMAC Cusco	Peru	54.32%	59.33%	47	82	104	MIC
100	N/A	Fondo de Desarrollo Local	Nicaragua	54.21%	N/A	61	111	81	MIC

N/A: Not Applicable

† Key to General Trends:

MIC only: 100% of loans are granted to microenterprises.

MIC: Loans to microenterprises account for more than 50% of total loans.

MIC & CNS: Microenterprise and consumer loans together account for more than 50% of total loans.

CNS: Consumer loans account for more than 50% of total loans.



THE 20 MFIs WITH THE LARGEST MICROENTERPRISE PORTFOLIO

TABLE 2

Ranking		Name of MFI	Country	Number of Microenterprise Loans Outstanding	Gross Microenterprise Loan Portfolio (USD)	General Trend †
2010	2009					
1	1	CompartamosBanco	Mexico	2,055,643	676,372,261	MIC
2	2	CrediAmigo	Brazil	737,826	464,225,843	MIC only
3	3	MiBanco	Peru	426,239	1,193,191,459	MIC
4	4	Bancamía	Colombia	360,335	333,031,854	MIC only
5	5	FMM Popayán	Colombia	349,415	265,157,245	MIC
6	10	FMM Bucaramanga	Colombia	235,563	145,063,429	MIC
7	11	Financiera Edyficar	Peru	229,911	270,973,310	MIC
8	6	WWB Cali	Colombia	229,461	264,429,168	MIC
9	9	BancoEstado	Chile	218,800	1,096,899,573	MIC
10	8	Centro de Apoyo al Microempresario	Mexico	206,230	54,300,273	MIC only
11	12	Banco Solidario	Ecuador	169,081	263,460,464	MIC
12	15	Banco ADOPEM	Dominican Republic	130,697	56,592,036	MIC
13	14	FINCA – Mexico	Mexico	128,163	37,371,078	MIC only
14	13	CMAC Arequipa	Peru	128,027	386,276,876	MIC
15	19	CRECER	Bolivia	127,429	58,113,347	MIC only
16	18	Pro Mujer – Bolivia	Bolivia	117,350	34,026,486	MIC
17	17	BancoSol	Bolivia	116,371	306,139,042	MIC
18	24	Banco FIE	Bolivia	111,164	274,429,664	MIC
19	26	Credi Fé	Ecuador	107,862	288,711,692	MIC
20	27	Crediscotia	Peru	107,362	408,283,149	CNS
Totals for 2009 (204 MFIs)				8,330,859	11,305,717,010	
Total for 2010 (204 MFIs)				9,918,823	12,140,123,985	

† Key to General Trends: MIC only: 100% of loans are granted to microenterprises. MIC: Loans to microenterprises account for more than 50% of total loans. MIC & CNS: Microenterprise and consumer loans together account for more than 50% of total loans. CNS: Consumer loans account for more than 50% of total loans.

As explained above, four of the top five MFI rankings reflect the importance of the *outreach* pillar; however, the *efficiency* pillar was prevalent in the MFIs ranked in spots 4–8 in the following four spots. The top three MFIs are leading South American institutions, followed by the representatives from Mexico. FONDESOL (Guatemala) again ranked as the best Central American representative, while Santander Microcredito (Brazil) was the best new entrant in the rankings. It is important to note that 13 MFIs jumped up in the ranking, including EDPYME Raíz (Peru), which now ranks among the top 20. Additionally, another noteworthy fact is that in 2010 the number of MFIs obtaining the highest possible score in the *transparency* pillar dropped from 88 to 75.

SCALE – MICROENTERPRISE

All institutions in this category specialize in, and work exclusively with, loans to microenterprises, a fundamental requirement in the *outreach* pillar of the composite ranking. It is important to note that the institutions with the greatest participation in the market recorded the highest rates of growth. In addition, we examined the differences between the trends for the sample of the top 20 institutions as opposed to the sample of the top 100 institutions. In doing so, it was found that: the top 20 institutions experienced a collective growth rate of 25% compared to a 20% growth rate of the top 100, there was a difference in the growth in loan portfolio of



