

CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Tropical AgriSciences



Czech University of Life Sciences Prague

**Faculty of Tropical
AgriSciences**

**Analysis of present techniques of audit and social
performance by microfinance investment vehicles**

Master's thesis

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Analysis of present techniques of audit and social performance in microfinance investment vehicles

Cíle práce

There are three possibilities how to do audit in microfinance: due diligence, rating and social performance. The main objective of this thesis is to find the most effective technique of audit using in microfinance investment vehicles or to choose a way how to combine these methods to obtain the highest level of efficiency in audit of microfinance projects.

Metodika

The methodology is based on secondary data collection done through available microfinance sources and in cooperation with chosen microfinance institutions (e.g. Cerise, Planet Rating) which are specialists in auditing the microfinance projects. The most important will be final analysis of audit techniques based on these data collections.

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1. MicroRate Inc. 2008. Microfinance Investment Vehicle Survey: Survey and Analysis of MIVs
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Declaration

I hereby declare that this thesis entitled Analysis of present techniques of audit and social performance by microfinance investment vehicles is my own work and all the sources have been quoted and acknowledged by means of complete references.

InPrague..... Date26/06/2016.....

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Tereza Králová

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Abstract

This master's thesis is focused at techniques of audit used by microfinance investment vehicles to control or to check the transparency or reliability of microfinance institutions. Additionally, these audit techniques could be used to check achievement of the social goals of microfinance institutions as well. The main objective of the thesis was to find the most effective way how to do audit in microfinance or to find out the combination of the available methods. Data collected/gathered during the last decade (2005-2015) were used for the analyses. They were provided by microfinance institutions to microfinance web-based platform Microfinance Institution Exchange Market. Due diligence, rating and social performance were the auditing techniques examined/used in this thesis. It was found that the most effective way how to do audit in microfinance sector is due diligence. However, PLUS method provided by MicroFinanza Rating which is one of the main microfinance rating agencies shows also promising results. These results returns us to research questions of this thesis whether combination of assessed methods should not provide sufficient results maybe more valuable than those mentioned previously.

Key words

Microfinance, microfinance projects, audit, social performance, due diligence, rating, microfinance investment vehicles, microfinance institutions

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List of Abbreviations

CERISE	Comite d'Echanges, de Reflexion et d'Information sur les Systemes d'epargne-credit
CGAP	Consultative Group to Assist the Poor
EY	Ernst & Young
MDGs	Millennium Development Goals
MFI	Microfinance Institutions
M-CRIL	Micro-Credit Ratings International Ltd.
MIR	Microfinance Institutional Rating
MIVs	Microfinance Investment Vehicles
PwC	PricewaterhouseCoopers
SPM	Social Performance Management
SR	Social Rating
SRI	Social Responsible Investment
UK	United Kingdom
UN	United Nations
USA	United States of America
USSPM	Universal Standards for Social Performance Management

1. Introduction

Microfinance represents an alternative for poor people with less or none access to financial market. These people cannot borrow money in traditional financial institutions, e.g. banks. Microfinance provides money and other types of investment to people. Therefore it gives them new hope and sometimes new direction in their lives.

Regarding the Millennium Development Goals, the main goal of microfinance sector is to “*achieve the poverty alleviation*” in the world. Nevertheless, microfinance sector is helpful in other MDGs such as “*achieving universal primary education*”. This could demonstrate study of Johnson and Rogaly (1997) in Vietnam who discovered that 97% of borrower’s daughters attended school. On the other hand, 73% of non-borrowers did not attend school.

1.1. Microfinance

Microfinance is a tool to grant access to financial services for low-income people who often do not have an access to financial services by traditional way (Hes, 2012). It means that very often the clients in microfinance are poor people who cannot meet conditions of financial institutions so they have to look after an alternative way.

Microfinance is based on business loans which means that there is motivation for borrowers to pay their debts because if not they will not receive another one.

Microfinance also represents successful and sustainable financing program of different activities mostly for poor people all around the world. It became a part of Millennium Development Goals¹ (MDGs) of United Nations which should help to avoid worldwide poverty. Coleman (2005) says that “*small amounts of credit to the world’s poor can break their cycle of poverty*”.

¹ UN’s Millennium Development Goals

1. Eradicate Extreme Hunger and Poverty
2. Achieve Universal Primary Education
3. Promote Gender Equality and Empower Women
4. Reduce Child Mortality
5. Improve Maternal Health
6. Combat HIV/AIDS, Malaria and other diseases
7. Ensure Environmental Sustainability
8. Develop a Global Partnership for Development

Hes (2013) called the microfinance branch as an “*innovative contractual collateralization of social relationships that made emergence of modern microfinance possible, resulting from the market failure of financial sector, associated with information asymmetry, non-competitive markets, insufficient infrastructure and externalities.*”

1.1.1. History of microfinance

Although, microfinance could seem like quiet new branch of economy, the truth is that we could find the origin of microfinance in the middle of 19th century. There were few saving and credit institutions organized around small towns and villages. The development of microfinance could be found in Bangladesh in 1983 when Muhammad Yunus established his Grameen Bank as an independent microfinance institution. This organization was based on 10 years long experiment and became community development bank. In 2006 Grameen Bank and Muhammad Yunus were awarded by Nobel Peace Prize for their “*efforts to create economic and social development from below*” (Nobel Prize, 2006) which is exactly the mission of microfinance and its institutions. This bank which started with providing small loans mostly to women becomes in few years very important for poor people especially for women to reach their dreams and to help them feed the families (Coleman, 2005).

The importance of microfinance as a part of United Nations plans in Millennium Development Goals was presented the most when in 1998 UN General Assembly called the year 2005 the International Year of Microcredit. In 1998, developed country showed that microfinance is very important tool for them. In 1999, the Consultative Group to Assist the Poor (CGAP) was created. This organization of 34 leading players is still prevalent housed in the World Bank in Washington D.C., United States of America. “*CGAP develops innovative solutions through practical research and active engagement with financial service providers, policy makers, and funders to enable approaches at scale*” (CGAP, 2006) which means CGAP was founded to help develop the rules and new techniques in microfinance industry.

1.1.2. Year 2005: International Year of Microcredit

Year 2005 was proclaimed as International Year of Microcredit by Economic and Social Council of United Nations (UN, 2005). This Council also designated five main goals of this year:

1. Assess and promote the contribution of microfinance and microcredit to the MDGs;
2. Increase public awareness and understanding of microfinance and microcredit as vital parts of the development equation;
3. Promote inclusive financial sectors;
4. Support sustainable access to financial services, and
5. Encourage innovation and new partnerships by promoting and supporting strategic partnerships to build and expand the outreach and success of microcredit and microfinance.

1.1.3. Current situation in microfinance

Microfinance sector is becoming more and more important especially in the less developed countries, but does not mean that they are not applicable in developed countries as France, United States and others. This way of financing activities of poor people became very popular in last two decades. On the other hand, we can find critics. Their argument could be whether microfinance has such big impact on reducing poverty in less developed countries, despite their activities could seem negligible. But as David Roodman from Central for Global Development said *“Suppose microfinance is not having much average impact on poverty, but is giving millions of people a modicum of greater control over their lives... is that so bad?”* This question is very important. The world cannot change in a minute not even in decades but microfinance is the tool how to give poor people their part of freedom in their lives full of decisions how to feed their families (Schmierer, 2011). According to studies, projects focused on poverty alleviations are more successful than projects focused just on economic results. In last years, there is a new idea appearing in this industry. It is an idea to cover more areas in microfinance, not just to borrow money to very poor people, e.g. providing microfinance services similarly with primary education or health care education (Coleman, 2011).

1.1.4. Problems of microfinance

Unfortunately, after global financial crisis in 2008 which started with collapse of the great investment bank Lehman Brothers, the media and investors started to take a look deeply to microfinance investment. They started bringing into question if the pillars of microfinance are going to be reached. The main ideas or pillars were empowerment of women, create millions of new entrepreneurs and help less developed countries to break through to developed world

among developed countries. The investors and society found out that there are also problems which need to be solved. The big problem was also in motivation of participants and their interest in fulfilling the main ideas of microfinance mentioned above.

1.1.5. Microfinance investment vehicles (MIVs)

From the beginning, there were two main investors in microfinance – international financial institutions (IFIs) and private investment funds which are currently called microfinance investment vehicles (MIVs). IFIs helped to commercialize the sector but MIVs became a way how to efficiently financing the microfinance activities (Reille, 2007). Global rating agency MicroRate (2007) set the criteria for institutions to be qualified as microfinance investment vehicle:

- (1) Presence of an independent legal entity
- (2) Presence of and / or open to multiple investors
- (3) Focus on microfinance investing

Microfinance investment vehicles present a connection between private international investment and local microfinance initiatives. In 2013, we could find 111 registered MIVs around the world (Symbiotics MIVs Report, 2013). Based on the information provided by International Association of Microfinance Investors (IAMFI, 2011) international funders from the whole world represent around 13 billion USD for microfinance industry which means 29% of the total microfinance funding (Hes et al., 2011).

In 2013, MicroRate agency published their study containing geographic trends of MIV microfinance portfolios. This figure shows that the biggest investments are in Latin America and in Sub-Saharan Africa. It confirms that microfinance sector's activities are higher in the poorest areas of the world.

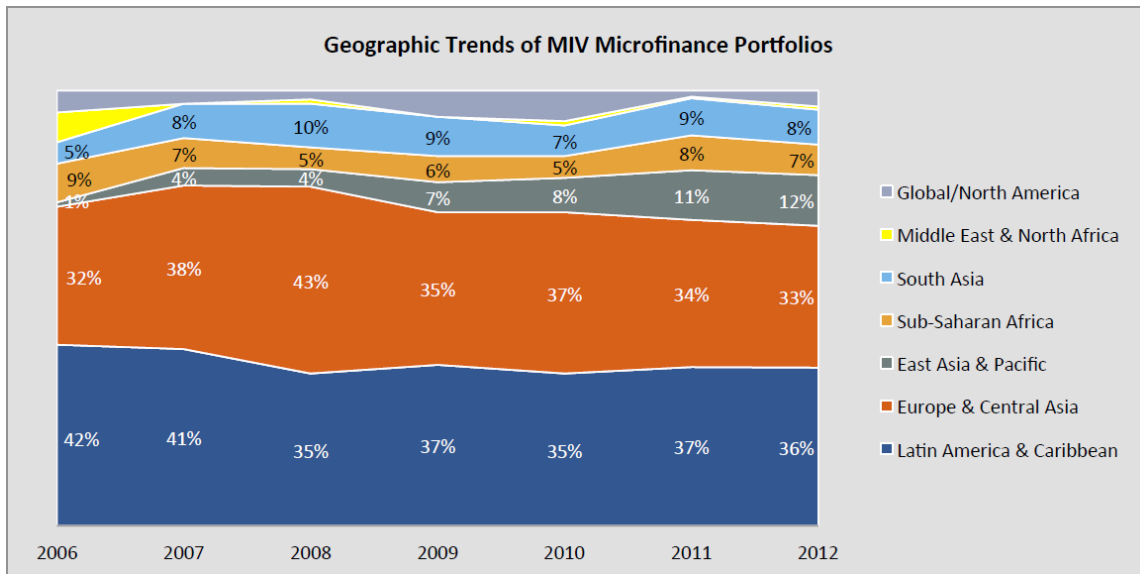


Figure 1 Geographic Trends of MIV Microfinance Portfolios

Source: MicroRate, 2013

Figure 2 represents distribution of investment provided by European Commission through its project “Progress Microfinance – implementation”. This figure could demonstrate how many sectors are influenced or supported by microfinance investment vehicles.

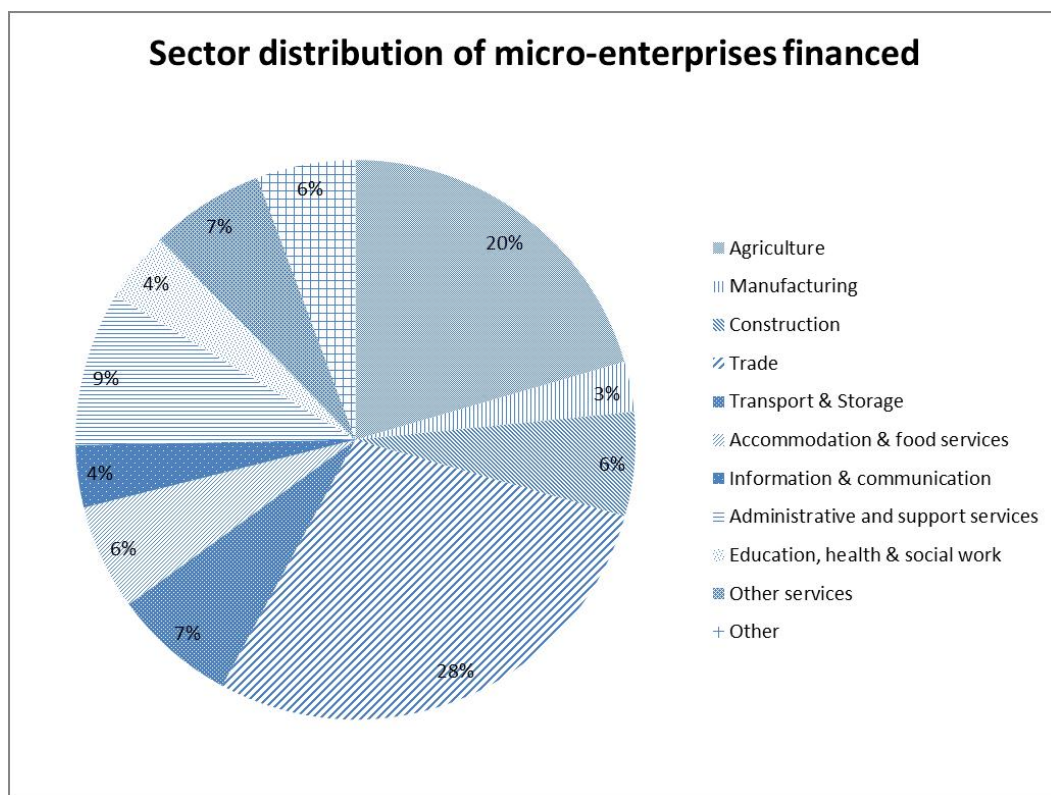


Figure 2 Sector distribution of micro-enterprises financed

Source: European Commission, 2011

1.1.6. Microfinance institutions (MFIs)

Further to the previous chapters, it is very hard for poor people to obtain the loan because very often they cannot meet all the conditions of bank or of other providers. Microfinance institutions (MFIs) represent a possibility for poor people how to save money, take a loan or how to insure (Hes, 2012). As such, MFIs are providers of financial services for poor people. They are an opposite side of traditional well-known bank with their laws and norms.

1.1.7. Advantages of microfinance

Traditional way how to obtain a loan is to go to the bank, borrow the money and then pay it back with the amount of interest required from the bank. But for poor people there is no such traditional way how to obtain a loan. They do not have access to these banks or their access is very limited. Their income is low or they do not have any. They cannot offer a guarantee that they will pay their debts. That is the problem for them. This issue does not allow banks to provide a loan without knowing whether this investment will ever get back to them. That is why the poor people can find out their help in microfinance sector. This industry could offer them money if their ideas are good. This sector can give them freedom and can help them to feed their families in times when no one does (Dokulilova et al., 2009).

To demonstrate how simply microfinance sector works and how it could connect people, we could use Figure 3 representing the value chain of microfinance institution.

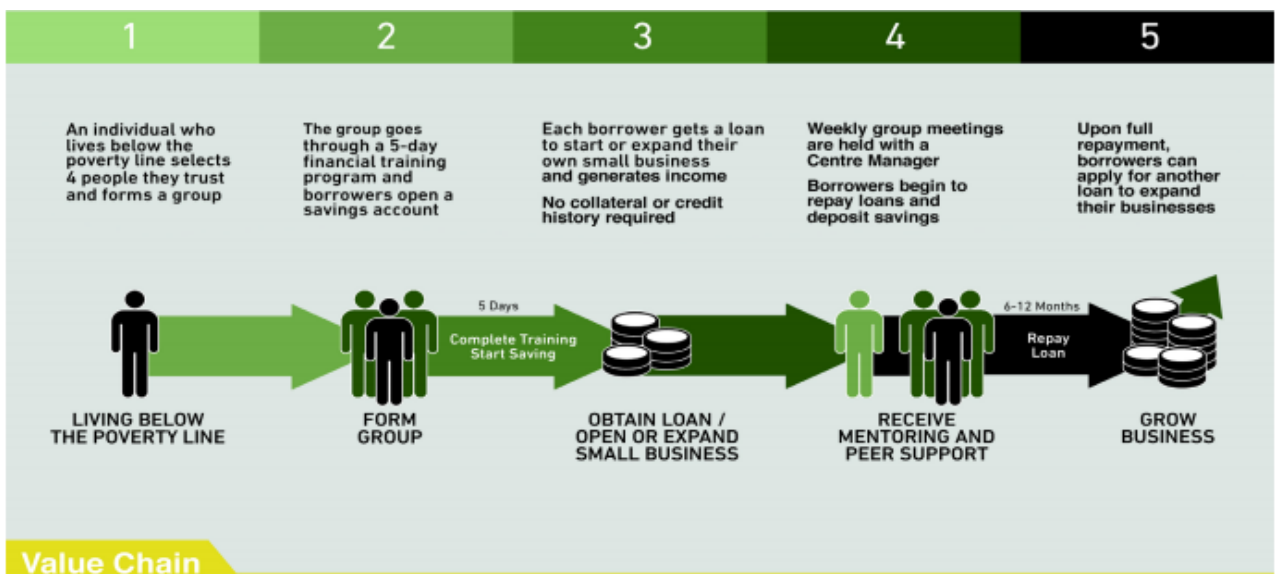


Figure 3 Value Chain in microfinance sector

Source: Jariwalla R., Ramji A., 2015

1.1.8. Disadvantages of microfinance

Many people could think that microfinance is a possibility for all poor people in the world which just do not have access to money in other way, but it is not true. Even if microfinance could help many, there are still some groups of people staying outside this sector. As always even microfinance industry is based on providing credit and receiving something more back. As such, you should still choose who you are going to help, i.e. financial providers cannot give money to someone when they know it is not possible for them to pay their debt back or if there is high risk of non-recovery (Kiva, 2016). The microfinance institutions still cannot offer their services to people with fatal diseases (e.g. HIV / AIDS). Moreover, they should be careful in countries with hyperinflation or high level of regulation of financial sector, i.e. rate interest ceilings.

There could be also found a weakness and a disadvantage of microfinance sector which has problems with global coordination. United Nations tried to solve this problem by establishing CGAP. Despite the discussion on the highest levels of politics, there are still problems to find out regulation policies which could be appropriate at least for the most players in this sector. (Morduch, 1998).

1.1.9. Key principles of microfinance

In 2004, CGAP created 11 principles called “*Key principles of microfinance*” (CGAP, 2004). These principles were endorsed on summit of G8 in 2004.

The principles are following:

- (1) “*The poor need a variety of financial services, not just loans*” – The message of microfinance should not be just providing loans to the poor which cannot obtain it by traditional way. It should be also insurance, savings, transfers etc.
- (2) “*Microfinance is a powerful instrument against poverty*” – Microfinance gives possibilities to poor people to rebuild their lives, to have higher incomes and more.
- (3) “*Microfinance means building financial systems that serve the poor*” – Microfinance industry should not be taken as an opportunity for investors to become rich but as an opportunity to help people, to be so called socially-responsible.
- (4) “*Financial sustainability is necessary to reach significant numbers of poor people*” – The financial sustainability does not necessarily mean that a provider should ask for

guarantees that his investment will be recovered. It means that it should be able to cover its costs even if some clients will not be able to pay their debts.

- (5) *“Microfinance is about building permanent local financial institutions”* – Microfinance institutions as financial providers in this industry should build trust on the first place and then they should be able to offer more services to their clients than only microcredits.
- (6) *“Microcredit is not always the answer”* – CGAP suggests to MFIs and MIVs that also non-financial services could be appropriate to help poor people improve their lives and help to alleviate poverty.
- (7) *“Interest rate ceilings can damage poor people’s access to financial services”* – Very often we can find governments which are regulating interest rates which could be a problem for MFIs because the small loans cost more than the bigger ones.
- (8) *“The government’s role is as an enabler, not as a direct provider of financial services”* – Because the MFIs should stay as independent as possible, it is not good for them to join the microfinance business. The idea of CGAP is to influence the government to help other way, i.e. improve the business environment.
- (9) *“Donor subsidies should complement, not compete with private sector capital”* – Donors should be able to work into the local markets, not to apply for special conditions.
- (10) *“The lack of institutional and human capacity is the key constraint”* – Microfinance is very specific area of economy combining financial sector with more human approach and it is important to have appropriate number of human resources there.
- (11) *“The importance of financial and outreach transparency”* – Similarly with bank sector, it is important to have regulatory organs and supervisor to control the transparency of funding and providing microfinance activities.

