



# BlueOrchard<sup>®</sup>

## Microfinance Investment Managers

### **BlueOrchard Loans for Development 2007, S.A.**

### **Annual Servicer Review 30 June 2010**

Attached please find the Annual Servicer Review reports prepared by BlueOrchard Finance, S.A. for the following Borrower MFIs:

1. ACCESS BANK, Azerbaijan (formerly MFBA)
2. Agroinvest, Montenegro
3. Agroinvest, Serbia
4. Amret, Cambodia
5. BancaMia, Colombia
6. Banex, Nicaragua (formerly Findesa)
7. Confianza, Peru
8. Constanta, Georgia
9. Crear Arequipa, Peru
10. CredAgro, Azerbaijan
11. Edyficar, Peru
12. EKI, Bosnia Herzegovina
13. Equity Bank, Kenya
14. FDL Nitlapan, Nicaragua
15. Mikrofin, Bosnia Herzegovina
16. Partner, Bosnia Herzegovina
17. ProCredit Bank Georgia, Georgia
18. WWB Popayan, Colombia
19. XacBank, Mongolia
20. Zao Finca, Russia

Each report contains a written annual review of the MFI, followed by the institution's audited balance sheet and income statement for the past three fiscal years. Unless indicated otherwise, all data dated Dec 2009 refers to audited financial data. Note that portfolio quality data and social performance data are typically not subject to audit and are based on management reports provided to BlueOrchard.

## 1. AccessBank (formerly MFBA), Azerbaijan

AccessBank, formerly Microfinance Bank of Azerbaijan, was established in 2002 and is regulated by the National Bank of Azerbaijan. The bank provides credit, savings (since 2005), money transfer and exchange services.

<b>Mission and Market Positioning</b>	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio (USD)	113,165,094	206,733,613	299,408,100	332,132,555
% growth in local currency	130.8%	74.8%	43.2%	10.8%
# of Borrowers	46,653	69,144	97,882	113,511
# of Savers	10,110	23,300	99,102	123,292
# Branches	14	20	23	24
# Employees	612	822	960	1,057
# Loan officers	232	303	320	353

AccessBank is the market leader in Azerbaijan in micro and SME lending. The bank has widened its market coverage through its 24 branches spread over Azerbaijan. In 2010, AccessBank plans to grow less aggressively than in previous years and consolidate its market share. On the funding side, the needs of AccessBank are more than covered and deposits continue to grow more rapidly than the loan portfolio.

<b>Asset Quality</b>	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio as % of Total Assets	85%	87%	80%	80%
PAR30	0.0%	0.6%	0.9%	1.0%
Restructured Loans	0.0%	0.1%	0.4%	0.3%
Loan loss reserve as % PAR 30	4136%	443%	324%	287%

Portfolio quality remains excellent due to strong lending procedures and high demand from clients who want to maintain a good credit history with the institution. In addition, AccessBank maintains an extremely high risk coverage ratio.

<b>Financial Performance</b>	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)*
Return on Assets	4.5%	6.9%	8.1%	8.6%
Return on Equity	36.7%	44.9%	46.4%	46.8%
OSS	125%	139%	140%	143%
Portfolio yield	32.8%	34.9%	33.2%	32.7%
Operational Expense Ratio	14.8%	14.0%	13.7%	13.5%

\*Figures for the last twelve months

AccessBank posted impressive results for the year 2009 with an increase in its profitability even in times of crisis in the country and reduced yields. One of its main achievements during 2009 was growth of deposits, which increased at a faster pace than at any other bank in Azerbaijan (+214% in 2009).

<b>Social Performance</b>	Year 2007	Year 2008	Year 2009
	(audited)		
Average loan size (USD)	2,426	2,990	3,059
% borrowers who are:			
- women	13%	13%	13%
- men	87%	75%	76%
- legal entities	0%	12%	12%
- rural	0%	6%	7%
- urban	0%	94%	93%
- semi-urban	0%	0%	0%

AccessBank's corporate mission is to be the leading provider of financial services to privately owned micro, small and medium-sized businesses in Azerbaijan. It has effectively achieved its goal because it is the largest provider to micro and small enterprises in Azerbaijan.

