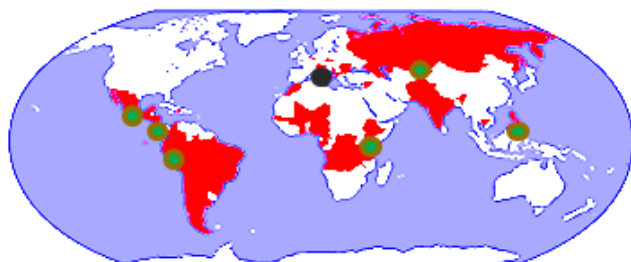


Who we are

- Microfinance Rating Agency
- Private and independent
- 600+ evaluations, 60+ countries
- Largest market share*



● Headquarters (Italy)

● Offices

What we do

FINANCIAL RATING	INVESTOR SERVICES
RESPONSIBLE FINANCE RATING	TRAINING
CLIENT PROTECTION CERTIFICATION*	SOCIAL RATING



Integrate **client protection**:

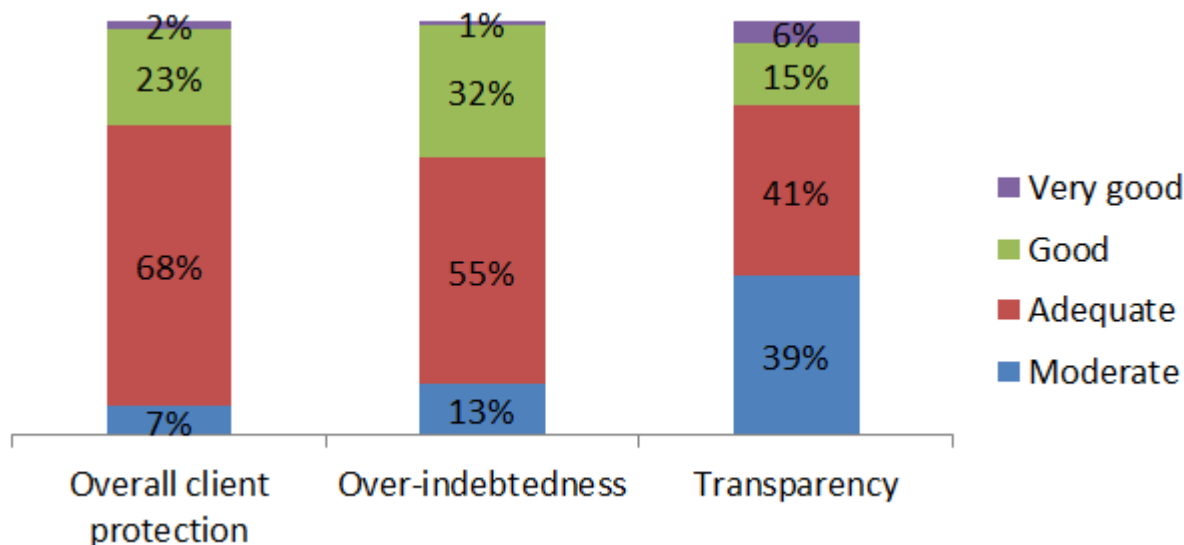
- Deep verification
- Survey on clients in comprehensive SR

*ADA-KPMG "Rating Market Outlook Report 2009"