1.2. Audit

According to Jurajdová (2007) audit is *“a systematic process of objectively obtaining and evaluating evidence concerning information on economic activities and events in order to determine the level of compliance between them and set criteria and communicate the results to interested candidates”*. Regarding the business dictionary, audit is an examination and verification of financial statements of the companies or persons (Business Dictionary, 2016). Although from other point of view audit as a noun could be a symbol of *“careful check or*

review of something” (Merriam-Webster, 2016). Lawrence R. Dicksee described audit as “*an examination of accounting records undertaken with a view to establishing whether they correctly and completely reflect the transactions to which they relate. In some instances, it may be necessary to ascertain whether the transactions themselves are supported by authority*”. From the above, it is obvious that audit is systematic examination of financial statements of the companies.

Audit is very helpful for investors if they are negotiating about investing money to the company. On the other side, audit could be very supportive instrument for companies which are a subject of it because it could show their credibility regarding the other firms on the market.

In last two centuries, audit passed through evolution similarly as all the financial services. This evolution could be summarized by five main periods which are described below. Even there were origins of the audit in old ancient civilizations, audit did not have such big importance for business since the industrial revolution in the middle of 19th century when industry took control over the market and agriculture shift to second line.

Unfortunately, period before 1840 was not very well documented but still it is possible to find the origins of audit in ancient civilizations, i.e. China, Egypt and Greece. At the beginning of 12th century, there were mentions about king’s officers which were checking the activities of the crown and they should check whether all the transactions of the state were accounted properly. These men were called “auditors”. Moreover, it was possible to find these officers also in the Italian cities which were well-known for their wealth and very large financial market. The bankers and investors needed officers to determine if there is no covered fraud in the transactions of the companies (Brown, 1962). As such, investors could simply decide to who they will give their money. Unfortunately, until the industrial revolution, audit did not have such value on the market and its application in commercial business was small (Porter et al., 2005).

The industrial revolution started in United Kingdom did not mean the automatic expansion of audit services. This period of revolution (1840 – 1920) was quite wild. There were unexperienced investors who wanted to invest and gain more money. The era of capitalism began and money were everywhere. Nevertheless, the share market was not controlled and for unexperienced investors, it was not possible to find out which companies are cheating on them. This was a good time for audit. It was established that there should be “*the Book of the Company to be balanced and a full and fair Balance Sheet to be made up*” (Joint Stock Companies Act,

1844). This decision meant that there would be auditors needed to check the activities of the companies and to check their books and balance sheets. In this period of industrial evolution, auditors were very frequently employees of the companies and their work was to control mostly transactions and correctness of financial statement from outside point of view (Brown, 1962). In addition, Lawrence R Dicksee (1892) declared the objectives of auditor's work as the following – "*the detection of fraud (i), the detection of technical errors (ii) and the detection of errors of principles (iii)*". Based on these three principles, it could be concluded that mainly the detection of fraud was the appropriate job description on the position of auditor.

Regarding the growth of US economy after World War (1914 – 1918), economic development moved from the United Kingdom to United States of America. But this growth was stopped by Black Friday in 1929 on Wall Street in New York, USA. The collapse of the biggest stock exchange of the world caused a long-term economic depression which was moving from one continent to another. The objectives of audit has been changed. There was a shift from fraud detections. The main objective of auditors between 1920 and 1960 was changed to provide credibility to financial statements. Another important shift in audit industry was forced by the amount of transactions. Based on new technologies, the amount of transactions realizing by companies every day was bigger than in last five decades. Auditors started using sampling technique based on testing few chosen samples from the whole amount of transactions and financial statements. However, it could seem like simplifying the work of auditors, it lead to creation of another branch of this industry – internal audit. Porter et al. (2005) described the major principles of auditor's work in this period – "*reliance on internal control of the company and sampling techniques (i), audit evidence gathered through both internal and external source (ii), emphasis on the truth and fairness of financial statements (iii), gradually shifted to the audit of Profit and Loss Statement (iv), physical observation of external and other evidence outside the Book of Account (v)*".

According to some professionals, the period within years 1960 – 1990 could be found as a critical period for auditing. Because of sampling technique audit emphasized the internal control of companies. Auditors could use data from these internal audits and controls during external audit of the company. As such, they minimize the risk that their conclusions would be based on the lack of information. But companies found out that internal control is expensive and they did not want to spend more money for audits than necessary. Therefore, audit firms started using more analytical procedures based on development of information technologies e.g. computers, software (Salehi, 2007) which lead to risk-based auditing. According to Susan

Fraser (2011) risk-based auditing is “*designed to be used throughout the audit to efficiently and effectively focus the nature, timing and extent of audit procedures to those areas that have the most potential for causing material misstatement(s) in the financial report.*” All the statements above could be analysed positively, audit did not stay in the period of industrial revolution and looked forward to the future and its new opportunities and technologies. The problem was not far. In 21st century, auditors are well-known for their independency. But in 1980s, audit firms provided non-audit services to their audit clients which symbolized danger because the independency of auditors was not secured (Leung et al., 2004).

This role of auditors belong to independent auditors or independent auditing companies. In this branch, it is necessary that the evaluator is independent and there are no linkages between auditor and firm/person which is a subject of audit. Regarding the Enron Scandal in 2002 in USA, the regulation for audit market has changed. The problem was that main audit company Arthur Anderson helped to hide financial machinations of 7th biggest company in USA Enron. Arthur Anderson provided to Enron not just audit services but also consulting which led both of these companies to a conflict of interest.

1.2.1. Main audit companies (“Big 4 accounting firms”)

In 1980s there were eight leading audit companies. Over the time, these companies were regulated to four major companies (Lagace, 2013) which are KPMG, EY (Ernst & Young until 2013), Deloitte and PricewaterhouseCoopers (PwC). Each company of “Big 4” represents “*a global network of professional services firms providing audit, tax and advisory*” (KPMG, 2016).

In 1987, KPMG was established by merger of two companies – Peat Marwick International and Klynveld Main Goerdeler. The name of KPMG is an abbreviation for key founders of the company – Klynveld, Peat, Marwick, Goerdeler. In 2013, global revenues of KPMG reached 23.42 billion USD. The main organizational unit of all independent firms of KPMG is placed in Switzerland under KPMG International Cooperative. In 2015, the staff was counting 174,000 employees in 155 countries (KPMG, 2016).

Roots of EY could be found at the end of 19th century. The fathers of EY are Arthur Young and Alwin C. Ernst. Arthur Young was born in Glasgow but he established his accounting firm Arthur Young & Co in 1906 in USA with his brother Stanley. Alwin C. Ernst founded his accounting company Ernst & Ernst in 1903 in Cleveland, USA. Although these two men never

met during their lives, nowadays their companies are a base for one of the biggest accounting firms in the world offering services in audit, tax and advisory. The companies were united in 1989. In 2015, EY was employing around 212,000 people (EY, 2016). The main basement of the firm is in the United Kingdom.

Deloitte Touche Tohmatsu Limited is a British private company limited with guarantee which unites an independent consulting companies all around the world (Deloitte, 2016). The firm is headquartered in New York, USA. In 2015, it earned 35.2 billion USD in revenues (Deloitte, 2015). There are 225,400 professionals working for this international network of consulting firms. The key founder of Deloitte was William Welch Deloitte the first man who became an independent auditor of a public company in 1845 in London.

In 1998, based on a merger among two companies – Coopers & Lybrand and Price Waterhouse but similarly as other firms of Big 4, we could find the beginning of the company PricewaterhouseCoopers in the 19th century. In 2015, revenues of the company reached 35.4 billion USD (PricewaterhouseCoppers, 2016).

1.2.2. Types of audit

Following there are main types of audit developed in last two decades:

- (1) Internal audit – evaluation of the managerial processes in the firm, trying to manage the risk management properly
- (2) Operational audit – checking of effectiveness and efficiency of operations
- (3) Program audit – analysis of performance whether the company is achieving the established goals
- (4) Fraud audit – detection of potential criminal behaviour of the company or inside it
- (5) Ethical Business Practice audit – assessment how the policies, codes of conduct and other practices of the firm are followed by the employees
- (6) Control Self – assessment audit – to eliminate or control risks
- (7) Financial audit – to examine transparency and reliability of financial statements

2. Literature review

2.1. Audit in microfinance

In microfinance, audit is an important tool for microfinance investment vehicles because they need to know whether everything is alright with the MFIs to which they want to invest their money. In microfinance, the types of audit could be separated to four main branches – audit of financial statement, rating (microfinance institutional rating), social performance (social rating), due diligence. Audit of financial statements was described in previous chapter and the other types are followed in next chapters.

2.2. Rating

Basically, rating is a tool for investors which is based on evaluation or assessment of quantitative and qualitative factors which are decided before the rating takes place. It is possible to evaluate a state similarly as an organization or a firm. There are many types of ratings such as the followings:

- (1) Credit rating – assessment of debtor whether he will be able to pay back his debt
- (2) Environmental rating – integration of environmental policy
- (3) Institutional rating – described in the sub-chapter
- (4) Social rating – see “Social performance”

Historically, there are four main rating agencies operating all around the world. They are called “Big 4” of rating agencies in microfinance. This “Big 4” contains of MicroRate, Planet Rating, M-CRIL, MicroFinanza. For the purposes of the thesis, there was a research containing all four methods of Big 4 microfinance rating agencies.

MicroRate is rating company founded in 1997 in Washington, United States of America (USA). This company was first of all in the world who started to specialize in evaluating performance and risk in microfinance institutions and microfinance investment vehicles (MicroRate, 2016). *”Since its inception in 1997, MicroRate has conducted over 750 MFI ratings throughout Latin America, Africa, Europe, and Central Asia”* (MicroRate, 2016). In their work, MicroRate uses evaluation methodology called PRSMTM (Performance, Risk, Social performance, and Management).

Foundation of Micro-Credit Ratings International Ltd. (M-CRIL) in 1998 was a response to increasing demand for rating agencies specialized on microfinance (M-CRIL, 2016). According to Sinha (2006) M-CRIL was the first microfinance rating agency which developed a concept of social rating.

Planet Rating, created in 1999 in Paris, France, as a part of international NGO PlaNet Finance and separated in 2005 as a rating agency specialized in providing evaluation and rating services to microfinance institutions. Up to 2015, “*Planet Rating has conducted over 900 missions in more than 95 countries and continues to expand its international presence*” (Planet Rating, 2016). The method using by Planet Rating is called GIRAFE which is an abbreviation for Governance, Information, Risk, Activities, Funding & Liquidity, Efficiency & Profitability.

MicroFinanza Rating was stated in 2000 as “*a private and independent international rating agency specialized in microfinance*” (MicroFinanza Rating, 2016). MicroFinanza’s method for MIR is PLUS method.

2.2.1. Microfinance institutional rating

Microfinance institutional rating was created „*to develop both a common financial rating product name and a specialized microfinance ratings comparability table*“ (Abrams, 2012) and „*provides an opinion on the long term viability and creditworthiness of a regulated or unregulated microfinance institution through a comprehensive assessment of risks, performance, and market position*“ (Abrams, 2012).

PRSM™ (Performance, Risk, Social performance, and Management)

PRSM™ rating method is used by microfinance rating agency MicroRate. There are five main areas of the research during processing the rating report for the clients. First, microfinance environment (i) is analysed as MFI needs to be adapted to political, economic and financial situation which could influence it. Second, research covering governance & management (ii) assess governance of MFI incorporating ideas of responsible finance and balancing the tension between management teams, shareholders and other involved parties. Area examining organization & operations (iii) is one of the most important as capacity of MFI’s client to repay his debts is not often measurable on the paper. Therefore, the repayment capacity is investigated by loan officers visiting the field. “Organization & Operations” area review these visits and

interactions with clients as well as their implementation. With reference to reviews of operations in the field, it is crucial to assess quality of loan portfolio and portfolio credit risk (iv) regarding regions, sectors and branches. Finally, raters put together financial profile (v) of MFI “taking into account historical trends, outlook and comparison with benchmarks” (The Rating Initiative, 2012).

Similarly, the timeline of the PRSM™ method is based on five steps and according to MicroRate (2016) the whole process of evaluation takes approximately about 6 - 8 weeks. These weeks cover pre-visit desk analysis (i), on-site evaluation (ii), analysis and report writing deliverable - draft report (iii), review and incorporation of client feedback (iv), rating committee and report publication deliverable - final report (v).

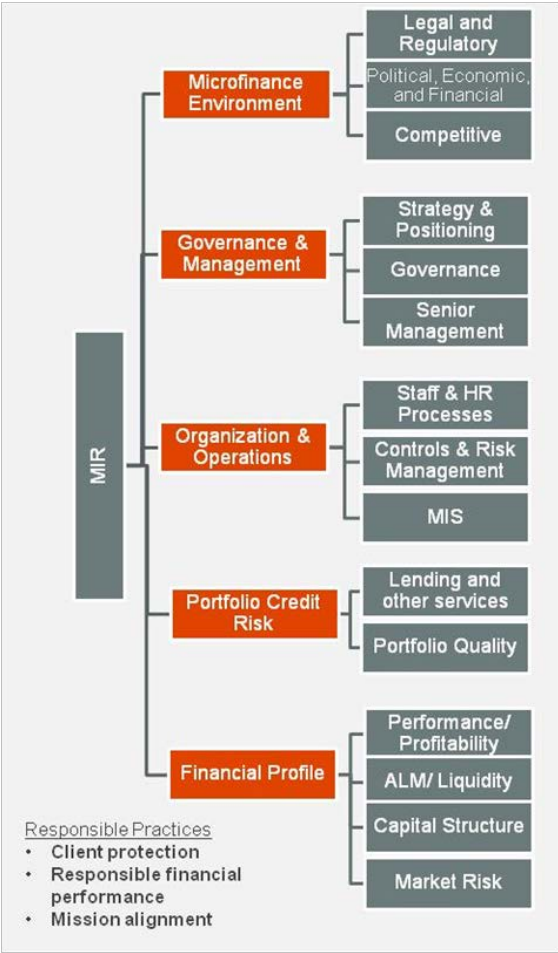


Figure 4 Scheme of MIR of MicroRate

Source: MicroRate, 2016

M-CRIL method

M-CRIL's method of microfinance institutional rating based on six categories as it is visible at Figure 5 – “refinancing” (i) focusing on diversification of finance and liquidity of MF, “financial performance” (ii) examining credit portfolio and market position which is important for MFI's reputation, “governance and strategy” (iii) which means determining strategy of MFI and analysing its structure of governance, “management and systems” (iv) also covers human resources of MFI but not only managerial structures, “responsible practices” (v) covering client protection and responsible performance ensuring client fair treatment from MFI's side, “country risk” (vi) meaning macro-level analysis of economic, political and environmental stability important for performance of MFI. (M-CRIL, 2016)

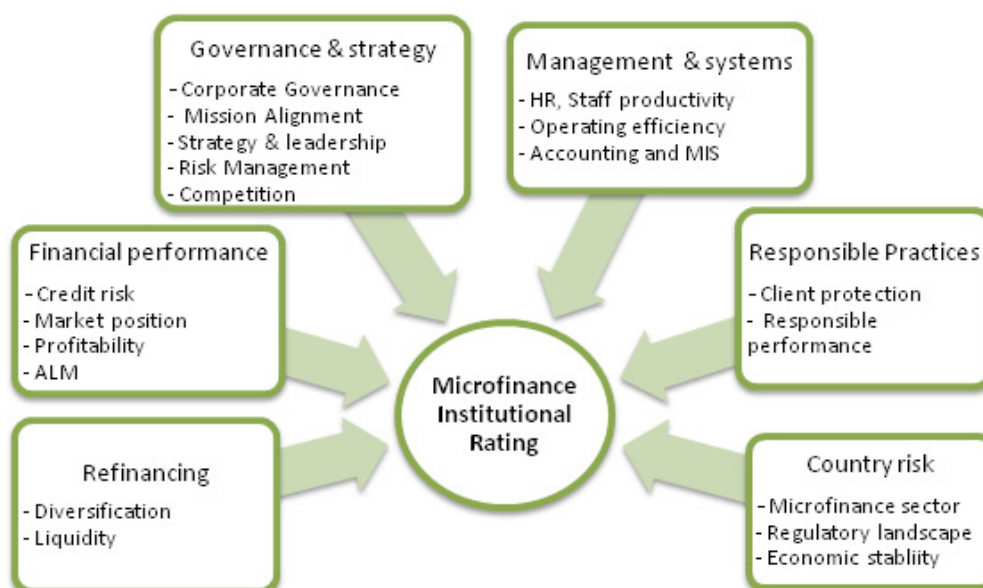


Figure 5 Scheme of MIR of M-CRIL

Source: M-CRIL, 2016

GIRAFE method

The GIRAFE methods covers six main areas of the rating research as it is in Fig. 6. Governance (i) examines decision making process and planning provided by management team and HR management. Information (ii) describes information systems, i.e. how MFI communicates and how the data are transferring and social risk monitoring covering SPM. Risk management (iii) assess risks taking into account internal controls and internal audit. Activities (iv) determines provided financial services and its management as well as credit risk and its coverage. Funding and liquidity (v) focus on MFI's funding strategy, market and liquidity risk. Efficiency and

profitability (vi) shows the market position of MFI, adaptation of its services and its performance regarding responsible finance.

Governance	Information	Risk Management	Activities	Funding & liquidity	Efficiency and Profitability	Client Protection
Alignment of interest	Information systems	Enterprise risk management	Financial Services Management	Capital adequacy and funding strategy	ROA	Prevention of over-indebtedness
Decision Making Process					Market position	Responsible pricing
Planning		Social risk monitoring	Internal controls	Credit Risk	Liquidity Risk	Adaptation of services
Management team	Operating efficiency					Privacy of Client data
HR Management	Internal audit		Credit Risk coverage	Market Risk	Responsible Financial performance	Responsible treatment of clients

Figure 6 Scheme of MIR of Planet Rating

Source: Planet Rating, 2016

PLUS method

PLUS method provided by Microfinanza could be separated into three main areas, i.e. risk, performance and reputation, covering seven categories including to “social aspects incorporated to assess the reputation risk” (Microfinanza, 2016). At the beginning, raters focus on external context (i) which means economic, industry and reputation risks, i.e. macro-economic analysis of environment. Subsequently, category “governance and strategy” (ii) discuss the tensions in management and determination of the main strategies of MFI. As well as PRSM™ methodology, PLUS method focus on “Organization & Operations” (iii), i.e. human resources, internal audit (independency and effectiveness). Client oriented category “Client protection” (iv) takes into account transparency of MFI and fair treatment regarding the client which means poor people. Raters should also focus on portfolio structure and related credit risk, i.e. assets quality and structure (v). Moreover, it is important to not avoid structure of liabilities and examine concentration risk. These aspects are examined in financial structure

and management area (vi). Finally, performance as profitability and sustainability of MFI are measured in financial and operational results (vii). (Microfinanza, 2016)

2.2. Due diligence

“Due diligence is an investigation or audit of a potential investment” (Investopedia, 2016). It serves to confirm whether the materials of the company (organization etc.) are correct and transparent. Mostly due diligence is review based on accounting, financial, economic or other statements which have to be checked by other transparent and independent entity. For investors, buyers or others due diligence is important to tool in decision making because it serves to identify and analyse the main risks related to transactions. The scope of provided due diligence depends on the client and what he would like to know or identify. There is possibility of brief due diligence regarding the main areas or there could be detailed examination of all relevant or available documentation and information. Due diligence is a tool which should be used every time when someone decides to enter into business with another party or before make a deal with someone else (meaning the company). The types of due diligence are practically the same as in audit. It means that it is possible to examine large scale of information and data. Nevertheless, due diligence is type of review related primary with investment and should be realized before a transaction is held or before a deal is made. Every investor should bear in mind that without due diligence realized before a transaction, he exposes himself to the risk of bad investment without any guarantees of return (Byrtusova E., Provodova K, 2016).

2.3. Social performance

According to Social Rating Glossary of MicroRate (2012), the social performance could be defined as *“effective translation of an institution’s social mission into practice in line with accepted social values”*. Social performance management could be found particularly in mission of every MFI (Sinha, 2006). The strengths of microfinance is covered in their possibility to combine financial profit with social goals which is one of the reasons that microfinance are part of UN’s Millennium Development Goals. Microfinance industry is share point for big companies but also for NGOs or small firms. *“The MIV industry can learn from the experience of the broader Socially Responsible Investment (SRI) sector in terms of integrating social performance into their core investment processes. Indeed, the SRI sector has a longer track record than MIVs and has demonstrated a positive impact on industry behaviour*

regarding investees' corporate social responsibility (CSR)“(Urgeghe L, 2011). At the beginning of 2000s, MFIs realized that not just profit could bring them investors. It could be also good idea how to help people or simply said how to achieve some of these MDGs. If there is an investor in microfinance sector, he automatically knows that he is helpful for poor people. But with social performance management, the MFIs could targeted to investors with their social goals. The social performance of MFIs is particularly measured by social rating.