TABLE 3

THE 20 FASTEST-GROWING MFIs

Ranking		Name of MFI	Country	% Change in Microenterprise Loans	Absolute Change in Microenterprise Loans	Absolute Change in Gross Microenterprise Loan Portfolio (USD)
2010	2009					
1	6	Crecamos	Colombia	206.1%	18,601	15,204,488
2	N/A	Forjadores de Negocios	Mexico	115.4%	28,673	11,472,892
3	8	Fossil FFP	Bolivia	83.4%	8,124	36,108,265
4	5	Te Creemos	Mexico	83.3%	14,985	5,482,272
5	163	Más Kapital	Mexico	80.2%	26,458	6,496,633
6	154	COAC Luz del Valle	Ecuador	69.2%	1,402	3,975,174
7	136	Apoyo Integral	El Salvador	53.9%	15,210	16,304,820
8	N/A	Fundación Alternativa	Ecuador	53.2%	1,763	3,423,100
9	N/A	IDEPRO	Bolivia	48.9%	2,127	8,357,500
10	49	Comultrasan	Colombia	48.2%	6,568	23,673,745
11	74	Financiera Crear	Peru	47.3%	28,656	28,922,468
12	47	CRAC Nuestra Gente	Peru	46.4%	32,993	71,694,129
13	3	CrediComún	Mexico	46.0%	12,002	2,507,311
14	140	Crediscotia	Peru	44.7%	33,178	160,801,834
15	110	ATEMEXPA	Mexico	42.1%	2,915	795,537
16	11	CMAC Tacna	Peru	40.3%	12,038	42,530,132
17	35	CompartamosBanco	Mexico	38.1%	566,746	187,869,888
18	19	CRAC Credinka	Peru	38.0%	3,606	15,244,356
19	194	ICC BluSol	Brazil	37.4%	1,619	2,670,414
20	115	FinAmérica	Colombia	33.4%	15,203	86,632,727

N/A: Not Applicable

36% and 34%, and the average loan amounts increased by 9% and 12% respectively due to the practice of granting of larger loans to clients with improved risk profiles.

The top five spots in this year's ranking of the size of microenterprise portfolio are occupied by the same MFIs as the previous year. CompartamosBanco (Mexico) led the category with more than 2 million active loans, above the rest of the institutions in the top 5, three of which have an average loan amount of less than US\$1,000. Financiera Edyficar (Peru) and Fundación Delamujer (Bucaramanga) (Colombia) also showed significant increases in their position in the ranking. CRECER (Bolivia) and Pro-Mujer (Bolivia) also distinguished themselves, while CrediScotia (Peru) closed out the top 20 for this category.

GROWTH

As in previous years, this category is characterized by its dynamic activity. In 2010, the leading MFI in the growth ranking was not a Mexican institution. It is important to note that MFI growth rates have increased from the previous years, although this may not be evident at first glance. Indeed, the top 20 MFIs in this category attained an average growth rate of 45% in 2010 compared to 12% growth in 2009. Additionally, if the sample is extended to include the top 100 MFIs in this category, a higher rate of growth is also seen, 17% in 2010 as compared to 11% in 2009. As in previous years, MFIs continue to strive to maintain strong growth rates, although in some cases the rate drops due to a saturation of the existing market, making the capture of new clients more difficult.

Notes on over-indebtedness

The subject of over-indebtedness has been a serious topic of discussion for several countries in the region and throughout the world. In particular, over-indebtedness is an issue in urban markets, where credit offerings have been quite intense in recent years. Some MFI practices such as the expansion into markets already served by other institutions, increasing credit line amounts, and the continued purchase of debt, has strengthened the perception that clients are over-indebted.

When defining “over-indebtedness,” the prefix “over-” refers to an amount that extends beyond reasonable indebtedness. In order to determine the possibility of over-indebtedness when evaluating a loan application, financial institutions use specific indicators that measure whether the requested loan service exceeds a specific percentage of the client’s regular income (in Peru this indicator is typically set at 30%). However, this number can change abruptly as incomes can change over time, which results in difficulty establishing a reliable indicator of over-indebtedness.

Part of the problem with over-indebtedness stems from the type of growth model adopted by many institutions. For example, those MFIs exhibiting intensive growth, growth despite any significant changes in coverage (either in number of agencies or level of personnel) are the same MFIs that recorded an increase in their atrisk portfolios. On the other hand, institutions that have grown extensively, by increasing both the number of agencies and the level of personnel, showed a degree of deterioration in portfolio quality that was lower than that observed in institutions opting for intensive growth.

All this growth certainly has a limit; in urban markets where MFIs have focused their efforts, the credit market supply is now saturated. In other words, currently there is an abundance of credit supply in urban markets. This situation has forced MFIs to choose among certain alternatives:

- i. Increase the number of service offerings made available to the same clients,
- ii. Consolidate the market by acquiring other institutions,
- iii. Expand into new markets.