*Will be launched in 2012

Client protection partially put in practice

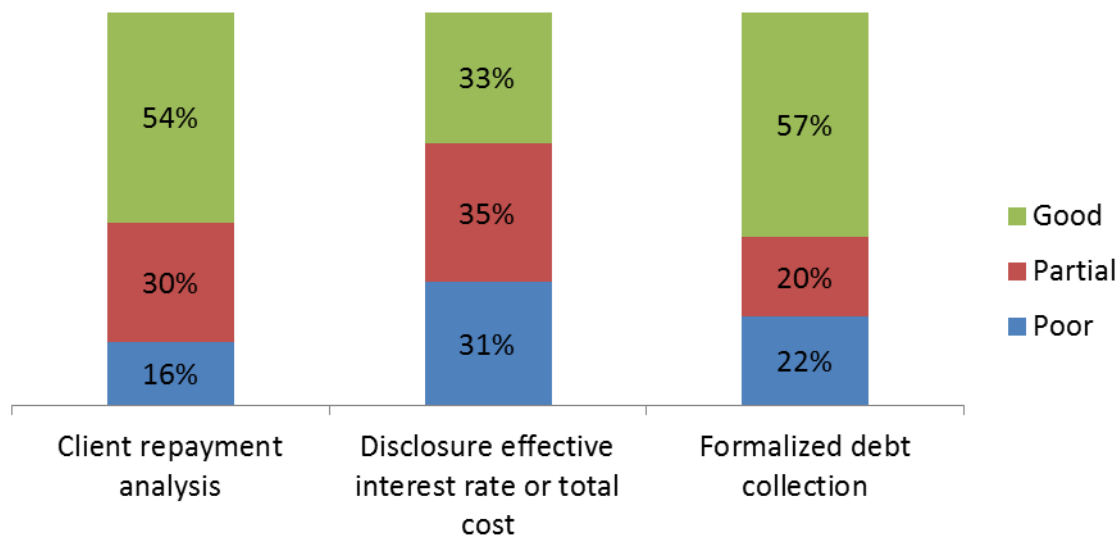
- Overall client protection is adequate for the majority of MFIs
- Differences among principles: prevention of over-indebtedness and transparency not adequate for 13% and 39% of MFIs



Source:
MicroFinanza Rating
Social Rating database
90 observations
35 Countries

Examples of client protection areas of concern

Only 54%, 33% and 57% of the MFIs make good repayment analysis, have good cost disclosure and formalized debt collection



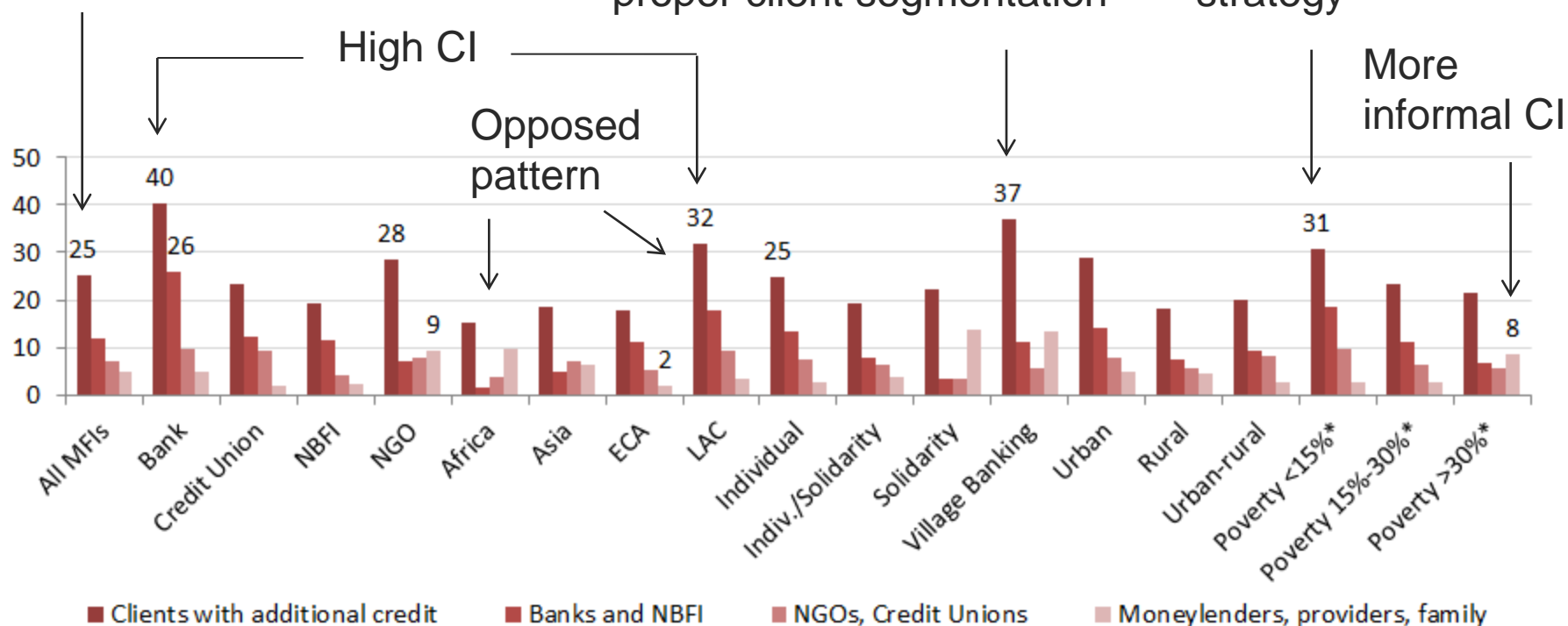
Source:
MicroFinanza Rating
Social Rating database
90 observations
35 Countries