To achieve social goals easily, microfinance experts developed so called Universal Standards for Social Performance Management (USSPM) which serves as a manual for MFIs. Its implementation contains of five steps, i.e. learn (i) more about USSPM to know what does it mean and how it could help, assess (ii) current methods of MFI, plan (iii) to use method of CERISE which is SPI4 (Social Performance Indicators 4), implementation (iv) of USSPM to MFIs, demonstrate (v) and show to stakeholders the improvement raised by implementation of USSPM.

MicroRate method

The timeline of social rating provided by MicroRate rating agency is the same as for microfinance institutional rating which means that there are five levels covering the pre-visit desk analysis (i), on-site evaluation (ii), analysis and report writing deliverable: draft report (iii), review and incorporation of client feedback (iv), rating committee and report publication deliverable: final report (v). This method analysing social performance of MFIs is focus on three main areas. First, raters examine social results achieved by MFI, i.e. depth and diversity of services, responsible finance and corporate social responsibility which becomes very popular in last decade in corporate sector. Second, rating agency analyses mission of MFI based on SPM. Last but not least is social commitment covering analysis of social orientation and SPM systems. (MicroRate, 2016)



Figure 7 Scheme of SR of MicroRate

Source: MicroRate, 2016

M-CRIL method

Like other rating agencies, M-CRIL uses USSPM and rules of client protection in social rating. This agency also uses some of “*poverty assessment tools such as Progress out of poverty index (PPI)*” (M-CRIL, 2016) which were developed for social rating by institutions and professional in microfinance sector. Finally, country regulations should not be forgotten as a part of M-CRIL methodology regarding social rating.

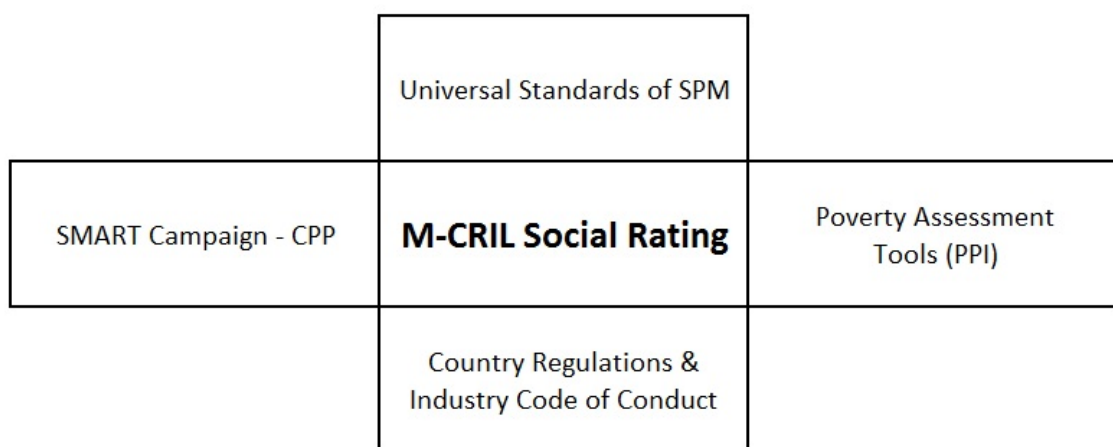


Figure 8 Scheme of SR of M-CRIL

Source: M-CRIL, 2016

Planet Rating method

Based on the announcement of Planet Rating, its social rating could be used mostly as a complement to microfinance institutional rating (GIRAFE) which is targeted to more key areas than just social performance management. Nevertheless, social rating provided by Planet Rating could be used just itself without other specific analysis required. All depends on the requirement of the client of rating agency. (Planet Rating, 2016)

MicroFinanza method

Social rating methodology of MicroFinanza rating is based on five main areas of analysis. Similarly as in PLUS methodology, social-economic context (i) analysis is used. SPM area (ii) examines human resources, strategy of MFI regarding social performance, tracking and monitoring in achieving defined goals. Client protection and social responsibility (iii) means that MFI ensures privacy of its clients, fair treatment and also transparency regarding the clients and investors. Outreach (iv) tracks reached targets and achieved goals. Quality of services (v) covers variety of proposed services and their adequacy and accessibility. (MicroFinanza Rating, 2016)

3. Objectives

3.1. Main objective

As mentioned in the introduction of this thesis there are three possibilities how to do audit in microfinance: due diligence, rating and social performance. As not all of microfinance audit methods are appropriate in specific situation, this paper tried to compare and evaluate them. Therefore, the main objective of this thesis is to find the most effective way how to do audit in microfinance by microfinance investment vehicles.

3.2. Specific objectives

1. To analyse chosen data from MIXMarket database regarding information about audit in MFIs
2. To choose one method which should cover the largest area of the audit
3. To combine analysed methods to obtain the highest level of efficiency in auditing the microfinance projects

3.3. Research questions

Research questions of the thesis were based on the information provided from free sources during secondary data collection.

- Question nr. 1: Microfinance Institutional Rating is sufficient instrument for MIVs to check MFIs
- Question nr. 2: Social Rating which is checking Social Performance Management of MFIs is sufficient instrument of audit for MIVs
- Question nr. 3: Combination of information provided to MIVs by Social Rating and Microfinance Institutional Rating is the most effective way how to do audit in microfinance and obtain information about MFIs
- Question nr. 4: Due diligence is more objective way for investors (MIVs) than ratings and as such it is the best way how to take a picture about MFIs and their structure, management etc.

4. Methodology

The main sources of information in this Master's thesis are secondary data, i.e. this paper is based on secondary data collection. The data for this Master's thesis were collected through the microfinance industry from free sources. Data was collected from websites of microfinance institutions, microfinance investment vehicles, microfinance rating agencies, non-governmental agencies and other organizations connected to microfinance sector.

4.1. Data collection

As the main source of data, this paper used website called Microfinance Information Exchange (MIX) Market with the data gathered from 2005 to 2014. MIXMarket is web-based platform and it is possible to find data about 1383 microfinance institutions and their investors there. In the chapter "Results", the author of this Master's thesis chose three main categories of research for this thesis from data available in the MIXMarket database, i.e. MFIs Maturity (i), MFIs in regions (ii), number of assets per diamonds (iii). Subsequently, the paper examines data from free sources, mainly website of four main rating agencies (MicroRate, M-CRIL, Planet Rating, MicroFinanza), regarding methods of microfinance institutional rating, social rating and due diligence. These data are analysed through quantified SWOT analysis.

4.2. Data analysis

The data used in this thesis were evaluated and analysed with Microsoft Excel, SAS Enterprise Guide and quantified SWOT analysis.

First, the MIXMarket database has been transferred to MS Excel and SAS Enterprise Guide. Both these programs are analytical tools and they were used to obtain clear results from database of microfinance sector. Based on the filter of provided data, required information were received, i.e. MFIs Maturity, MFIs in regions, amount of assets per diamonds.

Regarding the amount of assets per diamond, it is essential to explain diamond ranking used by MIXMarket. Diamond ranking is used to show the transparency of the data of MFIs and reliability of its data. The higher number means higher transparency of examining microfinance institution. For the purposes of the research, author decided to examine assets of MFIs divided by diamond ranking. Below, there is Table 1 defining the level of diamond ranking.

Table 1: Diamond ranking

Level	Annual Diamond
1	Profile is visible.
2	Level 1 and some data on products and clients for the year.
3	Level 2 and some financial data for the year.
4	Level 3 and audited financial statements are published for the year.
5	Level 4 and rating or due diligence report is published for the year.

Source: MIXMarket, 2016

Subsequently, based on the data provided by rating agencies on their websites and in their manuals, quantified SWOT analysis were developed for methods of MIR and SR of four main rating agencies. In addition, quantified SWOT analysis for due diligence were created.

The origin of SWOT analysis could be found between 1960 and 1970 in the USA at Stanford Research Institute. It was discovered by the team led by Albert S. Humphrey. The SWOT analysis is one of the strategic tools of analysis of project risks. SWOT is an abbreviation for the words Strengths, Weaknesses, Opportunities, Threats. *"The essence of the analysis is based on reflection and find most of the features and examples of each group. The preparation of each part of the analysis brings great risk prevention, the operation of the project potential, eliminate defects and project opportunities"* (Domanska, 2008). Analysis of strengths and weaknesses is an internal analysis of the project. On the opposite, the analysis of opportunities and threats is an external analysis of the project.

With reference to quantification of SWOT analysis, the method is following. At the beginning, the criteria were set. It is important to have same amount of criterion for each area of SWOT analysis, i.e. Strengths, Weaknesses, Opportunities, Threats. For the purposes of this research, three criteria for each category were set. Then, every criterion has three types of parameters. Table 2 describes these types of parameters.

Table 2: Quantified SWOT analysis – Types of parameters

Parameter	Interval of evaluation	Description
$Q_{(i)}$	<1;9>	Volume of the impact of a criterion
$P_{(i)}$	<0.1;0.9>	Probability of the criterion occurring at full strength
$W_{(i)}$	<1;9>	Weight (degree of gravity) of the criterion
$K_{(fi)}$	-	Overall criteria effect of the i-criterion

Source: Ackermann Blazkova, 2015

These parameters together create the criteria factor SWOT analysis coefficient $K_{(fi)}$. Afterwards, four coefficients are obtained – two positive and two negative. If it is possible to express coefficient $K_{(fi)}^G$ in percentage, the probability of success of assessed methods could be established. *“The maximum value of $K_{(fi)}$ is given by the product of the maximum values of separate parameters which a criterion can acquire, i.e. $9 \times 0.9 \times 9 = 72.9$. (analogically also for the minimum values in the “Negative”). By summarizing this result for the categories we gain the maximum value of the criterion factor coefficient. $K_{(fi)}^G$ When using the three criteria in the group, the maximum value $K_{(fi)}^G$ equals 72.9×3 , therefore 218.7. The maximum value of the SO category equals double the maximum $K_{(fi)}^G$, i.e. $2 \times 218.7 = 437.4$. The minimum value of the category WT equals (minus) – 437.4.” (Ackermann Blazkova, 2015).*

5. Results

Data used for this thesis was conducted through secondary data collection meaning from free sources as literature, website, manuals, free web-database. This data collection was described in previous chapter “Methodology”. As mentioned, data of MIXMarket database were filtered and three analysed categories were decided – MFIs maturity level, MFIs divided in regions, amount of assets per diamonds.

5.1. MIXMarket database

5.1.1. MFIs Maturity

Chart 1 is overviewing the number of MFIs in examining year (2005 - 2014). According to the chart below, it is visible how many MFIs provided data to MIXMarket database. The maturity of MFIs could be examined. From the chart, it follows that between years 2012 and 2014, the number of MFIs decreased generally. Although the amount of new MFIs decreased, it is noticeable that number of mature MFIs has been stabilised.

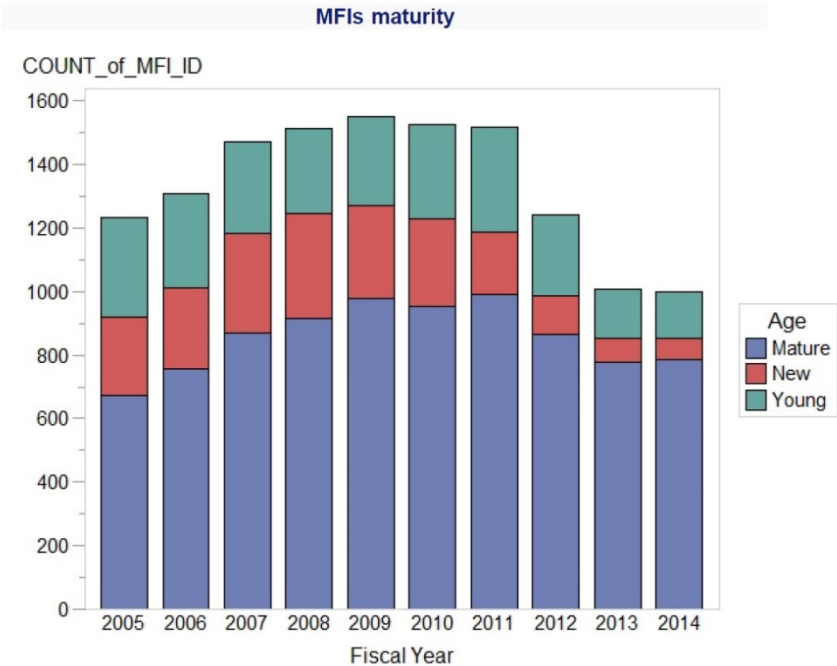


Chart 1 MFIs maturity

5.1.2. MFIs in regions

MIXMarket divided MFIs into 6 specific regions - Africa (i), East Asia and the Pacific (ii), Eastern Europe and Central Asia (iii), Latin America and the Caribbean (iv), Middle East and North Africa (v), South Asia (vi). Therefore, according to Chart 2, the highest number of MFIs came from the region Latin America and the Caribbean which is very useful information for future research regarding the rating agencies. Especially MicroFinanza rating agency provides its services mainly in Latin America.

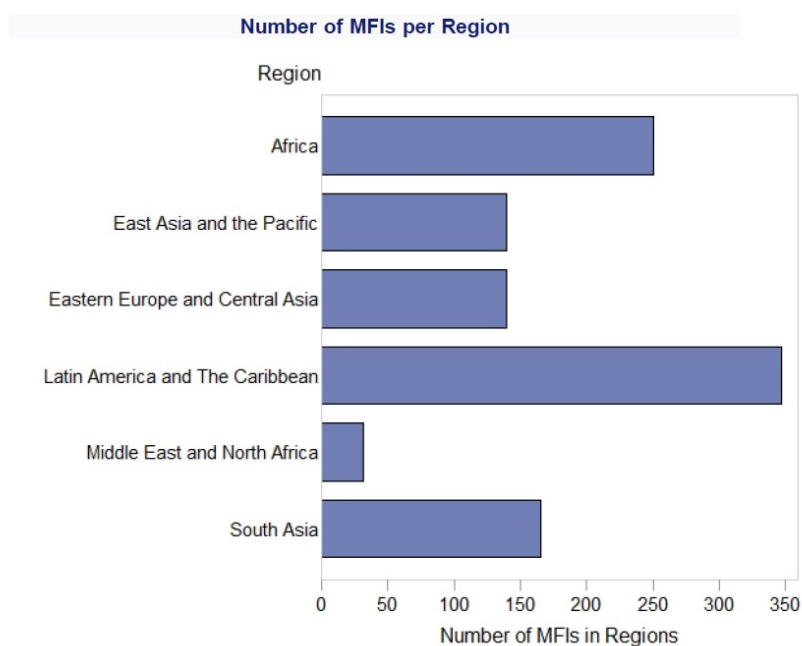


Chart 2 Number of MFIs per Region

5.1.3. Amount of assets per diamonds

Diamond ranking is used by MIXMarket to show the transparency of the data of MFIs and reliability of its data. The higher number means higher transparency of examining microfinance institution. For the purposes of the research, author decided to examine assets of MFIs divided by diamond ranking described in Table 1 in previous chapter.

Table 3 summarizes information about MFIs between years 2005 and 2015. It should be aware that low number in year 2015 mean that there are no sufficient data provided yet because of the fiscal years which could be used by some MFIs. The diamond ranking in MIXMarket database is as follows:

Table 3: Number of MFIs per diamond ranks

Number of MFIs per diamond ranks

Fiscal Year	Diamonds										
	1		2		3		4		5		Total
	Number of MFIs	Percentage	Number of MFIs	Percentage	Number of MFIs	Percentage	Number of MFIs	Percentage	Number of MFIs	Percentage	
2005	587	47,68%	74	6,01%	161	13,08%	330	26,81%	79	6,42%	1 231
2006	595	45,35%	78	5,95%	185	14,10%	366	27,90%	88	6,71%	1 312
2007	669	45,02%	84	5,65%	234	15,75%	403	27,12%	96	6,46%	1 486
2008	639	41,41%	84	5,44%	267	17,30%	450	29,16%	103	6,68%	1 543
2009	542	33,73%	99	6,16%	355	22,09%	498	30,99%	113	7,03%	1 607
2010	442	27,66%	63	3,94%	425	26,60%	547	34,23%	121	7,57%	1 598
2011	400	24,91%	67	4,17%	456	28,39%	560	34,87%	123	7,66%	1 606
2012	135	10,45%	81	6,27%	419	32,43%	533	41,25%	124	9,60%	1 292
2013	158	16,17%	36	3,68%	240	24,56%	425	43,50%	118	12,08%	977
2014	162	17,09%	33	3,48%	230	24,26%	407	42,93%	116	12,24%	948
2015	9	10,00%	3	3,33%	21	23,33%	44	48,89%	13	14,44%	90
Total (ALL)	4 338		702		2 993		4 563		1 094		13 690

As a final step of the examination of the amount of assets per diamonds, there is Chart 3 which provides clear view on assets in different diamond levels. Therefore, the results indicate that the highest amount of assets is in level 4 in MFIs which have their audited financial statements published. It is interesting to see that MFIs in level 5 which should have the highest level of transparency and reliability of data are not on the top in this ranking. Although these MFI of level 5 are on the second position in the amount of assets, they have to share their place with MFI of level 3 which publish just few financial data.

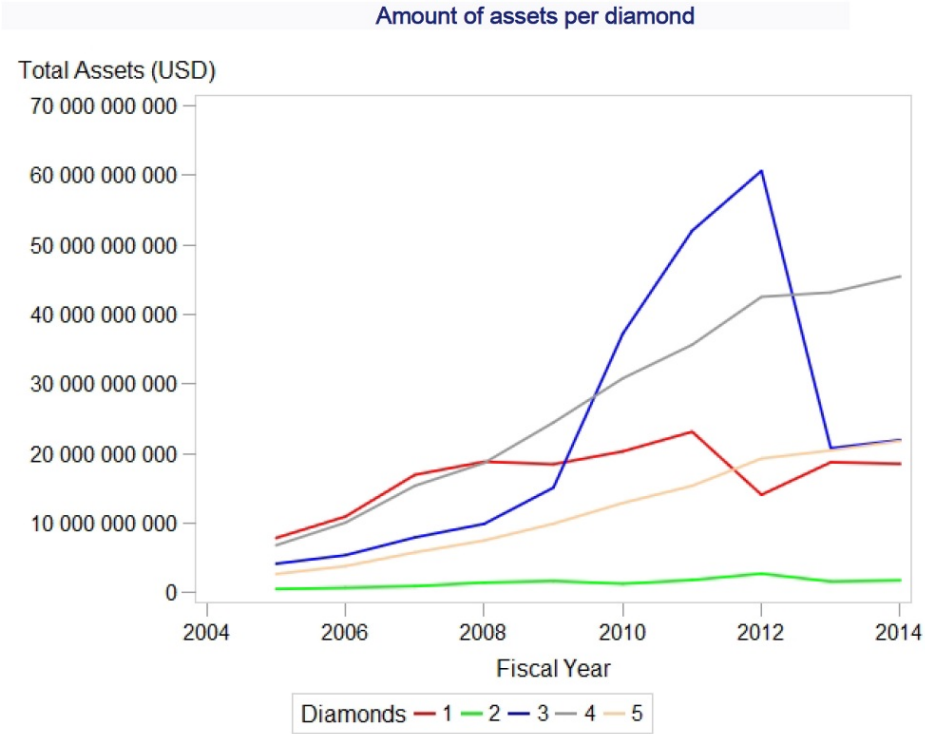


Chart 3 Amount of assets per diamond

5.1.4. Microfinance institutions in 2014

The last not least part of the research was to examine MFIs in 2014 in Level 5 of diamond ranking of MIXMarket. The reason why this grade has been chosen was that level 5 is publishing due diligence or rating reports. There were 116 MFIs publishing their due diligence or rating reports. As such, it was possible to decide the market share of Big 4 microfinance rating agencies.

First, the author examined the division of MFIs in regions. The results were that the most of examined MFIs were in Latin America and the Caribbean (47%). The second largest region regarding the MFIs was South Asia (30%).