While the oil boom has meant that Azerbaijan's GDP is increasing rapidly, only 1% of the population is directly employed by the oil sector and providing needed financial services to allow the self-employed to grow their businesses in the non-oil sector of the economy is essential to help make a more even distribution of the country's current strong growth.

The fact that Accessbank is becoming one of the leaders in savings as well is an important social contribution in a country that does not have a savings culture.

BlueOrchard Data Download - Balance Sheet

<b>BALANCE SHEET - Audited</b>	<b>Year 2007 USD</b>		<b>Year 2008 USD</b>		<b>Year 2009 USD</b>		<b>Growth 1 Year</b>
<b>Assets</b>							
Cash and Cash Equiv	7,647,406	5.8%	12,371,858	5.2%	29,374,455	7.8%	137.4%
Cash in reserve	-	-	-	-	-	-	-
Short Term Investments	8,878,538	6.7%	16,414,490	6.9%	41,214,953	11.0%	151.1%
<b>Total Liquidities</b>	<b>16,525,943</b>	<b>12.4%</b>	<b>28,786,348</b>	<b>12.0%</b>	<b>70,589,408</b>	<b>18.8%</b>	<b>145.2%</b>
Gross loan portfolio Short term	84,069,575	63.3%	148,220,798	62.0%	191,818,555	51.2%	29.4%
Loan loss reserve	-2,343,160	-1.8%	-5,071,464	-2.1%	-8,216,822	-2.2%	62.0%
Other Current Assets	<u>36,557</u>	0.0%	<u>959,832</u>	0.4%	<u>690,343</u>	0.2%	-28.1%
<b>Total Current Assets</b>	<b>98,288,915</b>	<b>74.0%</b>	<b>172,895,515</b>	<b>72.4%</b>	<b>254,881,483</b>	<b>68.0%</b>	<b>47.4%</b>
Long term outstanding loans	29,095,519	21.9%	58,512,814	24.5%	107,589,545	28.7%	83.9%
Property Plant & Equipment Net	4,216,981	3.2%	7,520,946	3.1%	11,360,748	3.0%	51.1%
Long term investments	-	-	-	-	49,844	0.0%	-
Total other long term assets	1,224,057	0.9%	-	-	912,150	0.2%	-
<b>Total Non-Current Assets</b>	<b>34,536,557</b>	<b>26.0%</b>	<b>66,033,760</b>	<b>27.6%</b>	<b>119,912,287</b>	<b>32.0%</b>	<b>81.6%</b>
<b>Total Assets</b>	<b>132,825,472</b>	<b>100.0%</b>	<b>238,929,276</b>	<b>100.0%</b>	<b>374,793,769</b>	<b>100.0%</b>	<b>56.9%</b>
Growth	<b>141%</b>		<b>80%</b>		<b>57%</b>		
<b>Liabilities</b>							
Sight deposits	3,856,132	2.9%	5,961,065	2.5%	11,110,280	3.0%	86.4%
Short Term Term deposits	10,452,830	7.9%	20,963,529	8.8%	73,629,907	19.6%	251.2%