Cross indebtedness: widespread phenomenon

Significant Cross
Indebtedness (CI)
on average

Small loan amounts without
proper client segmentation

Diversification
strategy

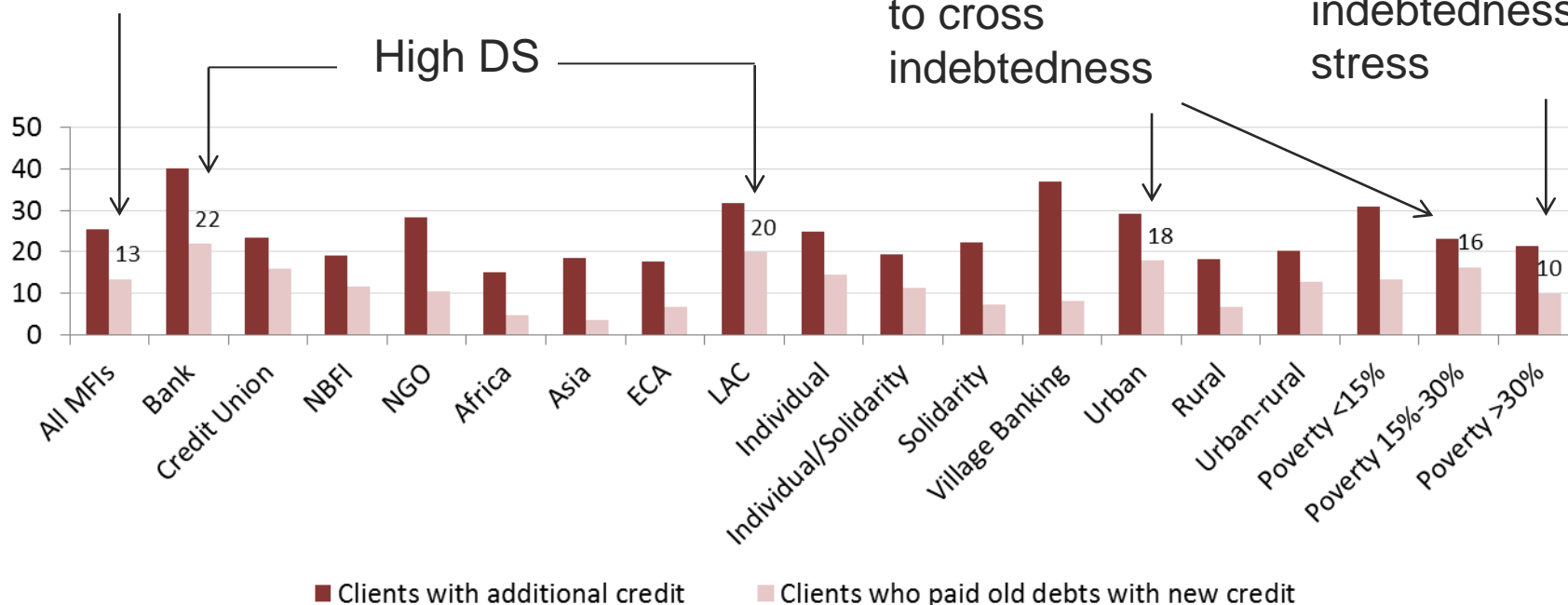