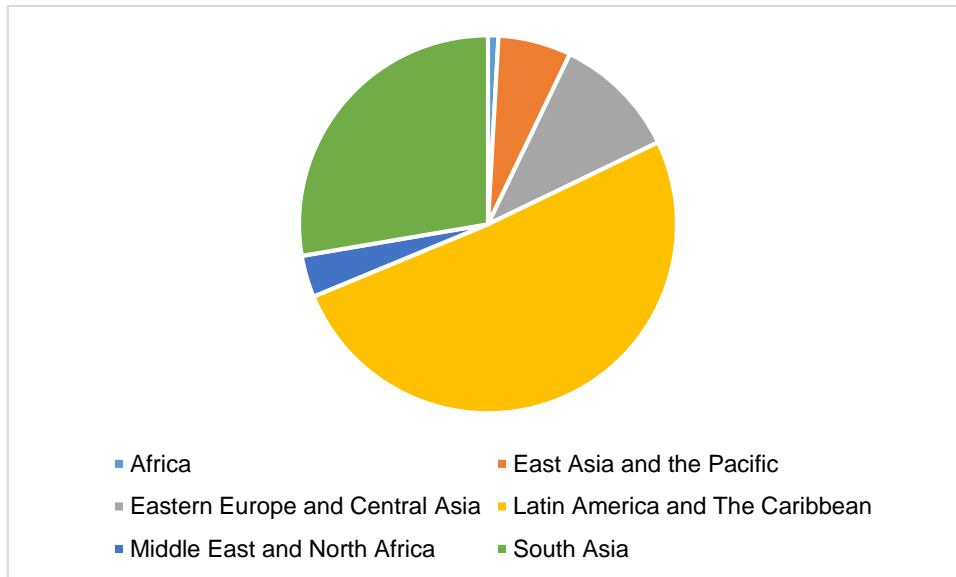


Chart 4 MFIs in Level 5 divided by regions in 2014

Second, it was interesting to check what was the maturity of MFIs in 2014. As was mentioned in previous chapters, the number of MFIs was decreasing in last three years and there were low number of new MFIs. It is important to realize that almost 84% of MFIs with rating or due diligence reports published are in mature level.

Chart 5 describes in percentage how many MFIs used the services of Big 4 microfinance rating agencies in 2014. The highest percentage belongs to MicroFinanza (23%). But the limitation of this result could be possibly in the fact that 47% of MFIs were from region Latin America and the Caribbean which is a part of the world where operated the most.

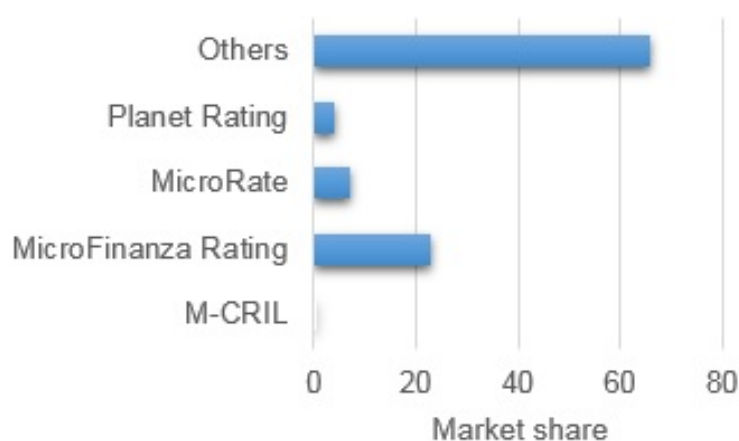


Chart 5 Market share of BIG4 in Level 5

5.2. Microfinance Institutional Rating (MIR)

As mentioned in chapter 2 (Background and literature review), every rating agency is using its own unique method to obtain the results required from the client. Therefore, this thesis chose four methods of four main microfinance rating agencies to show strengths, weaknesses, opportunities and threats (SWOT analysis) which should lead to achieve the main goals of this thesis.

SWOT analysis of PRSMTM highlighted comparison of MFIs with the others through benchmarking. Moreover, MicroRates's method attracts funder by demonstration of MFI. On the other hand, it takes into account common weaknesses and threats of rating methods, including high costs charged by rating agencies for their services, static study meaning that rating method is focus only on current or past data. Therefore, there is no prediction for future investors if the quality implicated in rating report will remain the same in the following years.

Table 4: SWOT analysis of PRSMTM method (Performance, Risk, Social performance, and Management) of MicroRate

Strengths	Q_(i)	P_(i)	W_(i)	K_(fi)	Weaknesses	Q_(i)	P_(i)	W_(i)	K_(fi)
Timeline is 8 weeks which overlaps the normal duration of external audit which takes approx. 1 – 3 weeks	5	0.9	6	27	Draft of final report is sent to MFI for checking, i.e. possibility of influence of MFI	8	0.3	9	-21.6
Help to improve SPM of MFI	7	0.5	8	28	High costs	7	0.9	7	-44.1
Comparison through benchmarking with other microfinance institutions	7	0.4	5	14	Only two analysts processing the documentation	6	0.7	7	-29.4
Sum of value of criteria K_(fi)^G				69	Sum of value of criteria K_(fi)^G				-95.1
Opportunities	Q_(i)	P_(i)	W_(i)	K_(fi)	Threats	Q_(i)	P_(i)	W_(i)	K_(fi)
Professionalization of MFI in the eyes of MIVs	8	0.9	9	64.8	Independency of the report is in danger if MFI has a chance to discuss it with rating agency	7	0.3	9	-18.9
Demonstration of MFI to funders, i.e. higher attraction for funding	7	0.4	8	22.4	Static study, i.e. analysis of current and past data, which means that there is no prediction	6	0.7	8	-33.6

Final rating grade is provided based on discussion and analysis by MicroRate's International Rating Committee, i.e. more people involved than just two analysts	5	0.2	3	3	Rating is partially subjective evaluation as rating reports from different agencies are not the same, i.e. depends on evaluator	5	0.4	3	-6
Sum of value of criteria $K_{(n)}^G$				90.2	Sum of value of criteria $K_{(n)}^G$				-58.5

Below, table examining final results of quantified SWOT analysis. Therefore, probability of success of MicroRate's method is 5.85%.

Table 5: MicroRate (MIR) – Percentage measurement of result

Strengths	69	-95.1	Weaknesses
Opportunities	90.2	-58.5	Threats
	179.2	-153.6	
Result 25.6			
Max value of partial criteria			72.9
Max value of sum			218.7
Max value of pluses			437.4
Min value of minuses			-437.4
Percentage measurement of results			5.85%

Strengths of M-CRIL's method of MIR is not only in benchmarking. Duration of evaluation is approx. 6 weeks which overlaps standard period taking 1 – 3 weeks. This duration could provide more time to evaluate properly MFI. Moreover, M-CRIL's method covers also financial rating which would be a strengths. Between negative, i.e. weaknesses and threats, we can find an argument that it is not safe to provide draft of final report to assessed MFI for discussion. However, the argument of avoidance of misunderstanding does not seem properly explain in manuals of rating agencies as there is an assumption that examined rating agencies are specialists in microfinance sector. Therefore, there should not be massive misunderstandings.

Table 6: SWOT analysis of MIR method of M-CRIL

Strengths	Q_(i)	P_(i)	W_(i)	K_(fi)	Weaknesses	Q_(i)	P_(i)	W_(i)	K_(fi)
Connection with financial rating	7	0.5	8	28	Draft of final report is sent to MFI for checking, i.e. possibility of influence of MFI	8	0.3	9	-21.6
Comparison through benchmarking with other microfinance institutions	7	0.4	5	14	High costs	7	0.9	7	-44.1
Evaluation takes approx. 6 weeks overlapping the standard duration (1-3 weeks)	5	0.9	6	27	Social performance at least partially covered is missing	7	0.5	8	-28
Sum of value of criteria K_(fi)^G				69	Sum of value of criteria K_(fi)^G				-93.7
Opportunities	Q_(i)	P_(i)	W_(i)	K_(fi)	Threats	Q_(i)	P_(i)	W_(i)	K_(fi)
Connection of MIR method with aspects of social performance	7	0.5	8	28	Focus more on the protection of client than high level objectivity of the final report	7	0.3	9	-18.9
Connected with principles to protect the client (i.e. poor people)	5	0.3	3	4.5	Static study, i.e. analysis of current and past data, which means that there is no prediction	6	0.7	8	-33.6
<i>"Equipping for expansion"</i>	8	0.9	9	64.8	Rating is partially subjective evaluation as rating reports from different agencies are not the same, i.e. depends on evaluator	5	0.4	3	-6
Sum of value of criteria K_(fi)^G				97.3	Sum of value of criteria K_(fi)^G				-58.5

Measurements of results regarding M-CRIL method shows that percentage is even lower than previous PRSMTM method. M-CRIL's probability of success is 2.9%.

Table 7: M-CRIL (MIR) – Percentage measurement of result

Strengths	69	-93.7	Weaknesses
Opportunities	97.3	-58.5	Threats
	166.3	-153.6	
Result 12.7			
Max value of partial criteria			72.9
Max value of sum			218.7
Max value of pluses			437.4
Min value of minuses			-437.4
Percentage measurement of results			2.9%

GIRAFE method developed by Planet Rating is exceptional because this MIR method were developed together with social rating method of this agency. As such, these two types of rating (MIR, SR) are going hand in hand in GIRAFE method. Nevertheless, even this method has negatives. As well as common weaknesses and threats, duration of analysis takes only one week which should not be enough in complex cases or in big MFIs.

Table 8: SWOT analysis of MIR method of GIRAFE method of Planet Rating

Strengths	Q_(i)	P_(i)	W_(i)	K_(fi)	Weaknesses	Q_(i)	P_(i)	W_(i)	K_(fi)
Qualitative and quantitative aspects of assessment	7	0.6	6	25.2	Draft of final report is sent to MFI for checking, i.e. possibility of influence of MFI	8	0.3	9	-21.6
Social performance covered in MIR	7	0.5	8	28	High costs	7	0.9	7	-44.1
Comparison through benchmarking with other microfinance institutions	7	0.4	5	14	Duration of the analysis is approx. 1 week	5	0.9	6	-27
Sum of value of criteria K_(fi)^G				67.2	Sum of value of criteria K_(fi)^G				-92.7
Opportunities	Q_(i)	P_(i)	W_(i)	K_(fi)	Threats	Q_(i)	P_(i)	W_(i)	K_(fi)
Balance between area of the research	7	0.5	8	28	Focus more on the protection of client than high level objectivity of the final report	7	0.3	9	-18.9

Focus on symbiosis between MFI and its client, i.e. poor people	7	0.5	8	28	Static study, i.e. analysis of current and past data, which means that there is no prediction	6	0.7	8	-33.6
Taking into account specific macro-economic environment, i.e. PEST analysis	8	0.7	6	33.6	Rating is partially subjective evaluation as rating reports from different agencies are not the same, i.e. depends on evaluator	5	0.4	3	-6
Sum of value of criteria $K_{(fi)}^G$				89.6	Sum of value of criteria $K_{(fi)}^G$				-58.5

At the beginning of the research, GIRAFE method seemed to be the one who will be sufficient rival to due diligence. Nevertheless, its percentage measurement of results is really low level, just 1.28%.

Table 9: Planet Rating (MIR) – Percentage measurement of result

Strengths	67.2	-92.7	Weaknesses
Opportunities	89.6	-58.5	Threats
	156.8	-151.2	
Result 5.6			
Max value of partial criteria			72.9
Max value of sum			218.7
Max value of pluses			437.4
Min value of minuses			-437.4
Percentage measurement of results			1.28%

PLUS is a method developed by MicroFinanza covering positive criterion as focus on risk areas. Afterwards, these areas can be improved by MFI itself. In addition, it provides a view to financial performance even though it is still static study without prediction for a future. Reputation is one of main areas of PLUS rating, unless, reputation is hard to measured and criterions set for determination of this area are not pretty clear from available sources.

Table 10: SWOT analysis of PLUS method of MicroFinanza

Strengths	Q_(i)	P_(i)	W_(i)	K_(fi)	Weaknesses	Q_(i)	P_(i)	W_(i)	K_(fi)
Providing and objective view to financial performance of MFI	7	0.5	8	28	Draft of final report is sent to MFI for checking, i.e. possibility of influence of MFI	8	0.3	9	-21.6
Focus on risk areas which should be improved	6	0.7	4	16.8	High costs	7	0.9	7	-44.1
Due to the visibility in financial performance of MFI, there is better access to funders (MIVs)	7	0.5	8	28	Reputation as one of three main areas of research is difficult to be measured	4	0.5	5	-10
Sum of value of criteria K_(fi)^G				72.8	Sum of value of criteria K_(fi)^G				-75.7
Opportunities	Q_(i)	P_(i)	W_(i)	K_(fi)	Threats	Q_(i)	P_(i)	W_(i)	K_(fi)
Providing announcement of transparency for MIVs	8	0.9	9	64.8	Focus more on the protection of client than high level objectivity of the final report	7	0.3	9	-18.9
Preliminary possibility to check the potential beneficiary	8	0.9	9	64.8	Static study, i.e. analysis of current and past data, which means that there is no prediction	6	0.7	8	-33.6
Standardized version of information to monitor the performance of MFI	3	0.2	3	1.8	Rating is partially subjective evaluation as rating reports from different agencies are not the same, i.e. depends on evaluator	5	0.4	3	-6
Sum of value of criteria K_(fi)^G				131.4	Sum of value of criteria K_(fi)^G				-58.5

Clear methodology and availability of sufficient sources put PLUS method on the top of methods related to microfinance institutional rating.

Table 11: MicroFinanza (MIR) – Percentage measurement of result

Strengths	72.8	-75.7	Weaknesses
Opportunities	131.4	-58.5	Threats
	204.2	-134.2	
Result 70			
Max value of partial criteria			72.9
Max value of sum			218.7
Max value of pluses			437.4
Min value of minuses			-437.4
Percentage measurement of results			16%

5.3. Social performance

Similarly as microfinance institutional rating as a method of audit in microfinance, the methods of social performance were added to the research of this Master's thesis.

As PRSMTM method, MicroRate's social rating method takes into account benchmarking and unexpected long period of evaluation, i.e. 8 weeks. This rating method helps professionalize MFIs in the eyes of their investors, i.e. microfinance investment vehicles. Still, from point of view of this thesis, common negatives stays, e.g. only two analysts process the documentation which should not be enough if bigger institution is assessed.

Table 12: SWOT analysis of SR method of MicroRate

Strengths	Q_(i)	P_(i)	W_(i)	K_(fi)	Weaknesses	Q_(i)	P_(i)	W_(i)	K_(fi)
Timeline is 8 weeks which overlaps the normal duration of external audit which takes approx. 1 – 3 weeks	5	0.9	6	27	Draft of final report is sent to MFI for checking, i.e. possibility of influence of MFI	8	0.3	9	-21.6
Help to improve SPM of MFI	7	0.5	8	28	High costs	7	0.9	7	-44.1
Comparison SP through benchmarking	7	0.4	5	14	Only two analysts processing the documentation	6	0.7	7	-29.4
Sum of value of criteria K_(fi)^G				69	Sum of value of criteria K_(fi)^G				-95.1
Opportunities	Q_(i)	P_(i)	W_(i)	K_(fi)	Threats	Q_(i)	P_(i)	W_(i)	K_(fi)
Professionalization of MFI in the eyes of MIVs	8	0.9	9	64.8	Independency of the report is in danger if MFI has a chance to discuss it with rating agency	7	0.3	9	-18.9

Demonstration of MFI to funders, i.e. higher attraction for funding	7	0.4	8	22.4	Static study, i.e. analysis of current and past data, which means that there is no prediction	6	0.7	8	-33.6
SR increases awareness of opportunities to improve SP	7	0.5	8	28	Rating is partially subjective evaluation as rating reports from different agencies are not the same, i.e. depends on evaluator	5	0.4	3	-6
Sum of value of criteria $K_{(fi)}^G$				115.2	Sum of value of criteria $K_{(fi)}^G$				-58.5

Regarding MicroRate's SR method, it is visible from the percentage below that the results are very similar with MIR method of the same rating agency.

Table 13: MicroRate (SR) – Percentage measurement of result

Strengths	69	-95.1	Weaknesses
Opportunities	115.2	-58.5	Threats
	184.2	-153.6	
Result 30.6			
Max value of partial criteria		72.9	
Max value of sum		218.7	
Max value of pluses		437.4	
Min value of minuses		-437.4	
Percentage measurement of results		6.99%	

The main strengths of M-CRIL's method is discovered in its basics as social rating method is based on the USSPM developed by microfinance experts to achieve easily social goals. This type of management is described in detail in chapter 2. The main opportunity is hidden in surveys completed by MFI's clients and focusing on their point of view. On the opposite, the scope of SR depends on its type chosen by rating agency client. However, there are still common mistakes in negative categories of this SWOT analysis.

Table 14: SWOT analysis of SR method of M-CRIL

Strengths	Q_(i)	P_(i)	W_(i)	K_(fi)	Weaknesses	Q_(i)	P_(i)	W_(i)	K_(fi)
Review of both strengths and weaknesses of MFI	7	0.5	7	49.5	Draft of final report is sent to MFI for checking, i.e. possibility of influence of MFI	8	0.3	9	-21.6

Based on the USSPM	6	0.6	5	18	High costs	7	0.9	7	-44.1
Training how to write reports with good structure and visibility	8	0.9	8	57.6	The scope of report depends on type of SR	7	0.5	4	-14
Sum of value of criteria $K_{(fi)}^G$				125.1	Sum of value of criteria $K_{(fi)}^G$				-79.7
Opportunities	Q_(i)	P_(i)	W_(i)	K_(fi)	Threats	Q_(i)	P_(i)	W_(i)	K_(fi)
Survey from clients and their point of view	8	0.7	6	33.6	Independency of the report is in danger if MFI has a chance to discuss it with rating agency	7	0.3	9	-18.9
Allocation of the resources regarding the social goals of MFI	7	0.5	7	24.5	Rating is partially subjective evaluation as rating reports from different agencies are not the same, i.e. depends on evaluator	6	0.7	8	-33.6
Different types of rating covering different scope, i.e. availability of services of rating agency for more MFIs with appropriate fees	7	0.5	4	14	Static study, i.e. analysis of current and past data, which means that there is no prediction	5	0.4	3	-6
Sum of value of criteria $K_{(fi)}^G$				72.1	Sum of value of criteria $K_{(fi)}^G$				-58.5

The above calculations are summarized in table 15 which provides results for percentage measurement. M-CRIL's SR method has 13.48% to be successful.

Table 15: M-CRIL (SR) – Percentage measurement of result

Strengths	125.1	-79.7	Weaknesses
Opportunities	72.1	-58.5	Threats
	197.2	-138.2	
Result 59			
Max value of partial criteria			72.9
Max value of sum			218.7
Max value of pluses			437.4
Min value of minuses			-437.4
Percentage measurement of results			13.48%

Planet Rating SR method provides deep view to SPM of assessed MFI. This method was developed as a complement to GIRAFE method, however, it is viable even without MIR. As an

opportunity, there is a collection of surveys analysing satisfaction of MFI's clients. In addition, the provided services are assessed from point of view of MDGs, Human rights et al. Nevertheless, assessment period stays short – 1 week. As a common negative (threat) of all evaluated methods is that rating reports provided from different agencies would not be the same or similar. They can be fully opposite.

Table 16: SWOT analysis of SR method of Planet Rating

Strengths	Q(i)	P(i)	W(i)	K(fi)	Weaknesses	Q(i)	P(i)	W(i)	K(fi)
Deep view to SPM of MFI	7	0.5	8	28	Draft of final report is sent to MFI for checking, i.e. possibility of influence of MFI	8	0.3	9	-21.6
Comparison through benchmarking with other microfinance institutions	7	0.4	5	14	High costs	7	0.9	7	-44.1
MIR and SR methodology of Planet Rating were created together to complement each other	7	0.5	8	28	Duration of the analysis is approx. 1 week	5	0.9	6	-27
Sum of value of criteria K(fi)^G				70	Sum of value of criteria K(fi)^G				-92.7
Opportunities	Q(i)	P(i)	W(i)	K(fi)	Threats	Q(i)	P(i)	W(i)	K(fi)
Collection of survey to analyse the level of satisfaction of the clients of MFI	8	0.7	6	33.6	Independency of the report is in danger if MFI has a chance to discuss it with rating agency	7	0.3	9	-18.9
SR would be sufficient instrument for stakeholders	7	0.6	6	25.2	Rating is partially subjective evaluation as rating reports from different agencies are not the same, i.e. depends on evaluator	6	0.7	8	-33.6
Services provided by MFI are evaluated from point of view of UN Charter, MDGs or Human Rights	8	0.7	9	50.4	Static study, i.e. analysis of current and past data, which means that there is no prediction	5	0.4	3	-6
Sum of value of criteria K(fi)^G				109.2	Sum of value of criteria K(fi)^G				-58.5

As mentioned before, methods of Planet Rating were regarded as very perspective with high potential for success. Results show that these methods are moderate.

Table 17: Planet Rating (SR) – Percentage measurement of result

Strengths	70	-92.7	Weaknesses
Opportunities	109.2	-58.5	Threats
	179.2	-151.2	
Result 28			
Max value of partial criteria			72.9
Max value of sum			218.7
Max value of pluses			437.4
Min value of minuses			-437.4
Percentage measurement of results			6.4%

MicroFinanza’s method of social rating is based on the USSPM similarly as SR method of M-CRIL. MicroFinanza still works without prediction but provide an overview of MFI’s progress. Moreover, it assists identifying areas which could be marked as a risk and help to intervent where required. Again, reputation is one of three main areas of research difficult to be measured.