Short Term Compulsory Deposit	-	-	-	-	-	-	-
<b>Savings &amp; deposits</b>	<b>14,308,962</b>	<b>10.8%</b>	<b>26,924,593</b>	<b>11.3%</b>	<b>84,740,187</b>	<b>22.6%</b>	<b>214.7%</b>
Borrowing short term	6,859,670	5.2%	19,960,572	8.4%	45,342,056	12.1%	127.2%
Short term back to back loans	-	-	-	-	-	-	-
Other short term Liabilities	<u>811,321</u>	0.6%	<u>3,107,442</u>	1.3%	<u>2,667,913</u>	0.7%	-14.1%
<b>Total Current Liabilities</b>	<b>21,979,953</b>	<b>16.5%</b>	<b>49,992,607</b>	<b>20.9%</b>	<b>132,750,156</b>	<b>35.4%</b>	<b>165.5%</b>
Long term Term Deposits	-	-	-	-	-	-	-
Long term compulsory savings	-	-	-	-	-	-	-
Borrowing long term	94,520,047	71.2%	147,907,836	61.9%	165,399,377	44.1%	11.8%
Long term back to back loans	-	-	-	-	-	-	-
Subordinated Debt	-	-	-	-	10,245,483	2.7%	-
Other long term liabilities	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>94,520,047</b>	<b>71.2%</b>	<b>147,907,836</b>	<b>61.9%</b>	<b>175,644,860</b>	<b>46.9%</b>	<b>18.8%</b>
<b>Total Liabilities</b>	<b>116,500,000</b>	<b>87.7%</b>	<b>197,900,444</b>	<b>82.8%</b>	<b>308,395,016</b>	<b>82.3%</b>	<b>55.8%</b>
Growth	<b>141%</b>		<b>70%</b>		<b>56%</b>		
Donations	-	-	-	-	-	-	-
Paid in Capital (+ add Paid)	12,971,698	9.8%	24,642,681	10.3%	24,922,118	6.6%	1.1%
Reserves	-	-	-	-	-	-	-
Retained earnings	3,353,774	2.5%	3,504,189	1.5%	41,476,636	11.1%	1083.6%
Net income for the period	-	-	<u>12,881,962</u>	5.4%	-	-	-100.0%
<b>Total Equity</b>	<b>16,325,472</b>	<b>12.3%</b>	<b>41,028,832</b>	<b>17.2%</b>	<b>66,398,754</b>	<b>17.7%</b>	<b>61.8%</b>
Growth	<b>140%</b>		<b>151%</b>		<b>62%</b>		
<b>Total Equity &amp; Liabilities</b>	<b>132,825,472</b>	<b>100.0%</b>	<b>238,929,276</b>	<b>100.0%</b>	<b>374,793,769</b>	<b>100.0%</b>	<b>56.9%</b>
Total Net Loan Portfolio	110,821,934		201,662,149		291,191,277		<b>44.4%</b>
Total Deposits	14,308,962		26,924,593		84,740,187		<b>214.7%</b>
Total Debt (including Sub)	101,379,717		167,868,408		220,986,916		<b>31.6%</b>
Debt Secured							
Gross Port : Total Assets	85.2%		86.5%		79.9%		
Liquidity	12.4%		12.0%		18.8%		
Solvency ratio	1.15		1.07		0.83		
Savings	10.8%		11.3%		22.6%		
Debt/equity	7.14		4.82		4.64		
Debt/equity (Sub as Equity) Unau	7.14		3.66		3.89		