*National poverty line. Source: MicroFinanza Rating, Social Rating database

Debt substitution: over-indebtedness symptom

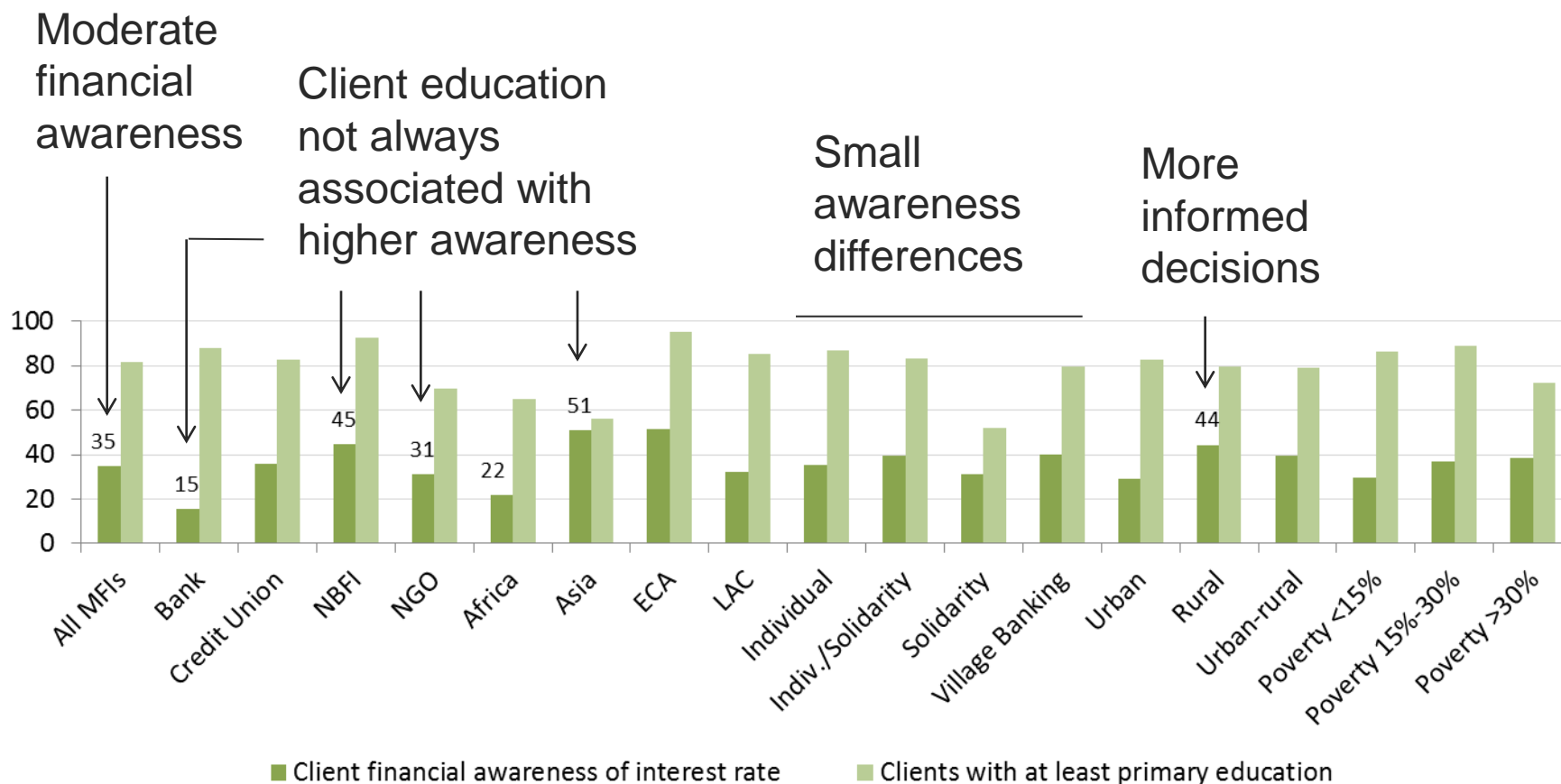
Debt Substitution associated with cross-indebtedness