The third option of expanding into new markets seems to be the most reasonable because increased financial inclusion can contribute to new client capture. However, MFIs have not been active at targeting the rural segment of the market which contains the most opportunity for growth due to the high operating costs faced by financial institutions operating in these areas. As a result, a number of institutions have opted to expand to the small and medium enterprise (SME) market, a segment that requires higher amounts of credit. This explains the increase of SME participation in MFI portfolios from 11.5% in 2006 to 14% in 2010.

It should be noted that over-indebtedness is a part of the evolution of any financial market. When financial institutions have a hard time capturing new clients and lack sufficient capacity to create new markets, they begin to grant loans for increasingly higher amounts. The real problem occurs when there is a lack of adequate mechanisms to monitor the loans granted, generating systemic risk. A basic rule that would obviate this problem would be to

simply prevent clients from increasing their indebtedness and thereby reaching a state of *active over-indebtedness*, which could be indicative of an addiction to consumerism. A situation where the source of repayment is affected while the level of debt remains constant is referred to as *passive over-indebtedness*, a phenomenon more strongly linked to credit evaluation.

Many lending institutions have taken steps to counter the possible negative effects of over-indebtedness. These steps, which act as a complement to current lending procedures (as shown by MIX surveys), include the following:

- i. Restrictions on disbursements for certain market segments, whether due to the decline of a particular economic activity or as a result of some other externality;
- ii. Limits on the number of active loans per borrower in the same institution;
- iii. Limits on the number of financial institutions that have outstanding active loans with the same client (cross-borrowing);
- iv. Incorporation of and/or adjustments in the scores assigned to clients when they apply for a loan (*credit scoring*).

Even with MFIs taking these preventative steps, is it possible to determine whether these measures have produced favorable results? The data recorded by credit bureaus provide some help in this regard. In Ecuador and Peru, on average each microfinance client has fewer than two active loans outstanding. Viewed from a different standpoint, in the two above-mentioned countries 75% and 55% of clients, respectively, have only one active loan, which is indicative of the existence of a captive market. However, this information is not sufficient enough to classify these markets as over-indebted; data on cross-borrowing is currently the primary indicator used to monitor the market in this regard. It is for this reason that MFIs should report appropriate information about their clients to a common and independent database, which will ultimately benefit the market as a whole.



TABLE 4

THE 20 MFIs WITH THE GREATEST MARKET PENETRATION

Ranking		Name of MFI	Country	Microenterprise Loans / Poor Population	Microenterprise Loans
2010	2009				
1	1	CompartamosBanco	Mexico	10.8%	2,055,643
2	2	BancoEstado	Chile	7.5%	218,800
3	5	Banco ADOPEM	Dominican Republic	3.4%	130,697
4	4	Financiera El Comercio	Paraguay	3.4%	44,440
5	165	Banco Familiar	Paraguay	3.2%	42,038
6	10	MiBanco	Peru	2.7%	426,239
7	8	Banco Solidario	Ecuador	2.6%	169,081
8	20	Apoyo Integral	El Salvador	2.0%	43,419
9	15	CRECER	Bolivia	1.9%	127,429
10	7	Fondo de Desarrollo Local	Nicaragua	1.9%	57,049
11	17	CrediAmigo	Brazil	1.8%	737,826
12	14	Pro Mujer – Bolivia	Bolivia	1.7%	117,350
13	13	BancoSol	Bolivia	1.7%	116,371
14	19	Banco FIE	Bolivia	1.7%	111,164
15	21	Credi Fé	Ecuador	1.7%	107,862
16	16	Banco ADEMI	Dominican Republic	1.7%	67,605
17	24	Financiera Edyficar	Peru	1.5%	229,911
18	12	PRODEM FFP	Bolivia	1.5%	102,011
19	11	Interfisa Financiera	Paraguay	1.5%	19,132
20	25	Bancamía	Colombia	1.2%	360,335

Crezcamos (Colombia) achieved the top position in this category after tripling its growth rate from the previous year. Forjadores de Negocios (Mexico) followed in second place, the best new entrant in this category, with a loan growth rate higher than 100%. Apoyo Integral (El Salvador) was the only Central American institution ranked in the top 20 institutions for rate of growth. Institutions from Peru and Mexico alternate throughout the rest of the classification, and among these, CompartamosBanco (Mexico) stands out with a growth rate for loans that is well above the rest of the MFIs in this category.