Table 18: SWOT analysis of SR method of MicroFinanza

Strengths	Q_(i)	P_(i)	W_(i)	K_(fi)	Weaknesses	Q_(i)	P_(i)	W_(i)	K_(fi)
Social rating could help MFI to consider the priorities in social goals	7	0.5	8	28	Draft of final report is sent to MFI for checking, i.e. possibility of influence of MFI	8	0.3	9	-21.6
Based on the USSPM	6	0.6	5	18	High costs	7	0.9	7	-44.1
Identify areas where intervention is required	6	0.7	4	16.8	Reputation as one of three main areas of research is difficult to be measured	4	0.5	5	-10
Sum of value of criteria K_(fi)^G				62.8	Sum of value of criteria K_(fi)^G				-75.5
Opportunities	Q_(i)	P_(i)	W_(i)	K_(fi)	Threats	Q_(i)	P_(i)	W_(i)	K_(fi)
Reviewing the progress of MFI	8	0.7	6	33.6	Focus more on the protection of client than high level objectivity of the final report	7	0.3	9	-18.9
Reviewing the strengths or weaknesses of SPM of MFI	7	0.5	7	49.5	Static study, i.e. analysis of current and past data, which means that there is no prediction	6	0.7	8	-33.6

Help to allocate the resources regarding the social goals	7	0.5	7	24.5	Rating is partially subjective evaluation as rating reports from different agencies are not the same, i.e. depends on evaluator	5	0.4	3	-6
Sum of value of criteria $K_{(fi)}^G$				107.6	Sum of value of criteria $K_{(fi)}^G$				-58.5

If the results of MicroFinanza's methods are compared, their results in this study are very different. MIR's success is 16% in contract with 3.84% of SR.

Table 19: MicroFinanza (SR) – Percentage measurement of result

Strengths	62.8	-95.1	Weaknesses
Opportunities	107.6	-58.5	Threats
	170.4	-153.6	
Result 16.8			
Max value of partial criteria			72.9
Max value of sum			218.7
Max value of pluses			437.4
Min value of minuses			-437.4
Percentage measurement of results			3.84%

5.4. Due diligence

SWOT analysis of due diligence shows that there are different criteria in main four categories. Due diligence assess and appreciates potential of MFI. This could be taken in advantage in case of merge and/or acquisition. However, the investor can decide that provided due diligence is not relevant instrument for him as the contracting authority is assessed MFI. It is also very dangerous to order due diligence. Even though rating is independent method of assessment, due diligence should be more independent. Due diligence should not be used only for prestige of MFI. It helps identify areas which could be problematic. There is an interesting fact that in contrast with static study of rating, due diligence provides predictions based on past and current data.

Table 20: SWOT analysis of due diligence

Strengths	Q_(i)	P_(i)	W_(i)	K_(fi)	Weaknesses	Q_(i)	P_(i)	W_(i)	K_(fi)
Assess potential of MFI	7	0.8	8	44.8	Draft of final report is discussed with MFI, i.e. possibility of influence of MFI	6	0.3	9	-16.2

Taking into account specific macro-economic environment	8	0.7	6	33.6	High costs	7	0.9	7	-44.1
Identify areas where intervention is required	7	0.7	7	34.3	Focus more on numbers, i.e. analysis, statistics	6	0.5	7	-21
Sum of value of criteria $K_{(fi)}^G$				112.7	Sum of value of criteria $K_{(fi)}^G$				-81.3
Opportunities									
Opportunities	Q_(i)	P_(i)	W_(i)	K_(fi)	Threats	Q_(i)	P_(i)	W_(i)	K_(fi)
Predictions based on past and current data	8	0.8	9	57.6	Not relevant for potential investors if the contracting authority is MFI	6	0.3	9	-16.2
Tool to increase level of efficiency	7	0.6	7	29.4	Deep audit, i.e. dangerous for MFI to show many internal files	6	0.7	7	-29.4
Useful for potential M&A	7	0.5	7	24.5	Independency of the evaluator needs to be confirmed	6	0.4	8	-19.2
Sum of value of criteria $K_{(fi)}^G$				107.6	Sum of value of criteria $K_{(fi)}^G$				-64.8

Measurement and quantification show that due diligence has higher potential of success than other assessed methods, i.e. 16.96%.

Table 21: Due diligence – Percentage measurement of result

Strengths	112.7	-81.3	Weaknesses
Opportunities	107.6	-64.8	Threats
	220.3	-146.1	
Result 74.2			
Max value of partial criteria			72.9
Max value of sum			218.7
Max value of pluses			437.4
Min value of minuses			-437.4
Percentage measurement of results			16.96%

6. Discussion

According to examined data and information, there are common issues regarding the methods of rating agencies in microfinance institutional rating and in social rating. All rating agencies (MicroRate, M-CRIL, Planet Rating, MicroFinanza) allow microfinance institutions to comment the drafts of final reports of ratings. Based on the fact that audit should be independent review of documents, statements etc., this could cause loss of the credibility of examined subject. It is also mentionable that the costs incurred to rating are really high and available just for some MFIs, mostly for the big ones as it is mentioned in Chart 3 relating to amount of assets of MFIs. For some MFIs, rating is a tool how to show prestige of the organization more than attract the investors. Even at the first look, the fact that rating agencies discuss the drafts of final reports with MFIs do not have to necessarily means that final reports are influenced, it is questionable if they should continue in this procedure. Audit history showed us, it is not safe to have this type of relationship between client and advisor or provider of a service. This argument can be confirmed by Enron Scandal when one of the Big 5 accounting firms, Arthur Andersen, fell down because of their close relationship with company Enron (Investopedia, 2015).

Moreover, there is a problem with rating agencies started during financial crisis in 2008 and continuing onwards. Three global rating agencies, i.e. Standard and Poor's (S&P), Moody's, and Fitch Ratings, were accused of providing very good and favorable rating assessment for investors (CFR Backgrounders, 2015). This unacceptable behaviour of rating agencies was one of causes why people were buying unvaluable shares, CDOs etc. and escalated to fall of American bank Lehman Brothers and the greatest collapse of stock market since the great depression in 1930s. Today, there are investment bank trying to fix their reputation destroyed by financial crises where they played roles of villains. But also rating agencies and the whole sector tries to rescue their reputation (Krantz, 2013). Even the main three rating companies mentioned above played role in global financial crisis, they did not confess that they are partially guilty (Bahena, 2010). Their argument was that rating is just point of view and their statements and reports do not need to be relevant. Simply, they said that rating assessment of for example CDOs was just their opinion and people were not allowed to buy those based on their reports. This affaire influenced world's point of view regarding rating agencies globally. Therefore, this study and opinions stated in this thesis could be influenced by global point of view caused by rating agencies during financial crisis in 2008 and afterwards.

Regarding the analysed data, it is possible to decide which research questions established for this master's thesis were answered, if any.

Research question 1 was counting with statement that “*microfinance institutional rating is sufficient instrument for microfinance investment vehicles to check microfinance institutions*”. Further the research of methods of microfinance rating agencies, there are two main reasons why microfinance institutional rating cannot be sufficient tool for the investors. First, in some of examined MIR methods, there is aspect of social goals missing, i.e. the rating agencies (Planet Rating and MicroRate) are not able to assess properly the social performance of examined microfinance institution because social performance do not take it into account during the process of microfinance institutional rating. Compared to other two methods (M-CRIL, MicroFinanza), social goals are evaluated in separate social rating but not together with managerial aspects. Especially, Planet Rating defined its social rating method as an additional component to its GIRAFE method which is for microfinance institutional rating. On the opposite, with reference to examined results PLUS method of MicroFinanza Rating agency approach the chosen method, i.e. due diligence, the most as the percentage measuring the potential of success was of 16%. Due diligence had 16.96% but this result would be discussed later on in this chapter.

In research question number 2, the assumption was that “*social rating which is checking by social performance management of microfinance institutions is sufficient instrument of audit for microfinance investment vehicles*”. Unfortunately, neither this thesis cannot be confirmed because areas of research during social rating are very specific. Areas in social rating are targeted specifically to achieve the social goals of microfinance institution but it cannot provide sufficient view to its structure to potential investor. Similarly as in MIR methods there are problems with low level of independency of provided reports because MFIs have the possibilities to check the final report before it is published. It is questionable whether the draft of report are presented to microfinance institutions just to avoid typing errors and misunderstandings or it may occur that the final report are impressive. In addition, the issue with high costs of rating assessments which means that not every microfinance institution can use services of rating agencies. If we would take a look at percentage of measurement of result, we realized that SR method of rating agency M-CRIL approached the highest results and if the results would be ranked, it would be at third place after due diligence and PLUS method of MicroFinanza rating mentioned in the above.

Regarding the question number three where is written that “*combination of information provided to MIVs by social rating and microfinance institutional rating is the most effective way how to do audit in microfinance and obtain information about MFIs*”. Although, this approach could be seen as the best method there are still some doubts. As mentioned above, there could be possible risk in independency of the final report of rating agencies because before publishing they are discussing the results with examined microfinance institutions and the report could be possibly edited. However, the combination of microfinance institutional rating and social rating could provide sufficient information about MFI to potential investor because the area of the research is very large.

Nevertheless, the common negatives of social rating and microfinance institutional rating should be mentioned. First, the independency of final report was mentioned several time in this paper. Secondly, there are high costs of rating agencies services. Therefore, not all MFIs can pay them. Rating is partially subjective evaluation which depends on the evaluator and on the methodology of chosen agency. Still, it is an opinion, a point of view as global rating agencies mentioned during investigations leaded by U.S. Senate. Finally, it is interesting to realize that rating is a static study which has access to current and past data of their clients but rating agencies do not provide predictions, they just analyse the status quo.

The last question of research number 4 is based on announcement that “*due diligence is more objective way for investors (MIVs) than ratings and as such it is the best way how to take a picture about MFIs and their structure, management etc*”. As mentioned in previous chapters, due diligence is a review for potential investors before make a deal or sign an agreement. It is the way how to check the organization where you would like to invest your money. As such, due diligence seems like the most objective way for investors between our four questions. The main advantage of due diligence remains in its independency. The reports are not discussed with microfinance institutions so much as in rating sector. Therefore, due diligence became the only possibility of independent view to structure of microfinance institution and it should be the most sufficient instrument for investor. However, it could seem that due diligence could be based only on control of financial statements but similarly as there are more types of audit described briefly in chapter 2, due diligence as an audit technique could contain of more areas than just one, i.e. it could check social performance of MFI similarly as review financial statements. Due diligence analyse the provided data and make predictions which is required mostly from the investors. In addition, due diligence clearly analyse potential of chosen MFI

and later on this MFI is prepared for merger/acquisition process or it is just more open for new investors.

Based on arguments stated in the above, due diligence seems like reasonable approach for audit in microfinance sector. Moreover, according to obtained results as its success was measured of 16.96%.

As this area of audit in microfinance is not as examined as other areas of microfinance sector, the recommendation of this thesis is to take this paper as a beginning for more critical and comprehensive study regarding types of audit used in microfinance. The methods are more diversified and deeper study for future students and microfinance experts is missing. It is very well-known that microfinance rating agencies cooperate together to improve their methods, evaluate them. But there is still a chance to omit big companies from these studies, to do an independent work. The author would appreciate if this paper could serve for thinking of microfinance as a perspective branch and tool for poor people to make their lives more comfortable and happier.

At the beginning, this Master's thesis should serve only for particular group of people, i.e. students and microfinance experts, examining microfinance sector. But at the end of this work, it can serve to anybody who is interested either in microfinance sector particularly, types of audit, rating and their types, due diligence. Hopefully, the limitations of this study covered in secondary data collection and author's lack of experience would not discourage potential readers.

7. Conclusion

Microfinance is a system where poor people get their chance to change their lives. Microfinance sector open doors to them to financial market. The main objective of this thesis was to find out the most effective and suitable way how to proceed audit in microfinance sector. The final decision is that the most effective way should be due diligence compared with microfinance institutional rating and social performance (e.g. social rating). The reason why due diligence is the best techniques of audit in microfinance was in many different points of view and in specific areas of research which is unique for this assessment audit method. Otherwise, the combination of microfinance institutional rating and social rating could be sufficient instrument for microfinance investment vehicles how to obtain deep or necessary view to institutions where they would like to invest their money or money of their investors. However, rating agencies still play an important role in microfinance sector and their ratings could help microfinance institutions to receive more money from investors. It is up to microfinance investment vehicles whether they would check microfinance institutions in detail or rating would be sufficient tool for them and they would be persuade to invest money to MFI without proper audit review.

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9. Appendices

9.1. List of MFIs

MFI name	Diamonds	Assets	Maturity	Region
1st Valley Bank	4	151,374,949	Mature	East Asia and the Pacific
3PAD Fund Bac Kan		707,771	New	East Asia and the Pacific
AAR Credit Services		7,782,738	Mature	Africa
AB Bank Rwanda		6,186,806		Africa
AB Bank Zambia	4	14,591,885	New	Africa
ABA	4	99,840,483	Mature	Middle East and North Africa
ABAMUHOZA SACCO		231,204	New	Africa
ACAD	1	7,135,468	Mature	Middle East and North Africa
AcciosBanque Madagascar	3	43,631,825	Mature	Africa
ACCESS	4	11,467,806		Latin America and The Caribbean
AccessBank	4	1,337,736,259	Mature	Eastern Europe and Central Asia
AccessBank - NGA	3	59,155,837	Young	Africa
AccessBank - TZA	4	109,794,132	Young	Africa
AccessBank Tajikistan	4	62,148,942	Young	Eastern Europe and Central Asia
AccessBank-LBR		29,579,781	Young	Africa
ACCION Microfinansas	4	4,338,722	Young	Latin America and The Caribbean
ACCU Myanmar		129,729		East Asia and the Pacific
ACEP Cameroon	1	39,182,548	Mature	Africa
ACEP Madagascar SA		18,612,692		Africa
ACEP Senegal	4	88,422,532	Mature	Africa
ACF	4	12,879,230	Mature	Eastern Europe and Central Asia
ACFB	4	8,167,252	Mature	Africa
ACFIME	1	2,429,858	Young	Africa
ACLEDA	4	3,051,460,000	Mature	East Asia and the Pacific
ACLEDA Lao	3	144,849,552	Young	East Asia and the Pacific
ACLEDA Myanmar		9,504,693		East Asia and the Pacific
ACME	4	28,890,025	Mature	Latin America and The Caribbean
ACODEP	3	7,139,907	Mature	Latin America and The Caribbean
ACORDE	4	38,210,447	Mature	Latin America and The Caribbean
ACRG	1	2,754,800	Mature	Latin America and The Caribbean
Actuar Caldas	4	7,413,526	Mature	Latin America and The Caribbean
Actuar Quindio	4	8,296,508	Mature	Latin America and The Caribbean
Actuar Tolima	4	6,982,183	Mature	Latin America and The Caribbean
ADEA Andahuaylas	3	4,201,412	Mature	Latin America and The Caribbean
ADEL-IXCAN		6,851,804	New	Latin America and The Caribbean
ADEPES	3	4,027,861	Mature	Latin America and The Caribbean
ADESTRA	4	208,181	Mature	Latin America and The Caribbean
Adhikar	4	4,980,624	Mature	South Asia
ADICH	4	2,297,573	Mature	Latin America and The Caribbean
ADIM	4	1,485,470	Mature	Latin America and The Caribbean
ADRA - PER	3	7,787,409	Mature	Latin America and The Caribbean

ADRA Honduras	4	1,045,363	Mature	Latin America and The Caribbean
ADRI	5	18,550,163	Mature	Latin America and The Caribbean
Advans - CI	3	25,496,501	Young	Africa
Advans - NGA		10,558,647	New	Africa
Advans Banque Congo	3	36,219,944	Young	Africa
Advans Cameroun	4		Young	Africa
AEON		26,447,805	New	East Asia and the Pacific
AFK	4	14,637,511	Mature	Eastern Europe and Central Asia
AFODENIC	4	5,492,960	Mature	Latin America and The Caribbean
AFS Credit Union	4	7,674,249	Young	Eastern Europe and Central Asia
AGAHE		1,068,610	Mature	South Asia
Agora	4	1,606,340	New	South Asia
Agora - ZMB	4	1,095,625	Young	Africa
AgroAmigo	3		Mature	Latin America and The Caribbean
Agroinvest - Montenegro	3	10,445,216	Mature	Eastern Europe and Central Asia
AgroInvest - Serbia	3	17,099,984	Mature	Eastern Europe and Central Asia
AGUDESA	4	3,420,574	Mature	Latin America and The Caribbean
Ahantaman RB	1	14,078,766	Mature	Africa
AHSETFIN	4	2,591,253	Young	Latin America and The Caribbean
Akiba	2	76,165,345	Mature	Africa
Al Amal Bank	2	64,342,989	Mature	Middle East and North Africa
Al Amana	3	254,514,410	Mature	Middle East and North Africa
Al Karama	4	5,650,591	Mature	Middle East and North Africa
Al Kuraimi			Mature	Middle East and North Africa
Al Majmoua	4	48,838,427	Mature	Middle East and North Africa
Al Tadamun	3	17,438,151	Mature	Middle East and North Africa
Al-Thiqa	2	48,147,566	Mature	Middle East and North Africa
Aldea Global		5,940,793	Mature	Latin America and The Caribbean
ALIDÁ©	4	8,218,935	Mature	Africa
Alliance Group	4	1,804,412	Mature	Eastern Europe and Central Asia
ALNAP	4	531,682,532	Mature	Latin America and The Caribbean
Alounmai NDTMFI		109,129		East Asia and the Pacific
Alter Modus	4	27,542,683	Mature	Eastern Europe and Central Asia
Alternativa 19 del Sur	3	75,991,128	Mature	Latin America and The Caribbean
Alternativa Microfinanzas	4	1,676,405	Mature	Latin America and The Caribbean
AMA	4	2,288,108	Mature	Latin America and The Caribbean
AMB Credit Union	3	1,622,906	New	Eastern Europe and Central Asia
AMC de R.L.	5	25,232,587	Mature	Latin America and The Caribbean
AMfB	4	27,717,909	Mature	Africa
AMIZERO SACCO GISAKURA		133,025		Africa
AMK	4	119,155,000	Mature	East Asia and the Pacific
AMRET	4	345,280,643	Mature	East Asia and the Pacific
AMSSF/MC	5	10,140,355	Mature	Middle East and North Africa
An Phu Development Fund	3	225,757	New	East Asia and the Pacific
ANED	2	6,000,598	Mature	Latin America and The Caribbean

Annapurna Cooperative	5	10,229,283	Mature	South Asia
Annapurna Microfinance	4	77,004,288	Young	South Asia
APACOOOP	4	5,294,079	Mature	Latin America and The Caribbean
APED	3	3,229,471	Mature	Africa
APFI-Burkina		5,045,284		Africa
APMB	5	5,821,463	Young	Eastern Europe and Central Asia
Apna Microfinance Bank (Formerly NMFB)	1	17,481,162	Mature	South Asia
Apoyo Economico	4	121,065,852	Mature	Latin America and The Caribbean
Apoyo Integral	4	85,473,109	Mature	Latin America and The Caribbean
Aqroinvest	4	17,707,116	Mature	Eastern Europe and Central Asia
Aran CU	3	2,621,074	Young	Eastern Europe and Central Asia
AREGAK UCO	4	34,508,995	Mature	Eastern Europe and Central Asia
Arnur Credit	4	46,804,855	Mature	Eastern Europe and Central Asia
Arohan	5	82,420,860	Mature	South Asia
Arth	4	4,364,101	Young	South Asia
Arysh-Kench	1	1,107,607	New	Eastern Europe and Central Asia
ASA	4	11,173,338	Young	South Asia
ASA	3	1,468,319,356	Mature	South Asia
ASA - GHA	1	16,002,806	Young	Africa
ASA Pakistan	4	27,931,433	Young	South Asia
ASA Philippines	4	88,912,622	Mature	East Asia and the Pacific
ASAIH		1,022,988		East Asia and the Pacific
ASALA	4	5,413,511	Mature	Middle East and North Africa
ASDIR	4	12,678,388	Mature	Latin America and The Caribbean
ASEI	4	3,780,846	Mature	Latin America and The Caribbean
ASHI	1	11,489,611	Mature	East Asia and the Pacific
Ashikhli CU	3	1,832,936	Mature	Eastern Europe and Central Asia
Asirvad	4	58,733,394	Young	South Asia
ASKI	4	55,441,177	Mature	East Asia and the Pacific
ASLS		3,017,225		East Asia and the Pacific
Asociacion Arariwa	3	7,299,709	Mature	Latin America and The Caribbean
Asociacion El Balsamo	4	700,62	Mature	Latin America and The Caribbean
Asociacion SHARE	4	14,222,706	Mature	Latin America and The Caribbean
ASODENIC	1	4,059,389	Mature	Latin America and The Caribbean
ASODERI	1	340,434	Mature	Latin America and The Caribbean
Asomi	4	5,249,696	Mature	South Asia
ASOPROSANRAMON	4	1,891,757	Mature	Latin America and The Caribbean
ASPIRE	4	17,335,294	Mature	Latin America and The Caribbean
ASUSU CIIGABA	1	43,593,239	Mature	Africa
ASUSUN RAYA KARKARA	2	1,226,029		Africa
Atlas MFB		3,283,275	Young	Africa
Avance	4	4,160,554	Young	Latin America and The Caribbean
Avantaj	3	2,088,678	Young	Eastern Europe and Central Asia
Azercredit	4	100,396,183	Mature	Eastern Europe and Central Asia
Azmicroinvest	4	750,423	New	Eastern Europe and Central Asia