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INCOME STATEMENT - Audited	Year 2007		Year 2008		Year 2009		Growth 1 Year
	USD		USD		USD		
Income from banking	26,350,236	98.0%	55,845,244	97.7%	84,004,984	96.5%	50.4%
Income from investments	-	0.0%	-	0.0%	1,932,710	2.2%	-
<b>Total Banking Revenue</b>	<b>26,350,236</b>	98.0%	<b>55,845,244</b>	97.7%	<b>85,937,695</b>	98.7%	<b>53.9%</b>
Interest and fee on Debt	8,054,245	38.0%	14,005,668	34.5%	18,284,112	29.7%	30.5%
Interest on Deposits	-	0.0%	1,696,649	4.2%	5,272,274	8.6%	210.7%
Loan loss provision	1,310,142	6.2%	2,607,196	6.4%	3,238,629	5.3%	24.2%
<b>Total Banking Expense</b>	<b>9,364,387</b>	44.1%	<b>18,309,512</b>	45.1%	<b>26,795,016</b>	43.5%	<b>46.3%</b>
<b>Growth</b>	<b>195%</b>		<b>96%</b>		<b>46%</b>		
<b>Gross Margin</b>	<b>16,985,849</b>	63.2%	<b>37,535,732</b>	65.7%	<b>59,142,679</b>	67.9%	<b>57.6%</b>
Loan recuperation	-	0.0%	-	0.0%	-	0.0%	-
Other operating revenue	482,311	1.8%	835,387	1.5%	42,368	0.0%	-94.9%
<b>Total other operating Rev</b>	<b>482,311</b>	1.8%	<b>835,387</b>	1.5%	<b>42,368</b>	0.0%	<b>-94.9%</b>
Personnel expense	5,221,698	24.6%	13,658,206	33.6%	20,679,128	33.6%	51.4%
Administrative expense	5,507,075	26.0%	6,570,971	16.2%	12,451,748	20.2%	89.5%
Depreciation/amortization	783,019	3.7%	1,166,831	2.9%	1,609,311	2.6%	37.9%
Other operating expense	345,519	1.6%	917,940	2.3%	-	0.0%	-100.0%
<b>Total operating expense</b>	<b>11,857,311</b>	55.9%	<b>22,313,948</b>	54.9%	<b>34,740,187</b>	56.5%	<b>55.7%</b>
<b>Growth</b>	<b>81%</b>		<b>88%</b>		<b>56%</b>		
<b>Operating Margin</b>	<b>5,610,849</b>	20.9%	<b>16,057,171</b>	28.1%	<b>24,444,860</b>	28.1%	<b>52.2%</b>
Consulting and training	-	0.0%	-	0.0%	-	0.0%	-
Currency gain/deflation	63,679	0.2%	487,925	0.9%	1,112,773	1.3%	128.1%
Donations / Grants	-	0.0%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op rev	-	0.0%	-	0.0%	-	0.0%	-
<b>Non-operating revenue</b>	<b>63,679</b>	0.2%	<b>487,925</b>	0.9%	<b>1,112,773</b>	1.3%	<b>128.1%</b>
Currency loss/inflation	-	0.0%	-	0.0%	657,944	1.1%	-
Other/Extra-ord non-op exp	-	0.0%	-	0.0%	-	0.0%	-
<b>Non-operating expense</b>	<b>-</b>	0.0%	<b>-</b>	0.0%	<b>657,944</b>	1.1%	<b>-</b>
Taxes	1,430,425	6.7%	3,663,135	9.0%	-4,984	0.0%	-100.1%
<b>Net Income</b>	<b>4,244,104</b>	15.8%	<b>12,881,962</b>	22.5%	<b>24,904,673</b>	28.6%	<b>93.3%</b>
<b>Growth</b>	<b>-1627%</b>		<b>204%</b>		<b>93%</b>		
<b>Net Income (Ex Donations)</b>	<b>4,244,104</b>		<b>12,881,962</b>		<b>24,904,673</b>		
Return on Assets	4.5%		6.9%		8.1%		
ROA net of Donations	4.5%		6.9%		8.1%		
Return on Equity	36.7%		44.9%		46.4%		
ROE net of Donations	36.7%		44.9%		46.4%		
Operational self-sufficiency	125.4%		139.5%		139.7%		
Portfolio yield	32.8%		34.9%		33.2%		
Funding Expense	9.8%		9.0%		7.3%		
Gross margin ratio	23.0%		25.9%		25.9%		
Operating expense ratio	14.8%		14.0%		13.7%		
Net margin ratio	8.2%		11.9%		12.2%		