MARKET PENETRATION

The region has experienced an improvement in quality of life and reduction in poverty due

to the economic growth observed in some of the countries over the last few years, in addition to MFI expansion generated by financing provided to profit-generating productive activities.

CompartamosBanco (Mexico) continued to lead the market penetration category, with a penetration rate of more than 10% due to its ongoing expansion efforts. CompartamosBanco was followed in 2nd by BancoEstado (Chile) a Chilean MFI due as much to the growth recorded in its microenterprise portfolio as to the relatively low levels of poverty in this southern country. Both the 1st and 2nd ranked institutions have been in the top spots for the past three years and continue to distance themselves far above their peers in the region. Apart from the top two ranked institutions, no MFI in the ranking



TABLE 5

THE 20 LARGEST MFIS: CONSUMER LOAN PORTFOLIO

Ranking		Name of MFI	Country	Number of Consumer Loans Outstanding	Gross Consumer Loan Portfolio (USD)	General Trend †
2010	2009					
1	1	Financiera Independencia	Mexico	1,345,715	450,271,776	CNS
2	N/A	Provident	Mexico	597,696	140,051,201	CNS
3	4	Crediscotia	Peru	557,216	414,086,185	CNS
4	142	Banco Familiar	Paraguay	175,446	77,432,027	MIC
5	8	BancoEstado	Chile	78,557	60,777,778	MIC
6	12	Apoyo Económico	Mexico	64,791	36,703,683	CNS
7	11	Comultrasan	Colombia	61,035	211,078,836	CNS
8	10	CMAC Arequipa	Peru	60,393	131,714,219	MIC
9	7	MiBanco	Peru	54,698	47,381,139	MIC
10	17	CMAC Huancayo	Peru	53,780	58,395,814	MIC
11	15	Financiera El Comercio	Paraguay	51,459	18,261,229	CNS
12	14	Financiera Edyficar	Peru	50,845	43,418,861	MIC
13	18	Interfisa Financiera	Paraguay	50,334	20,795,042	CNS
14	13	Banco FIE	Bolivia	49,250	46,655,204	MIC
15	16	CMAC Trujillo	Peru	43,824	85,333,991	MIC
16	22	CMAC Sullana	Peru	42,839	68,925,711	MIC
17	21	Cooperativa Financiera Confiar	Colombia	37,653	103,014,621	CNS
18	25	COAC Jardín Azuayo	Ecuador	35,175	127,313,648	CNS
19	19	CMAC Piura	Peru	33,720	37,731,784	MIC
20	20	CMCP Lima	Peru	33,338	22,277,408	CNS
Totals for 2009 (108 MFIs)				3,472,480	2,321,942,391	
Totals for 2010 (108 MFIs)				3,743,466	2,841,417,958	

N/A: Not Applicable

* Only a few MFIs provided data on volume of active loans and gross loan portfolio.

† Key to General Trends:

MIC: Loans to microenterprises account for more than 50% of total loans.

CNS: Consumer loans account for more than 50% of total loans.

recorded a market penetration rate higher than 3.4% even in countries with relatively high poverty levels.

SCALE – CONSUMER CREDIT

Consumer credit increased slightly throughout the region from 2009 to 2010. As a result, the top 20 MFIs for this category in this year's edition collectively saw increases of 7% in the total number of loans and 19% in total loan amount. These figures do not vary significantly when the sample is expanded to include the top 100 in the category, which collectively experienced

an increase of 8% in the total number of loans and 22% in total loan amount. Significantly, in this expanded sample of top 100 institutions, the average loan was equal to 32.5% of gross national income (GNI) per capita, almost double the rate (16.7%) observed for the top 20 MFIs in this category. This indicates that institutions that have a lower profile in the area of consumer loans are able not only to grant loans for larger amounts but also to target credit toward specific market segments, even though such operations are not part of their normal credit product offerings.