Bai Tushum	4	134,004,625	Mature	Eastern Europe and Central Asia
Bal Mahila	4	393,869	Mature	South Asia
BancamAa	5	586,314,810	Young	Latin America and The Caribbean
Banco ADEMI	4	360,848,631	Mature	Latin America and The Caribbean
Banco ADOPEM	1	120,350,467	Mature	Latin America and The Caribbean
Banco da FamÁlia	4	12,397,598	Mature	Latin America and The Caribbean
Banco Delta, S.A.	1	219,797,891	Mature	Latin America and The Caribbean
Banco do Empreendedor	1	10,032,180	Mature	Latin America and The Caribbean
Banco do Vale	4	6,402,796	Mature	Latin America and The Caribbean
Banco Familiar	5	624,415,133	Mature	Latin America and The Caribbean
Banco FIE	5	1,218,811,943	Mature	Latin America and The Caribbean
Banco Popular	5	57,889,668	Mature	Latin America and The Caribbean
Banco Solidario	5	737,476,000	Mature	Latin America and The Caribbean
Banco WWB	4	399,257,270	Mature	Latin America and The Caribbean
BancoEstado	3	1,786,949,819	Mature	Latin America and The Caribbean
BancoSol	4	1,281,097,795	Mature	Latin America and The Caribbean
Bandhan	5		Mature	South Asia
BanGente	4	426,886,405	Mature	Latin America and The Caribbean
Bangko Kabayan	1	55,233,162	Mature	East Asia and the Pacific
Bangko Mabuhay	2	27,766,490	Mature	East Asia and the Pacific
BANHCAFE	3	14,075,472	Mature	Latin America and The Caribbean
Bank Eshkata	4	257,543,329	Mature	Eastern Europe and Central Asia
Bank Respublika	4	651,367,949	Mature	Eastern Europe and Central Asia
BASIX Myanmar		321,934	New	East Asia and the Pacific
BASTOB	4	5,238,378	Mature	South Asia
BCSC	4	4,635,310,185	Mature	Latin America and The Caribbean
BDBL	4	261,773,364	Mature	South Asia
BDS	4	4,553,677	Mature	South Asia
BEDF		242,788	Mature	South Asia
BEES	4	40,885,126	Mature	South Asia
Belarusky Narodny Bank	3	238	Mature	Eastern Europe and Central Asia
Belghoria	4	2,493,317	Mature	South Asia
Belstar	4	39,401,451	Young	South Asia
Bereke	3	6,400,005	Mature	Eastern Europe and Central Asia
Berendina Microfinance	4	13,293,649	Young	South Asia
BESA	3	70,826,900	Mature	Eastern Europe and Central Asia
Bhartiya Micro	1	6,944,285	Young	South Asia
BID NBFi	5	10,009,264	Mature	Eastern Europe and Central Asia
Bienestar		104,023,824	Mature	Latin America and The Caribbean
Bina Artha	4	14,321,091	New	East Asia and the Pacific
Binhminh CDC	3	1,048,452	Mature	East Asia and the Pacific
BK		698,965,855	Mature	Africa
Bobrov Fund	4	310,481	Mature	Eastern Europe and Central Asia
Boguchar Fund	4	353,837	Young	Eastern Europe and Central Asia
BOM	4	12,826,066	Mature	Africa

Borisoglebsk Fund	4	262,225	Young	Eastern Europe and Central Asia
BRAC	5	1,265,144,208	Mature	South Asia
BRAC - LBR	3	3,283,752	Young	Africa
BRAC - PAK	4	12,305,537	Young	South Asia
BRAC - SLE	3	4,393,702	Young	Africa
BRAC - TZA	3	25,569,874	Mature	Africa
BRAC - UGA	4	33,323,233	Mature	Africa
Brand Credit	4	2,080,817	New	Eastern Europe and Central Asia
Bryanskiy Fond Mikrozyamov	4	6,725,505	New	Eastern Europe and Central Asia
BSFL	4	17,000,341	Mature	South Asia
BSS	4	65,550,627	Mature	South Asia
BTV	3	421,679	Young	East Asia and the Pacific
BTWU	3	1,745,671	Young	East Asia and the Pacific
Burebero SACCO		160,41		Africa
BURO Bangladesh	4	244,272,276	Mature	South Asia
Buusaa Gonofaa	2	4,523,767	Mature	Africa
Buusaa Gonofaa	2	16,324,725	Mature	Africa
BUYANJA SACCO		600,674		Africa
BWDA	4	6,955,190	Mature	South Asia
BWDC	1	1,767,960	Mature	South Asia
CACMU	4	19,815,454	Mature	Latin America and The Caribbean
CACPE PASTAZA LTDA.	5	76,042,770	Mature	Latin America and The Caribbean
CACPE ZAMORA		30,066,526		Latin America and The Caribbean
CACPECO LTDA.		175,971,514	New	Latin America and The Caribbean
CAF Isonga	3	471,334	Mature	Africa
CAFPE BR-VT	3	2,417,339	Mature	East Asia and the Pacific
Caja Depac Poblana	3	10,939,069	Mature	Latin America and The Caribbean
Caja Popular Mexicana	1	1,948,996,580	Mature	Latin America and The Caribbean
Caja Popular Oblatos	1	55,305,872	Mature	Latin America and The Caribbean
CamCCUL	3	306,005,120	Mature	Africa
CAME	5	138,428,430	Mature	Latin America and The Caribbean
Cantilan Bank	4	44,687,307	Mature	East Asia and the Pacific
Cao Bang Poverty Reduction Fund		238,415	New	East Asia and the Pacific
Capital Credit	4	1,327,837	Young	Eastern Europe and Central Asia
CAPPED	4	24,585,733	Mature	Africa
CARD Bank	4	137,719,623	Mature	East Asia and the Pacific
CARD NGO	2	133,169,203	Mature	East Asia and the Pacific
Casa do Microcr�dito	1	4,327,065	Mature	Latin America and The Caribbean
Cashpor	5	107,307,982	Mature	South Asia
Caucasus Credit	4	1,915,131	Mature	Eastern Europe and Central Asia
CAURIE Micro Finance	3	14,625,817	Mature	Africa
CBB	4	64,219,992	Mature	South Asia
CCAMETRO	4	36,422,640	Mature	Latin America and The Caribbean
CCC	4	3,846,391	Mature	Latin America and The Caribbean
CCSF	4	7,099,965	Mature	East Asia and the Pacific

CDD	4	2,390,982	Mature	Latin America and The Caribbean
CDIP	1	41,390,593	Mature	South Asia
CDOT	4	3,114,560	Mature	South Asia
CDRO	4	7,150,133	Mature	Latin America and The Caribbean
CDS	1	29,728,015	Mature	Africa
CEADe	4	1,108,106	Mature	Latin America and The Caribbean
CEAPE BA	1	2,628,654	Mature	Latin America and The Caribbean
CEAPE MA	4	24,165,518	Mature	Latin America and The Caribbean
CEAPE PE	3	4,510,602	Mature	Latin America and The Caribbean
CEAPE SE	1	9,700,262	Mature	Latin America and The Caribbean
CECA	1	10,695,061	Mature	Africa
CECAD	3	32,924,606	Young	Africa
CECAM	1	33,702,354	Mature	Africa
CECM	3	11,588,562	Mature	Africa
CEFOR	3	509,227	Mature	Africa
CEMPRODECA		1,691,913	Mature	Latin America and The Caribbean
Centenary Bank	1	592,026,264	Mature	Africa
Central Cresol Baser	1	736,551,504	Mature	Latin America and The Caribbean
CEOSS	3	13,109,451	Mature	Middle East and North Africa
CEP	3	86,768,485	Mature	East Asia and the Pacific
CEPRODEL	4	11,268,763	Mature	Latin America and The Caribbean
CEVI	3	6,570,180	Mature	East Asia and the Pacific
CFPA	4	361,349,468	Mature	East Asia and the Pacific
Chaitanya	5	22,281,186	Young	South Asia
Champa Lao DTMFI	3	1,257,701		East Asia and the Pacific
Chamroeun	4	9,831,460	Mature	East Asia and the Pacific
Chi-Em	3	1,036,438	Young	East Asia and the Pacific
Chon-Kazyk	1	427,282	Mature	Eastern Europe and Central Asia
CIDRE	5	65,414,449	Mature	Latin America and The Caribbean
CITY SBERKASSA	5	7,942,193	New	Eastern Europe and Central Asia
CLECAM BIRUYI		144,033		Africa
CLECAM KAMONYI		918,362		Africa
CLECAM RUHANGO		172,26		Africa
CMAC Arequipa	5	1,202,790,841	Mature	Latin America and The Caribbean
CMAC Cusco	3	594,178,148	Mature	Latin America and The Caribbean
CMAC Del Santa	3	74,173,649	Mature	Latin America and The Caribbean
CMAC Huancayo	5	587,797,321	Mature	Latin America and The Caribbean
CMAC Ica	3	291,011,047	Mature	Latin America and The Caribbean
CMAC Maynas	3	137,713,368	Mature	Latin America and The Caribbean
CMAC Paita	3	80,160,705	Mature	Latin America and The Caribbean
CMAC Piura	3	924,097,065	Mature	Latin America and The Caribbean
CMAC Sullana	3	684,761,268	Mature	Latin America and The Caribbean
CMAC Tacna	3	291,817,923	Mature	Latin America and The Caribbean
CMAC Trujillo	3	627,909,623	Mature	Latin America and The Caribbean
CMCP Lima	3	224,623,760	Mature	Latin America and The Caribbean

CMF NGWINUREBE		195,8		Africa
CMF TWITEGANYIRIZE		335,34		Africa
CMM	1	939,246	Young	South Asia
COAC 29 de Octubre	5	382,618,950	Mature	Latin America and The Caribbean
COAC 4 de Octubre	4	19,379,019	Mature	Latin America and The Caribbean
COAC 9 DE OCTUBRE LTDA.		11,673,581		Latin America and The Caribbean
COAC Ambato	5	61,358,109	Mature	Latin America and The Caribbean
COAC Atuntaqui	5	127,323,126	Mature	Latin America and The Caribbean
COAC Chibuleo	4	64,700,007	Mature	Latin America and The Caribbean
COAC Chone	5	40,280,828	Mature	Latin America and The Caribbean
COAC Fernando Daquilema	4	39,079,856	Mature	Latin America and The Caribbean
COAC GUARANDA LTDA.	5	36,681,680	Mature	Latin America and The Caribbean
COAC Jardin Azuayo	5	459,872,453	Mature	Latin America and The Caribbean
COAC Kullki Wasi	4	47,928,535	Mature	Latin America and The Caribbean
COAC La Benefica	4	16,505,785	Mature	Latin America and The Caribbean
COAC Lucha Campesina		17,840,635		Latin America and The Caribbean
COAC Luz del Valle	4	35,687,460	Mature	Latin America and The Caribbean
COAC MCCH	5	29,557,192	Mature	Latin America and The Caribbean
COAC Mushuc Runa	5	157,782,404	Mature	Latin America and The Caribbean
COAC Nacional	5	177,259,644	Mature	Latin America and The Caribbean
COAC Nueva Huancavilca	4	4,863,407	Mature	Latin America and The Caribbean
COAC Padre Vicente	4	1,979,816	Young	Latin America and The Caribbean
COAC Pallatanga	4	6,303,200	Mature	Latin America and The Caribbean
COAC San Antonio	4	18,629,143	Mature	Latin America and The Caribbean
COAC San Jose©	5	93,584,729	Mature	Latin America and The Caribbean
COAC Santa Anita	4	9,309,526	Mature	Latin America and The Caribbean
COAC Virgen del Cisne	4	14,915,028	Mature	Latin America and The Caribbean
COAST Trust	4	13,579,438	Mature	South Asia
COCDEP	3	5,164,374	Mature	Latin America and The Caribbean
CODESARROLLO	5	120,074,063	Mature	Latin America and The Caribbean
COFINA		14,812,270	New	Africa
COMICOKA	3	575,524	Young	Africa
COMIXMUL	3	74,697,445	Mature	Latin America and The Caribbean
Community Bank			New	East Asia and the Pacific
Compartamos - GTM	4	29,980,564	New	Latin America and The Caribbean
Compartamos Banco	5	1,536,999,321	Mature	Latin America and The Caribbean
Comultrasan	4	429,324,329	Mature	Latin America and The Caribbean
Confia		783,28	Young	Latin America and The Caribbean
Confiar	4	277,656,517	Mature	Latin America and The Caribbean
CONSER	4	4,261,847	Mature	Latin America and The Caribbean
Conserva	4	15,489,090	Mature	Latin America and The Caribbean
Contactar	5	69,932,817	Mature	Latin America and The Caribbean
Coop Avances	4	8,135,872	Mature	Latin America and The Caribbean
Coop FÃtima	1	72,998,106	Mature	Latin America and The Caribbean
Coop JesÃs Nazareno	1	245,580,202	Mature	Latin America and The Caribbean

Coop Juan XXIII	4	14,409,401	Mature	Latin America and The Caribbean
Coop. 23 de Julio		120,308,141	Mature	Latin America and The Caribbean
Coop. Tulcan		90,894,043		Latin America and The Caribbean
COOPAC Norandino	1	12,372,492	Mature	Latin America and The Caribbean
COOPEC CAHI	3	10,427,496	Mature	Africa
COOPEC CAMEC Inkisi	3	971,072	Mature	Africa
COOPEC CSPKI		216,632		Africa
COOPEC Hinfani Dosso	1	749,35	Mature	Africa
COOPEC INGASHYA	3	332,826	New	Africa
COOPEC ITI	3	216,779	New	Africa
COOPEC TWIZIGAMIRE		373,148	Young	Africa
COOPEC UBAKA	3	850,216	Mature	Africa
COOPEC ZAMUKA	1	91,27		Africa
COOPEDEL R.L		185,025	New	Latin America and The Caribbean
Cooperativa RIOBAMBA		239,197,797		Latin America and The Caribbean
COOPROGRESO	5	313,226,763	Mature	Latin America and The Caribbean
Cordial Microfinanzas	4	9,516,940	Young	Latin America and The Caribbean
CORILAC		537,712		Africa
COSPEC	3	1,146,258	Mature	Africa
CPCF	4	951,972,978	Mature	East Asia and the Pacific
CPEC Anfanin Gobir de Tibiri	3	95,781	Mature	Africa
CPEC Ci Gaba d'Aguie	3	174,332	Mature	Africa
CPEC KARHE		325,736		Africa
CPI	3	6,501,553	Mature	Africa
CRAC Cajamarca	3	27,869,096	Mature	Latin America and The Caribbean
CRAC Credichavion	2	46,299,635	Mature	Latin America and The Caribbean
CRAC Credinka	3	219,004,682	Mature	Latin America and The Caribbean
CRAC Los Andes	3	64,729,519	Mature	Latin America and The Caribbean
CRAC Senor de Luren	5	288,383,500	Mature	Latin America and The Caribbean
CRAC Sipon	3	20,973,347	Mature	Latin America and The Caribbean
CRDB Bank Burundi		59,675,212	New	Africa
Crece Safsa	1	14,713,675	Mature	Latin America and The Caribbean
CRECER	5	197,037,210	Mature	Latin America and The Caribbean
CrediAmigo	4	1,012,636,988	Mature	Latin America and The Caribbean
CrediAvance	3	25,792,162	Mature	Latin America and The Caribbean
CrediClub	4	18,083,074	Mature	Latin America and The Caribbean
CrediConfAa	3	15,673,373	Young	Latin America and The Caribbean
Credimais	4	2,288,445	Mature	Latin America and The Caribbean
CREDIMUJER	4	937,512	Mature	Latin America and The Caribbean
CREDIOESTE	4	2,457,167	Mature	Latin America and The Caribbean
Crediscotia	5	1,271,077,592	Mature	Latin America and The Caribbean
Credisol	4	6,918,891	Mature	Latin America and The Caribbean
Credisol Honduras	4	6,396,571	Mature	Latin America and The Caribbean
Credit Mongol	5	8,794,268	Mature	Eastern Europe and Central Asia
CREDIT YA MPA		490,162		Africa

Credito Solidario	4	2,618,797	Mature	Latin America and The Caribbean
CREDO	4	199,089,388	Mature	Eastern Europe and Central Asia
Crezcamos	5	72,131,079	Mature	Latin America and The Caribbean
CRYSOL	4	7,136,858	Mature	Latin America and The Caribbean
Crystal	5	45,285,373	Mature	Eastern Europe and Central Asia
CSOD	3	305,813	Mature	East Asia and the Pacific
CSTCR		309,151	Young	Africa
CT MUGAMBAZI		120,99		Africa
CT RUSIZI		108,733		Africa
CT-MURAMBI	3	132,436	Young	Africa
CTS	4	1,405,416	Mature	South Asia
CU ABN	4	7,038,228	Mature	Eastern Europe and Central Asia
CU Sawiran	3	8,094,359	Mature	East Asia and the Pacific
CVECA Pays Dogon	1	2,492,299	Mature	Africa
CVECA San-DjennÃ©	1	2,860,675	Mature	Africa
CWCD	1	2,042,717	Mature	South Asia
D-Miro	5	84,721,179	Mature	Latin America and The Caribbean
Dakshin	4	1,003,595	Mature	South Asia
DAMEN	4	13,228,820	Mature	South Asia
Dariu	4	4,654,547	Young	East Asia and the Pacific
DBACD	5	45,211,480	Mature	Middle East and North Africa
DEC	3	14,620,099	Mature	Africa
Delta		3,535,478	New	East Asia and the Pacific
Dhosa	5	1,772,426	Mature	South Asia
Diaconia	4	120,810,245	Mature	Latin America and The Caribbean
DIFO s.a.	4	1,518,171	Young	Africa
Disha India	1	767,148	Mature	South Asia
Disha Microfin	5	34,568,941	Young	South Asia
DJOMEC	4	893,867	Mature	Africa
DMID		1,662,436		East Asia and the Pacific
Doverie Finance	4	1,358,917	New	Eastern Europe and Central Asia
Doveriye- Bulgaria	4	1,358,917	Mature	Eastern Europe and Central Asia
DUKUZE	3	1,250,576	Young	Africa
Dunganon Bank	3	3,740,943	Mature	East Asia and the Pacific
EB-ACCION	1	11,802,856	Young	Africa
EB-Accion Microfinance		10,254,138	Young	Africa
EBO SACCO	1	2,601,823	Mature	Africa
ECLOF - ARM	4	3,230,249	Mature	Eastern Europe and Central Asia
ECLOF - DOM	4	7,838,421	Mature	Latin America and The Caribbean
ECLOF - PHL	2	5,676,609	Mature	East Asia and the Pacific
ECLOF - TZA	3	2,338,229	Mature	Africa
Ecofin	3	436,675	Young	Latin America and The Caribbean
EcoFuturo FFP	5	378,842,408	Mature	Latin America and The Caribbean
EDAPROSPO	3	3,412,001	Mature	Latin America and The Caribbean
EDPYME Acceso Crediticio	3	46,958,342	Mature	Latin America and The Caribbean