## 2. Agroinvest Montenegro

Agroinvest VFI (AI VFI) is an LLC registered in Montenegro in 2005 and supervised by the National Bank of Montenegro. AI VFI was created from the microfinance operations of Agroinvest NGO, which still exists but no longer engages in lending operations (the NGO had been operating since 1999).

AI VFI is wholly owned by Vision Fund Agroinvest, a holding company registered in Montenegro, which in turn is fully owned by Vision Fund International (VFI is a holding company created by World Vision that owns all the WV NGOs that have transformed into LLCs).

Mission and Market Positioning	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio (USD)	52,487,004	72,779,249	67,747,229	47,780,040
% growth in local currency	99.0%	32.6%	-5.2%	-39.6%
# of Borrowers	18,227	24,528	25,176	22,235
# of Savers	-	-	-	-
# Branches	8	8	8	8
# Employees	71	79	99	111
# Loan officers	33	40	51	51

The company, headquartered in Podgorica, has a network of 8 branches. AI VFI uses an individual methodology through Village Associations, who facilitate the work of loan officers in client selection, loan monitoring, repayment collection and delinquency management. AI VFI focuses in rural areas and provides sector-specific loans (agriculture related) in urban areas. AI VFI's primary target market will remain the low income segment of the population, vulnerable groups, marginalized and underserved citizens, mainly in rural areas.