TABLE 6

THE 20 MFIs WITH THE LARGEST AMOUNTS OF DEPOSITS

Ranking		Name of MFI	Country	Deposit Accounts	Deposits (USD)	General Trend †
2010	2009					
1	1	Banco Caja Social	Colombia	6,006,909	3,493,693,995	CNS
2	2	Caja Popular Mexicana	Mexico	4,185,000	1,663,562,523	CNS
3	3	Crediscotia	Peru	999,002	479,367,616	CNS
4	6	BancoEstado	Chile	876,010	641,527,778	MIC
5	4	PRODEM FFP	Bolivia	659,815	370,372,558	MIC
6	N/A	COAC Nacional	Ecuador	559,352	96,820,596	MIC
7	12	MiBanco	Peru	480,833	1,106,496,441	MIC
8	7	CMAC Arequipa	Peru	441,905	519,730,961	MIC
9	9	BancoSol	Bolivia	417,603	420,063,364	MIC
10	10	Banco FIE	Bolivia	393,935	364,353,395	MIC
11	14	Comulturasan	Colombia	239,193	195,726,192	CNS
12	19	CRAC Nuestra Gente	Peru	231,349	203,148,754	MIC
13	15	ProCredit – Ecuador	Ecuador	218,288	177,535,000	MIC
14	16	CMAC Piura	Peru	207,457	513,917,438	MIC
15	17	Centro de Apoyo al Microempresario	Mexico	205,157	19,301,470	MIC only
16	18	CMAC Cusco	Peru	178,340	247,022,420	MIC
17	22	CMAC Sullana	Peru	171,446	365,461,967	MIC
18	23	CMAC Trujillo	Peru	147,794	397,381,495	MIC
19	24	FinComún	Mexico	145,218	43,647,731	MIC
20	29	CMAC Huancayo	Peru	144,052	190,768,683	MIC
Totals for 2009 (80 MFI)				14,073,371	10,318,617,340	
Totals for 2010 (80 MFI)				17,806,335	13,010,065,437	

N/A: Not Applicable

† Key to General Trends:

MIC only: 100% of loans are granted to microenterprises.

MIC: Loans to microenterprises account for more than 50% of total loans

CNS: Consumer loans account for more than 50% of total loans.

Financiera Independencia (Mexico) was ranked first again in 2010, followed in second by Provident (Mexico), which received the highest possible ranking in the *scale of consumer credit* category. Another new entrant into the top 20 was Banco Familiar (Paraguay). It should be noted that in this ranking, MFIs focusing on consumer credit are often better ranked; although some institutions targeting loans to microenterprises also have outstanding track records, especially with a continued active presence in consumer credit over the past several years.

DEPOSITS

In 2008 and 2009, many clients experienced a decline in their capacity to save because part of their income earmarked for savings had to be redirected to cover expenses. In 2010, deposits resumed the upward trend at a rate similar to that observed before 2008. Collectively, the top 20 MFIs in this category increased their number of active deposit accounts by 28% while the amount of deposits increased by 26% from the previous year. Examination of the entire sample of 84 MFIs revealed that the rate of growth in active deposit accounts fell by only 2%, to 26%, for



TABLE 7

THE MOST EFFICIENT MFIs

Ranking		Name of MFI	Country	Cost per Loan / GNI per capita	Cost per Loan (USD)	Average Loan Balance (USD)
2010	2009					
1	1	COCDEP	Mexico	0.7%	64	197
2	3	Alternativa Solidaria Chiapas	Mexico	0.8%	80	271
3	4	AMEXTRA	Mexico	0.9%	85	345
4	14	Conserva	Mexico	1.0%	96	279
5	6	Grupo Consultor para la Microempresa	Mexico	1.1%	109	219
6	16	CompartamosBanco	Mexico	1.2%	112	398
7	20	FMM Popayán	Colombia	1.4%	90	780
8	9	Pro Mujer – Mexico	Mexico	1.4%	130	326
9	23	FINCA – Mexico	Mexico	1.4%	134	305
10	45	Solución Asea	Mexico	1.5%	146	329
11	41	ATEMEXPA	Mexico	1.5%	146	389
12	17	Semilla Solidaria	Mexico	1.5%	146	452
13	18	FODEMI	Ecuador	1.6%	64	519
14	33	Más Kapital	Mexico	1.6%	150	251
15	21	Financiera Independencia	Mexico	1.6%	151	334
16	26	Fundación Realidad	Mexico	1.6%	151	411
17	25	Centro de Apoyo al Microempresario	Mexico	1.8%	169	264
18	133	EDPYME Raíz	Peru	1.9%	97	1,918
19	37	CrediComún	Mexico	1.9%	180	299
20	27	EDPYME Efectiva	Peru	2.0%	105	335

both number of deposit accounts and account balances. It should be noted, however, that the percentage of the portfolio financed by deposits fell to 75% among deposit-taking institutions. This was due in part to the fact that in some markets traditional banks were able to mobilize a significantly greater number of institutional clients toward the segment in which some MFIs operate, with the latter accounting for approximately 20% of resources captured.