EDPYME Alternativa	3	34,553,002	Mature	Latin America and The Caribbean
EDPYME Credivisi�n	3	9,363,159	Mature	Latin America and The Caribbean
EDPYME Nueva Visi�n	3	67,231,438	Mature	Latin America and The Caribbean
EDPYME Pro Negocios	1	12,078,897	Mature	Latin America and The Caribbean
EDPYME Proempresa	1	130,309,660	Mature	Latin America and The Caribbean
EDPYME Ra�z	4	207,023,583	Mature	Latin America and The Caribbean
EDPYME Solidaridad	3	41,047,559	Mature	Latin America and The Caribbean
EKI	4	69,424,858	Mature	Eastern Europe and Central Asia
Elet-Capital	4	6,499,258	Mature	Eastern Europe and Central Asia
EMI	4	6,104,668	Mature	East Asia and the Pacific
Emprenda	4	6,574,622	Mature	Latin America and The Caribbean
Emprende Microfinanzas	5	14,598,950	Mature	Latin America and The Caribbean
Emprender	5	9,720,252	Mature	Latin America and The Caribbean
ENBSLS		12,796,088	Mature	East Asia and the Pacific
ENCOT	2	1,676,725	Young	Africa
Enda	5	130,252,015	Mature	Middle East and North Africa
ENLACE	4	20,764,555	Mature	Latin America and The Caribbean
Equitas	5	350,662,198	Young	South Asia
Equity Bank KEN	4	3,046,626,139	Mature	Africa
Equity Bank Rwanda	3	128,590,275	New	Africa
ESAF	4	158,301,446	Mature	South Asia
ESDO	3	18,308,485	Mature	South Asia
Express Finance	4	230,686,567	Mature	Eastern Europe and Central Asia
Express Finance Group	3		New	Eastern Europe and Central Asia
Express Microfinanzas SAS		8,082,184	New	Latin America and The Caribbean
Extracredi	3	7,190,125	Mature	Latin America and The Caribbean
FACES	4	23,112,558	Mature	Latin America and The Caribbean
FADEC	1	1,335,713		Africa
FADEMYPE	4	2,093,635	Mature	Latin America and The Caribbean
FAFIDESS	4	14,570,162	Mature	Latin America and The Caribbean
FAMA OPDF	4	24,760,659	Mature	Latin America and The Caribbean
Family Bank	1	682,033,135	Mature	Africa
FAPE	4	1,489,790	Mature	Latin America and The Caribbean
Farmer Finance Ltd	3	444,792	Young	East Asia and the Pacific
Fassil FFP	4	1,002,719,898	Mature	Latin America and The Caribbean
FATEN	1	66,282,681	Mature	Middle East and North Africa
Faulu MFB	4	224,207,856	Mature	Africa
FBPMC	3	270,162,383	Mature	Middle East and North Africa
FDD	4	7,072,494	Mature	Latin America and The Caribbean
FDEA	1	3,236,619	Mature	Africa
FDL	4	91,007,294	Mature	Latin America and The Caribbean
Felicidad	4	27,973,297	Young	Latin America and The Caribbean
FENACOBU	2	34,128,629	Mature	Africa
FESPROD	3	323,846	Young	Africa
FFECC	4	16,791,175	Mature	Eastern Europe and Central Asia

FHA	3	1,988,743	Mature	Latin America and The Caribbean
FIACG	4	4,468,935	Mature	Latin America and The Caribbean
Fidelity Bank Ghana Ltd.		949,518,731	Mature	Africa
FIDERPAC	4	4,857,255	Mature	Latin America and The Caribbean
FIDRA	3	27,354,403	Mature	Africa
FIE Gran Poder	5	10,909,440	Mature	Latin America and The Caribbean
FIELCO	5	217,906,450	Mature	Latin America and The Caribbean
FIME	4	2,732,720	Mature	Latin America and The Caribbean
Finacen	4	423,557	Young	Latin America and The Caribbean
FINAM	1	510,485	Mature	Latin America and The Caribbean
FinAmérica	5	282,860,794	Mature	Latin America and The Caribbean
FinAmigo	4	13,450,713	Mature	Latin America and The Caribbean
Finance Trust	1	44,055,408	Mature	Africa
FINANCIA CAPITAL	5	14,693,308	Mature	Latin America and The Caribbean
Financia Credit	4	12,132,470	Young	Latin America and The Caribbean
Financiera CIA	3	3,584,123	Mature	Latin America and The Caribbean
Financiera Confianza	2	562,382,943	Mature	Latin America and The Caribbean
Financiera Contigo	3	30,717,615	Young	Latin America and The Caribbean
Financiera Crear	4	340,218,395	Mature	Latin America and The Caribbean
Financiera Edyficar	5	1,742,624,749	Mature	Latin America and The Caribbean
Financiera Efectiva	3	146,333,779	Mature	Latin America and The Caribbean
Financiera Fama	5	43,445,326	Mature	Latin America and The Caribbean
Financiera Universal	3	109,669,116	Young	Latin America and The Caribbean
FINCA - AFG	4	16,440,414	Mature	South Asia
FINCA - ARM	2		Mature	Eastern Europe and Central Asia
FINCA - AZE	4	283,628,464	Mature	Eastern Europe and Central Asia
FINCA - ECU	3	50,698,175	Mature	Latin America and The Caribbean
FINCA - GEO	4	84,284,627	Mature	Eastern Europe and Central Asia
FINCA - HND	1	15,226,789	Mature	Latin America and The Caribbean
FINCA - KOS	2	19,253,916	Mature	Eastern Europe and Central Asia
FINCA - MEX	4	64,415,602	Mature	Latin America and The Caribbean
FINCA - NIC	4	31,571,637	Mature	Latin America and The Caribbean
FINCA - PER	4	6,599,409	Mature	Latin America and The Caribbean
FINCA - Russia	3	25,937,836	Mature	Eastern Europe and Central Asia
FINCA - SLV	1	12,995,357	Mature	Latin America and The Caribbean
FINCA - TJK	3	43,675,909	Mature	Eastern Europe and Central Asia
FINCA Kyrgyzstan	2	155,467,391	Mature	Eastern Europe and Central Asia
FINCA Pakistan	4	63,411,548	Young	South Asia
FinComaşn	5	89,385,336	Mature	Latin America and The Caribbean
FINDE	4	3,957,955	Mature	Latin America and The Caribbean
FinLabor	3	8,058,689	Young	Latin America and The Caribbean
FINPO	4	3,607,592	Mature	Eastern Europe and Central Asia
FINSOL	4	51,648,171	Mature	Latin America and The Caribbean
First Finance	4	19,601,831	Young	East Asia and the Pacific
First MicroCredit Company	4	10,452,258	Mature	Eastern Europe and Central Asia

FM Bank	4	914,701,705	Young	Eastern Europe and Central Asia
FMFB - AFG	4	144,177,242	Mature	South Asia
FMFB - Pakistan	4	106,089,545	Mature	South Asia
FMFB - TJK	4	82,000,558	Mature	Eastern Europe and Central Asia
FMFI-SYR	2	13,843,430	Mature	Middle East and North Africa
FMM Bucaramanga	4	289,427,724	Mature	Latin America and The Caribbean
FMM Popayán	4	527,824,395	Mature	Latin America and The Caribbean
FMSD	1	250,582,513	Mature	Latin America and The Caribbean
FNT Credit	1	3,728,019	Mature	Eastern Europe and Central Asia
FODEMI	5	48,595,920	Mature	Latin America and The Caribbean
Fomenta		1,731,307	Young	Latin America and The Caribbean
FOMIC	1	2,363,208	Mature	Latin America and The Caribbean
FONDAGRO			Mature	Latin America and The Caribbean
FONDECO	4	32,064,046	Mature	Latin America and The Caribbean
FONDEP	4	133,865,855	Mature	Middle East and North Africa
FONDESA	4	67,851,311	Mature	Latin America and The Caribbean
FONDESURCO	3	29,048,603	Mature	Latin America and The Caribbean
Fondo de la Comunidad	4	125,902,588	Mature	Latin America and The Caribbean
Fondo Esperanza	4	51,174,661	Mature	Latin America and The Caribbean
Fonds Cooperatif SCU		1,308,847	Mature	East Asia and the Pacific
FONEES	1	224,609	Mature	Africa
Fonkoze Financial Services (SFF)	4	28,808,643	Mature	Latin America and The Caribbean
Forjadores de Negocios	4	40,665,309	Mature	Latin America and The Caribbean
Fortaleza FFP	2	279,944,170	Mature	Latin America and The Caribbean
Fortis MFB	4	90,386,707	Young	Africa
FORWARD	4	24,898,767	Mature	South Asia
FOVIDA	1	2,218,297	Mature	Latin America and The Caribbean
Friendship Bridge	4	8,713,524	Mature	Latin America and The Caribbean
FSCJ	3	1,614,282	Mature	Africa
FSL	3		Mature	Africa
FSTE	3	13,865,965	Mature	Africa
FUBODE	5	32,656,517	Mature	Latin America and The Caribbean
FUCEC Togo	4	184,771,933	Mature	Africa
FUDECOSUR	4	5,032,296	Mature	Latin America and The Caribbean
FUDEMI	4	3,432,570	Mature	Latin America and The Caribbean
Fullerton CQ		215,806,452		East Asia and the Pacific
Fullerton HB		136,935,484		East Asia and the Pacific
Fullerton SC		247,258,065		East Asia and the Pacific
FUNBODEM	4	7,756,576	Mature	Latin America and The Caribbean
Fund for Women Development - HCM	3	5,018,784	Mature	East Asia and the Pacific
Fundacion Progresar		197,398	Young	Latin America and The Caribbean
Fundacion 4i-2000	4	1,983,680	Mature	Latin America and The Caribbean
Fundacion Adelante	4	1,543,902	Mature	Latin America and The Caribbean
Fundacion Alternativa	5	29,330,029	Mature	Latin America and The Caribbean
Fundacion Amanecer	5	21,758,961	Mature	Latin America and The Caribbean

Fundacion CAMPO	4	23,492,292	Mature	Latin America and The Caribbean
Fundacion Esperanza	3	3,977,919	Mature	Latin America and The Caribbean
Fundacion Espoir	5	51,358,845	Mature	Latin America and The Caribbean
Fundacion Leon 2000	4	1,485,371	Mature	Latin America and The Caribbean
Fundacion Mujer	4	1,837,219	Mature	Latin America and The Caribbean
Fundacion Paraguaya	5	31,577,337	Mature	Latin America and The Caribbean
FUNDAMIC	4	5,574,111	Mature	Latin America and The Caribbean
FUNDAPEC		33,476,308	Mature	Latin America and The Caribbean
FUNDEA	4	42,965,063	Mature	Latin America and The Caribbean
FUNDEBASE	4	6,981,853	Mature	Latin America and The Caribbean
FUNDECOCA	4	4,920,392	Mature	Latin America and The Caribbean
FUNDEMIX	4	1,103,399	Mature	Latin America and The Caribbean
FUNDENUSE	4	12,628,576	Mature	Latin America and The Caribbean
FUNDESER	5	33,567,260	Mature	Latin America and The Caribbean
FUNDESMAG	1	2,745,711	Mature	Latin America and The Caribbean
FUNDESPE	3	779,145	Mature	Latin America and The Caribbean
FUNDEVI	4		Mature	Latin America and The Caribbean
FUNED	4	9,171,738	Mature	Latin America and The Caribbean
FUNHAVI	3	813,637	Mature	Latin America and The Caribbean
Furuz	3	1,714,772	Mature	Eastern Europe and Central Asia
Fusion	5	50,825,959	Young	South Asia
Future Financial	4	72,132,687	Mature	South Asia
Garantee Agency of Nizhniy Novgorod	4	12,319,380	Young	Eastern Europe and Central Asia
GCM	4	5,942,698	Mature	Latin America and The Caribbean
GÃ©nesis Empresarial	4	89,807,975	Mature	Latin America and The Caribbean
Geocredit	4	10,704,003	Mature	Eastern Europe and Central Asia
Ghashful	1	796,149,049	Mature	South Asia
GKFSPL	5	275,572,834	Mature	South Asia
GM Bank of Luzon	2	71,785,609	Mature	East Asia and the Pacific
Golden State Microfinance	3	1,023,037	New	Eastern Europe and Central Asia
Good Credit	3	1,091,000	Young	Eastern Europe and Central Asia
GRAINE sarl	3	4,779,604	Mature	Africa
Grama Vidiyal	4	161,201,631	Mature	South Asia
Gramalaya Microfin	4	806,341	New	South Asia
Grameen Bank	4		Mature	South Asia
Grameen Sahara	4	1,754,482	Mature	South Asia
Green Capital Assistance	3		New	Eastern Europe and Central Asia
Grooming Centre	3	99,110,256	Mature	Africa
Grupo FinclusiÃ³n	3	26,132,247	New	Latin America and The Caribbean
GU Financial	4	2,380,754	Mature	South Asia
Guardian	5	3,102,731	Young	South Asia
HamkorBank	5	710,362,428	Mature	Eastern Europe and Central Asia
Hasal MFB	4	19,617,139	Young	Africa
HDH OPDF	4	18,715,856	Mature	Latin America and The Caribbean
HiH	4	15,492,145	Mature	South Asia

HKL	4	316,363,805	Mature	East Asia and the Pacific
Hluvuku	3	4,414,973	Mature	Africa
Homsab Phattana		350,426	New	East Asia and the Pacific
HOPE	4	1,241,150	Mature	Eastern Europe and Central Asia
Hope Congo	2	3,806,049	Young	Africa
HOPE FUND BURUNDI SA	3	683,489	Mature	Africa
Horizonti	3	4,751,634	Mature	Eastern Europe and Central Asia
HPPI	5	3,038,188	Young	South Asia
Ibdaa		12,010,422	New	Middle East and North Africa
ICC BluSol	4		Mature	Latin America and The Caribbean
ICC Central	1	751,548		Latin America and The Caribbean
ICC Conquista Solidaria	4	1,514,880	Mature	Latin America and The Caribbean
ID Ghana	4	2,074,063	Mature	Africa
ID Microfinance	3	2,222,017	Mature	Latin America and The Caribbean
IDEPRO	4	56,519,678	Mature	Latin America and The Caribbean
IDER CV	3	2,668,756	Mature	Latin America and The Caribbean
IDF	2	21,407,542	Mature	South Asia
IDF Financial	5	12,382,004	Young	South Asia
IDH	4	6,355,825	Mature	Latin America and The Caribbean
IFDP	3	2,597,072	Mature	East Asia and the Pacific
Imkoniyat Hovar	4	1,931,001	Mature	Eastern Europe and Central Asia
IMON	5	159,689,279	Mature	Eastern Europe and Central Asia
IMPACT	4	2,786,953	Mature	South Asia
IMPRO	4	4,021,717	Mature	Latin America and The Caribbean
Inam	4	9,951	Young	Eastern Europe and Central Asia
INECO	4	340,086,850	Mature	Eastern Europe and Central Asia
INHDEI	4	1,642,105	Mature	Latin America and The Caribbean
Inicjatywa Mikro	1	36,670,375	Mature	Eastern Europe and Central Asia
INMAA	5	4,165,240	Mature	Middle East and North Africa
INSOTEC	5	28,173,996	Mature	Latin America and The Caribbean
Instituto Estrela	4	2,528,646	Mature	Latin America and The Caribbean
Interactuar	4	59,776,452	Mature	Latin America and The Caribbean
Interfisa Financiera	5	231,438,641	Mature	Latin America and The Caribbean
Invirtiendo	4	33,833,673	Mature	Latin America and The Caribbean
Ipak Yuli Bank	3	523,735,976	Mature	Eastern Europe and Central Asia
IPED Guyana	4	17,260,526	Mature	Latin America and The Caribbean
IPR	4	9,434,240	Mature	East Asia and the Pacific
IRCED	4	1,277,612	Mature	South Asia
Isonga SACCO		153,66		Africa
ISSIA	1	788,584	Mature	Africa
Itaca Capital	3	23,490,802	Young	Latin America and The Caribbean
Izdiharona Microfinance	4	14,942,964	Young	Middle East and North Africa
Jagaran	5	19,050,587	Young	South Asia
JAKAS	1	14,995,896	Mature	South Asia
Janalakshmi	4	796,149,049	Mature	South Asia

JBS	1	37,057,892	Mature	South Asia
JCF	2	120,046,962	Mature	South Asia
Joyful Development, Inc.	4	268,751	Young	East Asia and the Pacific
Juhudi Kilimo	4	9,417,635	Young	Africa
JVOFI	2	488,024	Mature	East Asia and the Pacific
Kafolatli Sarmoya	3	483,744	Young	Eastern Europe and Central Asia
KAJAS		5,739,722	Young	Africa
Kalach Fund	4	228,671	Young	Eastern Europe and Central Asia
KAMURJ	4	33,369,412	Mature	Eastern Europe and Central Asia
Kasagana-Ka	3	4,589,079	Mature	East Asia and the Pacific
Kashf Foundation	5	68,834,614	Mature	South Asia
Kazama Grameen	3	3,724,886	Mature	East Asia and the Pacific
KCCDFI	1	7,787,318	Mature	East Asia and the Pacific
KGMAMF	3		Mature	Eastern Europe and Central Asia
Khan Bank	4	2,727,464,484	Mature	Eastern Europe and Central Asia
Khomvangmai NDTMFI		34,006		East Asia and the Pacific
Khushhali Bank	4	165,895,783	Mature	South Asia
KIF	3	6,938,036	Mature	East Asia and the Pacific
KIJURA SACCO		1,187,057		Africa
KixiCredito	1	31,362,723	Mature	Africa
KMBI	3	20,685,034	Mature	East Asia and the Pacific
KMF	5	178,691,463	Mature	Eastern Europe and Central Asia
Komak Credit	4	6,289,664	Mature	Eastern Europe and Central Asia
Kompanion	5	103,165,079	Mature	Eastern Europe and Central Asia
KosInvest	4	3,176,622	Mature	Eastern Europe and Central Asia
KOYLI WIRNDE		143,006		Africa
KPML	1	4,496,673	Mature	East Asia and the Pacific
KredAqro NBCO	4	57,445,196	Mature	Eastern Europe and Central Asia
KREDIT	4	121,526,443	Mature	East Asia and the Pacific
KWFT MFB	4	297,748,119	Mature	Africa
LAM	3	8,148,337	Mature	Eastern Europe and Central Asia
LAPO-NGR	4	214,411,219	Mature	Africa
Lazika Capital	4	18,693,906	Mature	Eastern Europe and Central Asia
Lead Foundation	4	43,446,014	Mature	Middle East and North Africa
Leman CU	3	6,263,810	Mature	Eastern Europe and Central Asia
LH	4	32,876,529	New	East Asia and the Pacific
Libertad Servicios Financieros	1	710,736,715	Mature	Latin America and The Caribbean
LIDER	4	9,079,475	Mature	Eastern Europe and Central Asia
Liski Fund	4	208,674,656	Young	Eastern Europe and Central Asia
Lok Biradari Trust	4	679,524	Mature	South Asia
M-power	4	11,170,548	Young	South Asia
M7 Can Loc	3	1,117,150	Mature	East Asia and the Pacific
M7 DB District	3	367,888	Mature	East Asia and the Pacific
M7 DBP City	3	1,099,222	Mature	East Asia and the Pacific
M7 Ninh Phuoc	3	470,998	Mature	East Asia and the Pacific

M7MFI	1		New	East Asia and the Pacific
Madina va Hamkoron	3	626,112	Young	Eastern Europe and Central Asia
Madura	5	66,072,345	Mature	South Asia
Mahasemam	5	16,211,084	Mature	South Asia
Mahashakti	4	1,591,488	Mature	South Asia
Mahuli	4	5,949,843	Mature	South Asia
MAMIDECOT	1	11,905,626	Mature	Africa
Manuela Ramos	4	9,151,052	Mature	Latin America and The Caribbean
Margdarshak	5	14,489,572	Young	South Asia
Maritsa Invest	1	2,887,578	Mature	Eastern Europe and Central Asia
Maxima	4	5,159,856	Mature	East Asia and the Pacific
Mbaitoli MFB	4	398,157	Young	Africa
MBK Ventura	4	68,055,704	Mature	East Asia and the Pacific
MCDI	3	619,481	Young	East Asia and the Pacific
MCF Zambia	4	858,889	Young	Africa
MCM	1	664,92	Mature	South Asia
MCN	4	30,049,809	Mature	Latin America and The Caribbean
MCÂ	3	91,964,208	Mature	Africa
MDO Arvand	4	47,113,203	Mature	Eastern Europe and Central Asia
MEC ARLS		184,008		Africa
MEC ESPOIR		91,523		Africa
MEC FECYS		180,69		Africa
MEC FEMUNI		347,792		Africa
MEC le Sine	3	553,39	Mature	Africa
MEC MICROSEN		3,838,355	Young	Africa
MEC PF Mpal	1	251,955	Mature	Africa
MEC PROPARC		770,545		Africa
MEC PROPAS	1	513,083	Mature	Africa
MEC RIAD		105,622		Africa
MEC TRANS		8,409,402		Africa
MEC-CRT	1	647,8	Mature	Africa
MEC-GFMPR		234,121		Africa
MEC/FGKPR	1	67,963		Africa
MECADR	1	224,828	Mature	Africa
MECAP	3	15,771,156	Mature	Africa
MECAT	3	697,805	Mature	Africa
MECFGY	1	956,857	Mature	Africa
MECFO	1	165,398	Mature	Africa
MECMU		154,107		Africa
MECREF	3	5,066,959	Mature	Africa
MECZY		3,306,489		Africa
MEEC PAT		268,97		Africa
MFO BIG	5	13,172,301	Young	Eastern Europe and Central Asia
MFW	3	59,344,977	Mature	Middle East and North Africa
MI-BOSPO	4	27,657,310	Mature	Eastern Europe and Central Asia