Agroinvest was the only MFI serving the rural population in Montenegro until Opportunity Bank Montenegro, entered the market in 2006. Despite OBM's entrance, AI VFI's portfolio has continued to grow. There are other small microfinance NGOs that serve the urban population, but these smaller institutions do not pose a competitive threat to AI VFI.

From 2005 to mid 2009, AI VFI showed consistent strong growth. However, since mid 2009, the consequences of the financial crisis on Montenegro severely impacted AI VFI's growth and profitability levels, as showed by the portfolio decrease of 5% in 2009 and almost 40% from January to May 2010. The new management (CEO and CFO at the Holding level), in place since September 2009, have decided to reduce the growth projections to focus on portfolio quality.

Asset Quality	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio as % of Total Assets	99%	97%	91%	84%
PAR30	0.2%	2.0%	9.2%	12.5%
Restructured Loans	0.0%	0.0%	0.0%	0.0%
Loan loss reserve as % PAR 30	607%	103%	55%	57%

The deterioration of portfolio quality in 2009 that continues this year is due both to external factors (mainly the global crisis (high unemployment, decrease of the tourism sector revenues, etc), over reliance on salaries that are paid late) and internal factors (weak delinquency control process, weak MIS producing an inadequate arrears report and two cases of fraud in 2009). Disbursement projections for 2010 have been reduced by 30% in order to focus all AI VFI's team's efforts on portfolio quality and delinquent loan collection. The new management has put in place various efficiency measures to reduce and manage the delinquent portfolio, such as:

- Introduction of new policies on loan disbursements (lower loan size, limits for approval rights)
- Revised delinquency policy (Elaboration of a black list and guarantors' duplication controls)
- Revised application/analytical form with increased focus on household analysis and more detailed financial analysis with a second opinion of a village council/senior loan officer

- Setting up of a collection team: conversion of some loan officers to collectors and recruitment of 3 more recovery officers for written-off loans is planned
- Recruitment of risk manager
- More clients on-site visits conducted by Loan Officer and senior LO or Branch manager

The Holding Company hired a consultant in May to provide an independent evaluation of the new policies in place and recommends future actions to be taken.

Financial Performance	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)*
Return on Assets	5.4%	3.3%	0.1%	0.2%
Return on Equity	16.7%	12.9%	0.6%	0.8%
OSS	142%	126%	102%	80%
Portfolio yield	21.1%	18.5%	21.3%	25.2%
Operational Expense Ratio	8.6%	6.9%	7.0%	8.2%

\*Figures for the last twelve months

Despite the global environment, AI VFI managed to break even in 2009. However, since January 2010, AI VFI posted losses. Despite an increased portfolio yield, this decline is mainly due to a sharp increase of loan loss provision expenses and a high level of liquidity (due to lower disbursements) that entails high interest expenses. It is unlikely that the MFI will break even in 2010.

Social Performance	Year 2007	Year 2008	Year 2009
	(audited)		
Average loan size (USD)	2,880	2,967	2,691
% borrowers who are:			
- women	61%	59%	57%
- men	39%	41%	43%
- legal entities	0%	0%	0%
- rural	100%	100%	100%
- urban	0%	0%	0%
- semi-urban	0%	0%	0%

Since its inception, AI VFI has had the objective to alleviate rural poverty and promote economic development in rural areas. AI VFI invests in the well-being of clients and their businesses with a focus on broader community benefits from economic development, especially on the lives of children. AI closely measures its social performance thanks to the establishment of in-house social performance team. Despite the current difficulties, AI VFI will keep its strong social mission while serving mainly low-income households in rural areas.

As of end of 2009, AI VFI considers that 100% of its clients are located in rural areas, with a majority of clients having agriculturally related activities (76%), with less representation in trade (4%), manufacturing (3%) and services (17%).