This ranking category has remained quite stable over time; in fact, the top four institutions this year are the same ones that held these spots in the 2009 rankings, led by Banco Caja Social (Colombia). Overall, other South American institutions also excelled in the deposits category, especially the Peruvian MFIs. Diversity was a predominant characteristic, and in the

aggregate these institutions accounted for up to 55% of GNI per capita. With the exception of the three top-ranked MFIs, all institutions in the ranking focused on providing credit to microenterprises. Some of the MFIs featured in the top 20 in the deposits category have **excess liquidity**, covering more than 100% of their financing operations with funds from their deposit portfolio.

EFFICIENCY

Again in 2010, the efficiency category was led by Mexican institutions. The top 20 ranking was also comprised of four South American MFIs. Despite the high level of GNI per capita in Mexico (behind only Chile and Brazil), the top 20 institutions exhibited an average cost per loan of US\$129, 12% higher than in 2009, with none

**TABLE 8**

THE 20 MFIs WITH THE HIGHEST QUALITY OF ASSETS

Ranking		Name of MFI	Country	Portfolio at Risk > 30 Days	Write-off Ratio *
2010	2009				
1	1	ADRA – Peru	Peru	0.1%	0.1%
2	3	COAC Nacional	Ecuador	0.2%	0.6%
3	25	Pro Mujer – Nicaragua	Nicaragua	0.2%	1.5%
4	4	Crezcamos	Colombia	0.4%	0.1%
5	N/A	Diaconia	Bolivia	0.4%	0.2%
6	6	Manuela Ramos	Peru	0.4%	0.5%
7	15	FODEMI	Ecuador	0.4%	0.8%
8	4	Fasil FFP	Bolivia	0.4%	0.9%
9	N/A	Fundación FACES	Ecuador	0.6%	0.3%
10	7	CRECER	Bolivia	0.6%	0.7%
11	N/A	Pro Mujer – Argentina	Argentina	0.6%	1.5%
12	7	Pro Mujer – Bolivia	Bolivia	0.7%	1.2%
13	N/A	FINCA – Honduras	Honduras	0.7%	2.9%
14	2	COCDEP	Mexico	0.8%	1.3%
15	11	BancoSol	Bolivia	0.9%	0.6%
16	12	Banco FIE	Bolivia	1.0%	0.6%
17	N/A	Crédito Real	Mexico	1.2%	0.0%
18	10	AMEXTRA	Mexico	1.3%	0.5%
19	N/A	COAC Maquita Cushunchic	Ecuador	1.3%	1.9%
20	44	BanGente	Venezuela	1.3%	2.3%

N/A: Not Applicable

* Write-off ratio must be less than 3%.

reaching US\$180 (the maximum cost per loan exhibited by any MFIs in this category). When the sample was expanded to include the top 100 MFIs in this category, the average cost per loan rose to US\$199, an increase of only 6% over the previous year.

COCDEP (Mexico) achieved the top slot for the third consecutive year; the next five spots went to Mexican Institutions as well. The top six ranked institutions all focused primarily on the use of lending methodologies applicable to solidarity groups and village banking. FMM Popayán (Colombia) ranked seventh and was the highest-ranked South American institution in terms of efficiency, even though it primarily focuses its efforts on personal loans. In general, the majority of the top ranking institutions in this category in

2009 failed to retain their top rankings; 15 of them experienced increases in their per-loan costs.

QUALITY OF ASSETS

In contrast with their performance in 2009, the region's MFIs were successful in controlling their levels of at-risk portfolio in 2010. For the top 20 in this category, the average portfolio at risk for more than 30 days was 0.6%, lower than the 2.4% observed for the same indicator in 2009. It was also observed that write-offs showed little variation, increasing by only 2.0% in 2010. These trends seen in portfolio at risk for more than 30 days for the top 20 remained constant when the sample was expanded to include the top 100 for the category, with write-offs in the expanded sample decreasing by 0.2%. The increased