MiBanco	4	1,909,039,799	Mature	Latin America and The Caribbean
MicoCred - MLI		21,063,410	New	Africa
MICREDITO	3	2,411,735	Mature	Latin America and The Caribbean
MiCredito	4	8,459,045	Mature	Latin America and The Caribbean
Micro Banco Fides MoĂ	□Ășa	985,237	New	Africa
Micro Options		1,146,767	Young	South Asia
Micro Start	1	2,709,764	Mature	Africa
MicroCred - CIV	3	71,915,160	Young	Africa
MicroCred - MDG	3		Mature	Africa
MicroCred - Nanchong	3	88,499,380	Mature	East Asia and the Pacific
MicroCred - NGR	1	13,105,325	Young	Africa
MicroCred - SEN	4	84,624,177	Young	Africa
MicroCred - Sichuan	3	50,426,077	New	East Asia and the Pacific
MICROEMPRESAS DE COLOMBIA	4	52,005,061	Young	Latin America and The Caribbean
Microfin Uruguay	3	17,222,772	Young	Latin America and The Caribbean
Microfinanciera Prisma	4	2,760,000	Mature	Latin America and The Caribbean
Microfinanzas PRISMA	3	1,923,113	Mature	Latin America and The Caribbean
Microinvest	4	32,087,253	Mature	Eastern Europe and Central Asia
Microserfin	5	19,234,726	Mature	Latin America and The Caribbean
MIDE	4	2,244,031	Mature	Latin America and The Caribbean
MIKROFIN	4	113,363,706	Mature	Eastern Europe and Central Asia
Mikrokredit Bank	4	344,295,089	Mature	Eastern Europe and Central Asia
MILAMDEC	2	6,307,070	Mature	East Asia and the Pacific
Millenium TOGO	1	1,564,913	Young	Africa
MLF MWI	3	2,287,719	Mature	Africa
MLO HUMO	4	45,184,600	Mature	Eastern Europe and Central Asia
MLO Mehnatobod	4	528,893	Mature	Eastern Europe and Central Asia
Mol Bulak Azerbaijan	4	28,785,897	Mature	Eastern Europe and Central Asia
Mol Bulak Finance	3	61,108,238	Mature	Eastern Europe and Central Asia
Moris Rasik	5	6,212,768	Mature	East Asia and the Pacific
Moznosti	4	35,623,812	Mature	Eastern Europe and Central Asia
MSLS		3,304,861	Mature	East Asia and the Pacific
MUCODEC	1	425,308,562	Mature	Africa
MUDE	4	1,938,882	Mature	Latin America and The Caribbean
MUDE - DOM	1	2,147,256	Mature	Latin America and The Caribbean
Muktinath Bikas Bank Limited	4	13,569,595	Young	South Asia
Muslim Aid	1	6,871,105	Mature	South Asia
Musoni	3	8,916,260	Young	Africa
Mutahid	4	7,786,963	New	South Asia
MUTEC	3	4,013,517	Mature	Africa
Muthoot		848,223	New	South Asia
Mwanga Rural Community Bank	3	6,638,778	Mature	Africa
Nachala	3	2,590,683	Mature	Eastern Europe and Central Asia
NASLS	3	5,963,746	Mature	East Asia and the Pacific
Nationwide Microbank	3	25,798,569	Mature	East Asia and the Pacific

Navachetna	5	10,838,985	Mature	South Asia
NBS Bank	1	146,937,692	Mature	Africa
NDP		14,605,761	Mature	South Asia
NEED	5	1,462,525	Mature	South Asia
Nerude	4	16,456,586	Young	South Asia
NeRuDO	4	4,306,862	Mature	South Asia
NeRuDO	4	362,535,957	Mature	South Asia
Netcapital	3	7,050,019	Young	Eastern Europe and Central Asia
Newton MFI DTMFI	1	1,193,498		East Asia and the Pacific
NFPL	2	4,319,494	Young	South Asia
NGF	1	10,584,342	Mature	South Asia
Nirantara		1,974,016	Young	South Asia
Nirdhan	4	63,624,908	Mature	South Asia
NIYYA	3	524,238	Mature	Africa
NKCF LLC	3	800,059	Mature	Eastern Europe and Central Asia
NMA	3	5,999,916	Mature	East Asia and the Pacific
NMB	1	2,226,093,264	Mature	Africa
Nor Horizon	4	10,184,305	Mature	Eastern Europe and Central Asia
Noviy Mir	4	1,410,063	Mature	Eastern Europe and Central Asia
NOWZUWAN	1	359,242	Mature	South Asia
NRDS	1	5,693,355	Mature	South Asia
NRSP Bank	4	117,249,211	New	South Asia
NWCSC	4	2,473,910	Mature	South Asia
NWTF	4	39,190,964	Mature	East Asia and the Pacific
OBS	5	105,590,694	Mature	Eastern Europe and Central Asia
Ochir-Undraa OMZ	4	5,965,592	Young	Eastern Europe and Central Asia
ODEF Financiera	4	65,849,486	Mature	Latin America and The Caribbean
OI Colombia	1	35,455,587	New	Latin America and The Caribbean
OIBM	3	46,938,346	Mature	Africa
OISL	3	40,484,934	Mature	Africa
OMLA	4	2,508,792	Young	Latin America and The Caribbean
OMRO	4	11,395,240	Mature	Eastern Europe and Central Asia
ONG VAHATRA	4	798,939	Mature	Africa
Oportunidad Microfinanzas	4	1,695,385	Mature	Latin America and The Caribbean
Opportunity Kenya	3	10,131,866	Mature	Africa
Opportunity Tanzania	3	5,747,607	Young	Africa
Opportunity Uganda	1	23,888,775	Mature	Africa
Optima		10,601,955	Young	Latin America and The Caribbean
Otiv Tana	1	24,636,020	Mature	Africa
Oudomxay Development NDMFI	3	971,273		East Asia and the Pacific
OXUS - AFG	4	10,578,200	Young	South Asia
Oxus - DRC		6,555,513	New	Africa
OXUS - KGS	5	8,907,776	Mature	Eastern Europe and Central Asia
OXUS - TJK	4	26,740,774	Mature	Eastern Europe and Central Asia
PACT - Myanmar	1	133,694,217		East Asia and the Pacific

PADECOMSMCREDITO	4	9,695,964	Mature	Latin America and The Caribbean
PADME	3	62,588,156	Mature	Africa
Pagasa	3	32,246,131	Young	East Asia and the Pacific
PAGLAUM MULTI-PURPOSE CCOPERATIVE	2	16,192,157	Mature	East Asia and the Pacific
Pahal	1	16,112,578	Mature	South Asia
PAMECAS	5	101,188,232	Mature	Africa
PAMF-BFA	3	8,632,981	Mature	Africa
PAMF-MDG	3	12,323,660	Mature	Africa
PANA PANA	4	1,680,368	Mature	Latin America and The Caribbean
Parabank	4	202,913,926	Mature	Eastern Europe and Central Asia
Pareks Lizing and Faktoring	3	10,921,315	Mature	Eastern Europe and Central Asia
Partner	4	82,061,083	Mature	Eastern Europe and Central Asia
PASED	1	3,031,740	Mature	Middle East and North Africa
Patria Credit	3	82,910,780	Mature	Eastern Europe and Central Asia
PBC	1		Mature	East Asia and the Pacific
PEBCO	4	13,505,819	Mature	Africa
People's Micro Bank		22,430,450	New	East Asia and the Pacific
Perm Center	3	2,037,578	Mature	Eastern Europe and Central Asia
PGBB	1	23,091,760	Mature	South Asia
Phatukham	1	431,906		East Asia and the Pacific
Phonevalee DTMFI		154,651		East Asia and the Pacific
Pichincha Microfinanzas	3	1,457,544,920	Mature	Latin America and The Caribbean
PILARH OPDF	4	10,094,464	Mature	Latin America and The Caribbean
Platinum Credit	3	21,343,021	Mature	Africa
PMUK	4	73,966,598	Mature	South Asia
PNG Microfinance	4	31,394,904	Mature	East Asia and the Pacific
POMFB	4	11,080,619	Mature	South Asia
POPI	1	28,156,099	Mature	South Asia
Popular Kasa-Kystendil	3	606,115	Mature	Eastern Europe and Central Asia
PRASAC	4	701,292,751	Mature	East Asia and the Pacific
Pratigya	1	1,758,325	Mature	South Asia
Prayas	5	1,435,160	Mature	South Asia
PRESTANIC	4	7,653,685	Mature	Latin America and The Caribbean
Pretmex	3	11,011,900	Young	Latin America and The Caribbean
PRIDE - TZA	1	77,569,434	Mature	Africa
PRIDE - UGA	1	62,889,858	Mature	Africa
Pro Mujer - ARG	4	4,091,358	Mature	Latin America and The Caribbean
Pro Mujer - BOL	5	73,064,138	Mature	Latin America and The Caribbean
Pro Mujer - MEX	5	20,579,231	Mature	Latin America and The Caribbean
Pro Mujer - NIC	5	22,777,121	Mature	Latin America and The Caribbean
Pro Mujer - PER	4	34,813,671	Mature	Latin America and The Caribbean
ProApoyo	4	3,347,862	Young	Latin America and The Caribbean
ProCaja	4	4,625,948	Mature	Latin America and The Caribbean
ProCredit - BOL	3	782,728,569	Mature	Latin America and The Caribbean

ProCredit - ECU	5	425,959,286	Mature	Latin America and The Caribbean
ProCredit - NIC	4	130,434,446	Mature	Latin America and The Caribbean
ProCredit - SLV	1	271,607,000	Mature	Latin America and The Caribbean
PRODEM FFP	4	902,323,578	Mature	Latin America and The Caribbean
PRODESA	4	20,429,560	Mature	Latin America and The Caribbean
ProExito	4	2,779,273	Young	Latin America and The Caribbean
Progresemos	5	50,813,541	Mature	Latin America and The Caribbean
Provident	4	269,647,924	Mature	Latin America and The Caribbean
Proximity Finance		8,069,666	New	East Asia and the Pacific
PT BPR Dana Mandiri Bogor	3	3,837,427	Mature	East Asia and the Pacific
PT Dana Mandiri Sejahtera	3	3,045,301	New	East Asia and the Pacific
PYME BHD	3		Mature	Latin America and The Caribbean
Rafiki MFB	1	65,928,787	New	Africa
RAFODE	1	888,481	Mature	Africa
Ramon Fund	4	392,112	Mature	Eastern Europe and Central Asia
RASS	1	15,945,603	Mature	South Asia
RB Camalig	1	22,669,703	Mature	East Asia and the Pacific
RB Guinobatan	1	8,167,757	Mature	East Asia and the Pacific
RCPB	1	307,219,644	Mature	Africa
RDRS	4	43,931,635	Mature	South Asia
Reachfinance NBF	3	242,406	New	Eastern Europe and Central Asia
RECECA - INKINGI	3	1,150,915	Young	Africa
Red Vanguardia	3	949,682	Mature	Latin America and The Caribbean
Reef	1	9,508,505	Young	Middle East and North Africa
REMEC NIAYES	1	2,070,554	Mature	Africa
RENACA	1	406,342,308	Mature	Africa
Repc	3	38,030,389	Young	South Asia
RFC	1	14,778,127	Mature	Eastern Europe and Central Asia
RGVN	4	43,134,215	Mature	South Asia
RIC	1	31,638,796	Mature	South Asia
RMCR	3	9,853,775	Mature	Africa
Rossosh Fund	3	272,885	Mature	Eastern Europe and Central Asia
Rozgar	1	18,207,201	Mature	South Asia
RRF	2	37,409,188	Mature	South Asia
RSPI	3	8,267,635	Mature	East Asia and the Pacific
RUFI	4		Young	Africa
Ryada	4	18,533,366	Mature	Middle East and North Africa
SABR	3	167,285	Mature	Eastern Europe and Central Asia
SACCO AKABANDO		204,896		Africa
SACCO KOTUKI		164,486		Africa
Sacco Murunda		381,039	New	Africa
SACRED		536,731		East Asia and the Pacific
Sahara utsarga	4	8,006,566	Mature	South Asia
Saija	4	25,068,934	Young	South Asia
Sajida	4	40,571,188	Mature	South Asia

Salym Finance	4	8,503,382	Young	Eastern Europe and Central Asia
Samasta	4	11,508,520	Young	South Asia
Sambandh		8,651,740	Mature	South Asia
Samhita	4	4,170,870	Young	South Asia
SAMIC-Limited	4	13,219,996	Mature	East Asia and the Pacific
Sanghamithra	4	22,953,129	Mature	South Asia
Santander Microcrédito	4	119,588,216	Mature	Latin America and The Caribbean
Sartawi	5	47,890,653	Mature	Latin America and The Caribbean
Sarvodaya Nano	4	7,407,110	Mature	South Asia
SaSomSab	3	334,64		East Asia and the Pacific
Sathapana Limited	5	362,535,955	Mature	East Asia and the Pacific
Satin	5	320,190,919	Mature	South Asia
Saynhai Samphanh DTMFI	3	10,015,984	Mature	East Asia and the Pacific
SB Bank	4	49,940,292	Mature	South Asia
SBS	3	5,030,684	Mature	Eastern Europe and Central Asia
SCU Houaseachalerm	3	556,064	Young	East Asia and the Pacific
SCU Huamchaiphathana	4	568,163	Young	East Asia and the Pacific
SCU Keosamphan		209,095		East Asia and the Pacific
SCU Luang Prabang	4	717,273	Mature	East Asia and the Pacific
SCU Mittaphap		179,292		East Asia and the Pacific
SCU Paksong		121,772		East Asia and the Pacific
SCU Seno	1	876,429	Mature	East Asia and the Pacific
SCU Van Mai	1	91,367	Young	East Asia and the Pacific
SDC	2	13,367,700	Mature	South Asia
Seba Rahara	4	1,758,344	Mature	South Asia
SEF-ARM	4	26,879,178	Mature	Eastern Europe and Central Asia
SEFIA	3	1,605,603	Mature	Latin America and The Caribbean
Semiluki Fund	4	497,192	Young	Eastern Europe and Central Asia
SemiSol	4	6,323,150	Mature	Latin America and The Caribbean
Sewa Bank	4	34,486,719	Mature	South Asia
Shakti	4	51,116,217	Mature	South Asia
Shakti Mahila		782,786	Young	South Asia
Shikhar	4	6,467,919	Mature	South Asia
Sinapi Aba Trust	3	33,241,855	Mature	Africa
SKDRDP	5	285,852,415	Mature	South Asia
SKS	4	746,978,286	Mature	South Asia
SKS Bangladesh	4	18,016,337	Mature	South Asia
SMART CREDIT	2	1,218,787	Young	Eastern Europe and Central Asia
SMEP MFB	4	26,924,756	Mature	Africa
SMGBK	4	1,923,977	Mature	South Asia
SMILE	5	28,586,794	Mature	South Asia
SOCREMO	1	38,061,244	Mature	Africa
SOFIA	1	3,432,724		Africa
SOFINA	1	4,523,767	Mature	Africa
SOFIPA	3	9,382,688	Mature	Latin America and The Caribbean

SOFIPE SARL	3	4,979,216	Young	Africa
SOGESOL	4	5,198,534	Mature	Latin America and The Caribbean
SOJAG		20,853,926		South Asia
SOLFI	4	11,171,213	Mature	Latin America and The Caribbean
Soluci3n Asea	4	15,838,488	Mature	Latin America and The Caribbean
Soluciones Reales	3	872,101	Mature	Latin America and The Caribbean
Sonata	5	126,066,183	Mature	South Asia
Souykan Phathana NDMFI	3	119,802		East Asia and the Pacific
Spandana	5	206,476,710	Mature	South Asia
SPBD Fiji	5	1,402,333	Young	East Asia and the Pacific
SPBD Samoa	5	4,865,659	Mature	East Asia and the Pacific
SPBD SI	5	611,862	New	East Asia and the Pacific
SPBD Tonga	5	2,416,463	Young	East Asia and the Pacific
SSS	4	14,137,733	Mature	South Asia
St. Louis Finances			New	Africa
STU	3	647,939	New	East Asia and the Pacific
SUFIRMA	3	1,901,967	Mature	Latin America and The Caribbean
Sungi	1	1,134,540	Mature	South Asia
Sunrise	4	19,250,555	Mature	Eastern Europe and Central Asia
Suryoday	4	120,549,923	Young	South Asia
SV Creditline	5	72,220,914	Young	South Asia
Svasti	1	9,821,435	Young	South Asia
Swayamshree Micro	4	5,190,659	Mature	South Asia
Swayanshree Mahila		3,517,058	Mature	South Asia
T-O-M	4	1,715,805	Young	South Asia
Tamweelcom	3	43,450,810	Mature	Middle East and North Africa
TBC Kredit	4	49,252,564	Mature	Eastern Europe and Central Asia
TCVM Thanh Hoa	4	5,134,053	New	East Asia and the Pacific
Te Creemos	4	71,636,864	Mature	Latin America and The Caribbean
Thrive Microfinance	1	359,986	New	Africa
TMFB	4	162,922,809	Mature	South Asia
TMSS	5	193,051,518	Mature	South Asia
TPC	4	134,253,444	Mature	East Asia and the Pacific
TSKI	3	40,871,092	Mature	East Asia and the Pacific
TSPI	3	43,627,646	Mature	East Asia and the Pacific
TuranBank OJSC	1	406,342,308	Mature	Eastern Europe and Central Asia
TYM	3	44,115,319	Mature	East Asia and the Pacific
U SACCO		28,764,282		Africa
U-IMCEC	3	28,717,861	Mature	Africa
UCADE Ambato	4	4,941,789	Mature	Latin America and The Caribbean
UCADE Latacunga	4	3,066,313	Mature	Latin America and The Caribbean
UCADE Santo Domingo	4	4,835,981	Mature	Latin America and The Caribbean
UCEC Sahel	2	2,593,631	Mature	Africa
UCODE	1	1,967,724	Mature	Africa
UDDIPAN	4	93,868,542	Mature	South Asia

UGAFODE	3	11,809,083	Mature	Africa
Ujjivan	4	632,121,249	Mature	South Asia
UMECTO	3	7,706,212	Mature	Africa
UMUSINGI RWAZA SACCO		134,724	New	Africa
UniBank	3	1,089,787,000	Mature	Eastern Europe and Central Asia
UNIMEX	3	7,777,257	Mature	Latin America and The Caribbean
Union des Sanduck		33,211,640		Africa
UNRWA	4	19,170,288	Mature	Middle East and North Africa
UNRWA- JOR	3	11,283,241	Mature	Middle East and North Africa
UNRWA- SYR	2	2,157,395	Mature	Middle East and North Africa
UNYC	4	3,614,953	Mature	South Asia
UOB	3	25,877,096	Mature	Africa
URCLEC		8,952,995		Africa
URMECS	3	2,372,653	Mature	Africa
USTOI	4	3,978,261	Mature	Eastern Europe and Central Asia
Utkarsh	5	150,090,857	Young	South Asia
Uttrayan Financial	4	7,205,461	Young	South Asia
Varam		9,738,882	Mature	South Asia
VBSP	3	6,379,045,384	Mature	East Asia and the Pacific
VFC	5	105,882,626	Mature	East Asia and the Pacific
VFM	4	7,773,478	Mature	Eastern Europe and Central Asia
Vientiane SCU	3	41,615	Mature	East Asia and the Pacific
Village Financial	5	21,613,631	Mature	South Asia
VisiĀn Banco	5	1,040,339,387	Mature	Latin America and The Caribbean
Vision Fund - MEX	3	13,820,552	Mature	Latin America and The Caribbean
Vision Fund Myanmar		8,853,573		East Asia and the Pacific
VisionFund Albania	4	2,416,061	Young	Eastern Europe and Central Asia
VisionFund Lanka	4	12,177,376	Mature	South Asia
VisionFund Uganda	2		Mature	Africa
Vitas JOR	4	45,030,116	Mature	Middle East and North Africa
Vola Mahasoa	1	1,677,804	Mature	Africa
VRFSBS	5	4,153,568	Mature	Eastern Europe and Central Asia
WAGES	1	28,004,890	Mature	Africa
Wave	3	19,916,706	Mature	South Asia
WISE	3	3,254,623	Young	Africa
WMBL		25,251,909	New	South Asia
Women Development Fund, Lao Cai	3	729,751	New	East Asia and the Pacific
Women's Micro Bank		3,024,967	New	East Asia and the Pacific
World Relief - HND	4	10,746,607	Mature	Latin America and The Caribbean
WPS		11,848,805	Mature	Africa
WSDS	5	1,673,228	Mature	South Asia
WV Vietnam	3	4,615,985	Mature	East Asia and the Pacific
WWB Ghana	3	15,206,182	Mature	Africa
XacBank	4	1,101,702,392	Mature	Eastern Europe and Central Asia
Xinjiang MCC		18,002,326	New	East Asia and the Pacific

XMI	4	3,895,257		East Asia and the Pacific
Yarda Zinder	1	1,222,619	Mature	Africa
Yrys	4	32,378,638	Young	Eastern Europe and Central Asia
YVU Financial	4	1,431,317	Young	South Asia
YVU Microfin	4	1,753,484	Young	South Asia