AGROINVEST VFI MONTENEGRO  
Montenegro

BlueOrchard Data Download - Balance Sheet

BALANCE SHEET - Audited	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>Assets</b>							
Cash and Cash Equiv	377,269	0.7%	1,762,277	2.4%	7,949,154	10.6%	351.1%
Cash in reserve	-	-	-	-	-	-	-
Short Term Investments	-	-	138,843	0.2%	141,438	0.2%	1.9%
<b>Total Liquidities</b>	<b>377,269</b>	<b>0.7%</b>	<b>1,901,120</b>	<b>2.5%</b>	<b>8,090,592</b>	<b>10.8%</b>	<b>325.6%</b>
Gross loan portfolio Short term	52,487,004	98.6%	31,625,873	42.3%	30,992,596	41.4%	-2.0%
Loan loss reserve	-591,918	-1.1%	-1,495,599	-2.0%	-3,406,837	-4.6%	127.8%
Other Current Assets	<u>563,202</u>	<u>1.1%</u>	<u>788,386</u>	<u>1.1%</u>	<u>1,437,445</u>	<u>1.9%</u>	<u>82.3%</u>
<b>Total Current Assets</b>	<b>52,835,557</b>	<b>99.2%</b>	<b>32,819,779</b>	<b>43.9%</b>	<b>37,113,796</b>	<b>49.6%</b>	<b>13.1%</b>
Long term outstanding loans	-	-	41,153,377	55.1%	36,754,633	49.1%	-10.7%
Property Plant & Equipment Net	411,764	0.8%	764,827	1.0%	962,432	1.3%	25.8%
Long term investments	-	-	-	-	-	-	-
Total other long term assets	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>411,764</b>	<b>0.8%</b>	<b>41,918,204</b>	<b>56.1%</b>	<b>37,717,066</b>	<b>50.4%</b>	<b>-10.0%</b>
<b>Total Assets</b>	<b>53,247,321</b>	<b>100.0%</b>	<b>74,737,983</b>	<b>100.0%</b>	<b>74,830,862</b>	<b>100.0%</b>	<b>0.1%</b>
<b>Growth</b>	<b>75%</b>		<b>40%</b>		<b>0%</b>		
<b>Liabilities</b>							
Sight deposits	-	-	-	-	-	-	-
Short Term Term deposits	-	-	-	-	-	-	-
Short Term Compulsory Deposits	-	-	-	-	-	-	-
<b>Savings &amp; deposits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Borrowing short term	2,112,118	4.0%	7,232,739	9.7%	18,064,834	24.1%	149.8%
Short term back to back loans	-	-	-	-	-	-	-
Other short term Liabilities	<u>636,374</u>	<u>1.2%</u>	<u>1,246,663</u>	<u>1.7%</u>	<u>1,397,101</u>	<u>1.9%</u>	<u>12.1%</u>
<b>Total Current Liabilities</b>	<b>2,748,491</b>	<b>5.2%</b>	<b>8,479,402</b>	<b>11.3%</b>	<b>19,461,934</b>	<b>26.0%</b>	<b>129.5%</b>
Long term Term Deposits	-	-	-	-	-	-	-
Long term compulsory savings	-	-	-	-	-	-	-
Borrowing long term	35,032,482	65.8%	49,391,225	66.1%	37,982,490	50.8%	-23.1%
Long term back to back loans	-	-	-	-	-	-	-
Subordinated Debt	-	-	-	-	-	-	-
Other long term liabilities	-	-	-	-	<u>99,812</u>	<u>0.1%</u>	<u>-</u>
<b>Total Non-Current Liabilities</b>	<b>35,032,482</b>	<b>65.8%</b>	<b>49,391,225</b>	<b>66.1%</b>	<b>38,082,302</b>	<b>50.9%</b>	<b>-22.9%</b>
<b>Total Liabilities</b>	<b>37,780,973</b>	<b>71.0%</b>	<b>57,870,627</b>	<b>77.4%</b>	<b>57,544,237</b>	<b>76.9%</b>	<b>-0.6%</b>
<b>Growth</b>	<b>104%</b>		<b>53%</b>		<b>-1%</b>		
Donations	-	-	-	-	-	-	-
Paid in Capital (+ add Paid)	10,409,643	19.5%	9,952,651	13.3%	10,138,702	13.5%	1.9%
Reserves	-	-	-	-	-	-	-
Retained earnings	2,782,380	5.2%	4,834,712	6.5%	7,043,967	9.4%	45.7%
Net income for the period	<u>2,274,325</u>	<u>4.3%</u>	<u>2,079,995</u>	<u>2.8%</u>	<u>103,956</u>	<u>0.1%</u>	<u>-95.0%</u>
<b>Total Equity</b>	<b>15,466,348</b>	<b>29.0%</b>	<b>16,867,358</b>	<b>22.6%</b>	<b>17,286,625</b>	<b>23.1%</b>	<b>2.5%</b>
<b>Growth</b>	<b>31%</b>		<b>9%</b>		<b>2%</b>		
<b>Total Equity &amp; Liabilities</b>	<b>53,247,321</b>	<b>100.0%</b>	<b>74,737,985</b>	<b>100.0%</b>	<b>74,830,862</b>	<b>100.0%</b>	<b>0.1%</b>
Total Net Loan Portfolio	51,895,086		71,283,650		64,340,392		<b>-9.7%</b>
Total Deposits	-		-		-		-
Total Debt (including Sub)	37,144,599		56,623,964		56,047,324		<b>-1.0%</b>
Debt Secured							
Gross Port : Total Assets	98.6%		97.4%		90.5%		
Liquidity	0.7%		2.5%		10.8%		
Solvency ratio	-		-		-		
Savings	0.0%		0.0%		0.0%		
Debt/equity	2.44		3.43		3.33		
Debt/equity (Sub as Equity) Unaudit	2.44		3.43		3.33		