TABLE 9

THE 20 MOST PROFITABLE MFIs

Ranking		Name of MFI	Country	Return on Assets	Return on Equity
2010	2009				
1	6	Conserva	Mexico	18.6%	47.4%
2	3	CompartamosBanco	Mexico	18.4%	39.0%
3	4	CEAPE Maranhão	Brazil	17.5%	27.9%
4	N/A	Invirtiendo	Mexico	16.5%	29.6%
5	18	CEAPE Piauí	Brazil	15.8%	35.9%
6	13	FMM Popayán	Colombia	14.1%	33.8%
7	1	Alternativa Solidaria	Mexico	11.6%	20.3%
8	10	CrediAmigo	Brazil	11.5%	35.8%
9	15	Banco da Família	Brazil	10.2%	18.0%
10	16	FINCA – Peru	Peru	10.2%	16.7%
11	N/A	Soluciones Financieras	Mexico	9.9%	44.1%
12	8	Semilla Solidaria	Mexico	9.9%	38.0%
13	11	Diaconia	Bolivia	9.8%	14.0%
14	14	Contactar Nariño	Colombia	9.2%	24.7%
15	12	AMEXTRA	Mexico	8.9%	22.4%
16	21	ADRA – Peru	Peru	8.3%	14.2%
17	N/A	Forjadores de Negocios	Mexico	8.2%	44.1%
18	20	FMM Bucaramanga	Colombia	7.9%	24.8%
19	36	FINCA – Mexico	Mexico	7.5%	25.2%
20	2	COCDEP	Mexico	7.5%	14.2%

N/A: Not Applicable

importance of the enforcement of credit evaluation and loan recovery policies contributed to the improvement of the risk indicators for MFIs in Latin America and the Caribbean.

ADRA Peru led the quality of assets category for the second year in a row. However, there was considerable variation among the top spots; Pro Mujer's Nicaragua affiliate showed a notable ascent, despite the problems affecting the country. Also worthy of note was the entry of the MFI Diaconía (Bolivia) into the ranking. There were more MFIs using group-lending methodologies in this category than those using individual lending, which is significant given the considerable diversity of products offered by most of the MFIs included in the *quality of assets* category, some of which are banks and NGOs.

PROFITABILITY

This category serves as a criterion to determine MFI sustainability, although it has a negative effect on the *efficiency* pillar by creating additional costs for clients. Moreover, profitability is not included explicitly in the composite rankings, appearing only as an approximation of the average profit to portfolio indicator. In classifying the sample of institutions in this category, it is important to identify two behaviors. In the top 20 group, the average profitability over assets and average capital fell 1%, to 7.5% and 22.4% respectively. When the sample is expanded to include the top 100 in the category, an increase of 0.5% in average profitability over assets was observed, while profitability over capital rose 2.5%. Since this expanded group contains a larger number of

MFIs, it is more representative of the market, and it is therefore possible to affirm that the control exercised over levels of at-risk portfolios had a positive effect in increasing profitability.

Once again, this category is clearly dominated by the Mexican institutions, which earned 10 of the top 20 spots, thereby confirming their success despite the economic situation in Mexico. Conserva (Mexico) advanced to the top spot followed in second by CompartamosBanco (Mexico), additionally three Mexican institutions ranked in 4th, 5th and 6th place. CEAPE Maranhão (Brazil) was the highest ranked South American institution taking 3rd place, followed by CEAPE Piauí (Brazil), which showed a notable advance in 2010. Institutions from Bolivia, Colombia, and Peru rounded out the top 20 spots.

CONCLUSION

Microfinance institutions in Latin America and the Caribbean continued to grow in 2010, especially in the area of credit to microenterprises; which is indicative of a degree of recovery in certain

economic activities, such as retail, services, and small industry. Consequently, MFIs are reconsidering their strategies regarding the provision of other types of credit products, based on the potential decrease in demand for both consumer loans and, especially, commercial loans. Overall, this year's ranking is simply a reflection of the trends observed among institutions. Once these cyclical obstacles have been overcome, it will be necessary to focus on the structural problems currently facing these lending institutions and determine which constitute key issues for each actor, e.g., market size. Institutions would be advised to opt to expand their offerings to the same clients and/or to create new market segments, i.e., contribute to the financial and social inclusion of clients with little or no financial education.

On behalf of MIX and the MIF, we would like to take this opportunity to thank all of our readers for allowing us to share with them the results for this year and invite them to be with us once again for next year's edition. Special thanks also go out to the institutions that participated in this edition for sharing their information with us.

METHODOLOGY NOTE

Composite ranking

This ranking, compiled with a methodology developed by MIX, is essentially quantitative (all variables are quantifiable and therefore explainable), simple (easy to reproduce) and results-oriented (the values of success should act as an incentive to further the goals accepted in micro-finance).