Debt Substitution
(DS) quite frequent



Source: MicroFinanza Rating, Social Rating database

Financial awareness: moderate on average

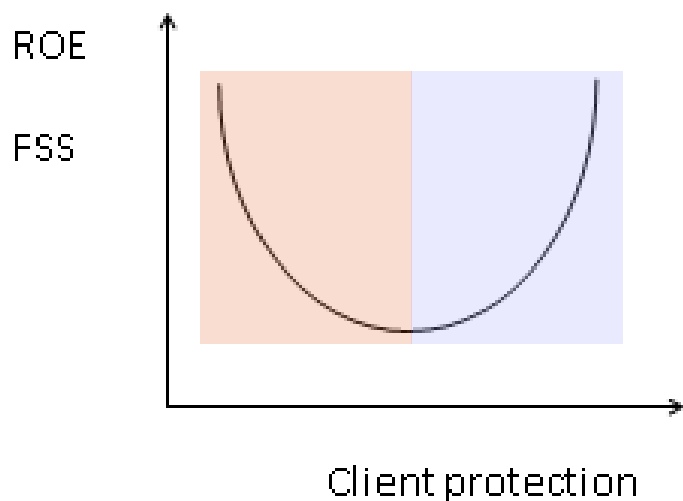


Source: MicroFinanza Rating, Social Rating database

Client protection implementation: pays off

U shaped relationship*:

- client protection
- financial performance



- Building client protection systems from scratch can be costly;
- But the MFI's efforts to implement client protection will pay off once the MFI has reached the client protection "minimum critical mass" necessary to build the clients' loyalty and the trust of the government and investors.

*Motivating your Board of Directors to Actively Promote and Deepen the Social Mission, Guarneri, Moauro, Spaggiari, 2011

Thank you!!!

MF Rating HQ

Corso Sempione, 65, 20149 Milan – Italy. Tel: +39-02-3656.5019. Fax: +39-02-3656.5018

MF Rating South America

Calle Pasaje El Jardín #152 y Avenida 6 de Diciembre, Quito – Ecuador. Tel.: +593-2-2248.114

MF Rating Central America

Altamira D´este, de la Vicky 4 cuadras al norte 75 vrsarriba. No. 62. Managua – Nicaragua. Tel.: +505-2774.676

MF Rating Mexico

Av. Patriotismo 229Piso8, Ciudad de México DF, CP 03800. Tel. +52 55 2881.0394. Tel. +52 222 284.52.01

MF Rating Central Asia

231 Tynystanova Str., apt. 14. 720011, Bishkek, Kyrgyz Republic. Tel: +996-312-624441

MF Rating Africa

Prima Apts., Gichugu Road, Kileleshwa, Nairobi, Kenya. Tel: +254-20-300.6423. Mob: +254-73743.9297

MF Rating South East Asia

Unit 34 Cattleya Gardens, 111 C. Palanca St., Makati City, Metro Manila, Philippines. Tel: +63 2 8173767

lucia.spaggiari@microfinanzarating.com

www.microfinanzarating.com