This ranking was based on percentiles for the variable in each of the three pillars: *outreach, efficiency, and transparency*. It included only those institutions with more than 5,000 active loans and those that posted profits (and not losses) in 2010 and at least one of the previous two years (2008 or 2009). The results of the qualifying MFI for the variable was then sorted by performance in each pillar, where a simple average as determined from the percentiles. Later the averages for each pillar were averaged one more time to reach unique values for each MFI. These final values were then sorted to produce the final rankings.

The pillars and their indicators

1. **Outreach:** Measures the success obtained in the expansion of financial services according the following variables:
 - ▼ Loans directed toward microenterprise. Measures the number of clients covered with credit services. Favors MFIs with greater volume, such as those in potentially large markets.
 - ▼ Growth in loans to microenterprise. Evaluates the expansion of services. Favors small MFIs that are initiating operations or that have a smaller client database.
 - ▼ Market penetration. Measures the number of loans are disbursed with respect to the potential market. Favors MFIs that operate in small markets with a lower potential of poor clients.
- ▼ Mobilization of deposits. Favors MFIs authorized to take deposits and averages scores on the following variables:
 - ▼ Deposits/Credit Portfolio. Permits measurement of the capacity of an MFI to finance its portfolio with deposits from the public.
 - ▼ Deposit accounts/Loans. The relationship demonstrates the balance between the capacity to capture deposits and the allocation of resources.
2. **Efficiency:** This pillar measures the degree to which MFIs have reduced costs to clients. It considers the following variables:
 - ▼ Cost per loan/GNI per capita. Puts the service cost for clients against the level of household income. It seeks to eliminate the cost difference between countries with different standards of living by taking into account the relative service costs for each borrower.
 - ▼ Profit/Loan portfolio. Expressing how large profits are with respect to loan portfolio. For the purposes of this indicator higher scores were assigned to those MFIs with lower profits. This is with the understanding that an MFI with lower profits—maintaining the same level of efficiency are other peers—can offer a lower interest rate to its clients. Portfolio quality, comprised of an average of the scores obtained for the following variables:
 - ▼ Portfolio at risk greater than 30 days. This is a measurement indicating delinquency. It can favor those MFIs that use internal accounts and group lending methodologies or those that employ aggressive penalty policies.
 - ▼ Portfolio penalties. Measures the portfolio losses recognized by the

management policies of each MFI. This measurement favors those MFIs that have a light or less aggressive penalty policy.

3. Transparency: This pillar measures the public accessibility of performance results in a standard and comparable format, such as those indicated in the following variables:

- ▼ Annual reports to MIX market. A measurement of the available information for MIX and other external analysts. This score is based on the number of annual reports published by an MFI in MIX Market in the years 2008, 2009, and 2010.
- ▼ Audits by MIX Market. Measures the financial performance evaluation of the MFIs reported by MIX and external analysts. Based on MIX Market's Diamond Systems, an MFI obtains three points when it presents its information with internal financial statements and four points for presenting financial statements confirmed by external auditors. The score is the average for the years 2009 and 2010 in the profiles of MIX Market.

General Information

Information is presented in American dollars (US\$) as of the 31st of December 2010. All of the provided figures should be sufficiently detailed and of high enough quality to sustain critical examination. The financial information should be submitted together with documents prepared by third-party entities with verification of accounts. All of the information is reclassified in accordance with the standard presentation

for financial reports, and all of the information presented has not been adjusted. The microfinance programs and institutions that are found within larger organizations should also submit disclosures of trustworthy figures from their financial reports relative to revenue designations, so that they can be considered for affiliated "top 20 lists."

Following MIX methodology, the MFIs are defined as those institutions with an average size of financial products equal to or smaller than 250% of national per capita income for the countries where they operate. For comparative purposes, the rankings considered only those institutions that reported more than 5,000 active loans. It is possible that the list does not include certain distinguished institutions if necessary information could not be provided in the time allotted. As such, some institutions could not be included in the lists due to their size, although they do appear in other categories regarding their performance. For more information about the definitions and employed methodologies, please visit the following web pages: www.iadb.org/micamericas and www.themix.org.

Definitions of loan types according to MIX

Microenterprise: Loans granted to persons or businesses—in general directly to small and micro enterprises—to finance the production and/or sale of goods and services.

Consumption: Loans granted to individuals to finance purchases of consumer goods and services that do not have commercial or business uses, including loans for health or education.

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