AGROINVEST VFI MONTENEGRO  
Montenegro

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INCOME STATEMENT - Audited	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
Income from banking	8,654,571	99.0%	11,595,034	98.9%	14,959,681	98.2%	29.0%
Income from investments	28,069	0.3%	20,809	0.2%	47,310	0.3%	127.3%
<b>Total Banking Revenue</b>	<b>8,682,640</b>	99.3%	<b>11,615,843</b>	99.1%	<b>15,006,991</b>	98.5%	<b>29.2%</b>
Interest and fee on Debt	2,482,201	39.6%	4,030,853	42.6%	4,614,180	30.5%	14.5%
Interest on Deposits	-	0.0%	-	0.0%	-	0.0%	-
Loan loss provision	259,495	4.1%	1,113,746	11.8%	5,616,944	37.1%	404.3%
<b>Total Banking Expense</b>	<b>2,741,696</b>	43.7%	<b>5,144,599</b>	54.4%	<b>10,231,125</b>	67.6%	<b>98.9%</b>
<b>Growth</b>	<b>256%</b>		<b>88%</b>		<b>99%</b>		
<b>Gross Margin</b>	<b>5,940,944</b>	67.9%	<b>6,471,245</b>	55.2%	<b>4,775,867</b>	31.3%	<b>-26.2%</b>
Loan recuperation	36,265	0.4%	31,879	0.3%	188,434	1.2%	491.1%
Other operating revenue	17,893	0.2%	76,202	0.6%	28,958	0.2%	-62.0%
<b>Total other operating Rev</b>	<b>54,159</b>	0.6%	<b>108,081</b>	0.9%	<b>217,392</b>	1.4%	<b>101.1%</b>
Personnel expense	1,742,124	27.8%	1,871,323	19.8%	2,071,595	13.7%	10.7%
Administrative expense	1,654,365	26.4%	2,278,465	24.1%	2,590,423	17.1%	13.7%
Depreciation/amortization	136,308	2.2%	156,836	1.7%	246,035	1.6%	56.9%
Other operating expense	-	0.0%	-	0.0%	-	0.0%	-
<b>Total operating expense</b>	<b>3,532,796</b>	56.3%	<b>4,306,624</b>	45.6%	<b>4,908,052</b>	32.4%	<b>14.0%</b>
<b>Growth</b>	<b>33%</b>		<b>22%</b>		<b>14%</b>		
<b>Operating Margin</b>	<b>2,462,307</b>	28.2%	<b>2,272,702</b>	19.4%	<b>85,207</b>	0.6%	<b>-96.3%</b>
Consulting and training	-	0.0%	-	0.0%	-	0.0%	-
Currency gain/deflation	-	0.0%	-	0.0%	-	0.0%	-
Donations / Grants	-	0.0%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op rev	7,185	0.1%	2,673	0.0%	16,889	0.1%	531.8%
<b>Non-operating revenue</b>	<b>7,185</b>	0.1%	<b>2,673</b>	0.0%	<b>16,889</b>	0.1%	<b>531.8%</b>
Currency loss/inflation	-	0.0%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op exp	-	0.0%	-	0.0%	1,366	0.0%	-
<b>Non-operating expense</b>	<b>-</b>	0.0%	<b>-</b>	0.0%	<b>1,366</b>	0.0%	<b>-</b>
Taxes	195,167	3.1%	195,380	2.1%	-3,226	0.0%	-101.7%
<b>Net Income</b>	<b>2,274,325</b>	26.0%	<b>2,079,995</b>	17.7%	<b>103,956</b>	0.7%	<b>-95.0%</b>
<b>Growth</b>	<b>1%</b>		<b>-9%</b>		<b>-95%</b>		
<b>Net Income (Ex Donations)</b>	<b>2,274,325</b>		<b>2,079,995</b>		<b>103,956</b>		
Return on Assets	5.4%		3.3%		0.1%		
ROA net of Donations	5.4%		3.3%		0.1%		
Return on Equity	16.7%		12.9%		0.6%		
ROE net of Donations	16.7%		12.9%		0.6%		
Operational self-sufficiency	141.9%		125.7%		101.5%		
Portfolio yield	21.1%		18.5%		21.3%		
Funding Expense	9.0%		8.6%		8.2%		
Gross margin ratio	12.1%		9.9%		13.1%		
Operating expense ratio	8.6%		6.9%		7.0%		
Net margin ratio	3.5%		3.0%		6.1%		

### 3. Agroinvest Fund Serbia

AgroInvest Fund Serbia (AFS) was created in February 2005 as a Serbian registered LLC and is a non-bank financial institution supervised by the Ministry of Finance. AFS was created from the lending operations of the NGO, World Vision International Serbia & Montenegro, which had been active since 2000.

AgroInvest Fund Serbia is fully owned by the Montenegro holding company Vision Fund AgroInvest (VFAI) which was created in 2005 to facilitate the fundraising of AFS. Since Serbian law prohibits non-bank entities from borrowing abroad VFAI is the official Borrower in BOLD 2007 and its financials are attached in this report). VFAI in turn is fully owned by Vision Fund International (VFI) which manages World Vision's global for-profit microfinance operations.

Mission and Market Positioning	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio (USD)	22,462,111	19,627,600	18,931,735	15,121,879
% growth in local currency	110.6%	-16.5%	-1.7%	-31.6%
# of Borrowers	14,966	14,747	14,928	15,467
# of Savers	-	-	-	-
# Branches	9	14	14	14
# Employees	77	97	104	110
# Loan officers	35	43	45	49

AFS's primary target market is the low income segment of the Serbian population, vulnerable groups and marginalized citizens who are under-served by traditional financial services companies and those living in remote rural areas. The MFI offers individual loans to clients in villages in rural areas through Village Associations (VA), of which there are 115 nationwide. The VAs participate actively in the credit process from client recommendation, to client visits and client monitoring and collection of payments for the credit officer.

Competition has intensified among the dozen or so banks operating in urban areas, and they are now increasingly targeting the rural sector. Opportunity Bank Serbia, Procredit Bank, and PBB Banka already compete with AIS. Overall, however, the market appears to be still untapped enough in rural areas that competition should not impede AIS' growth. Despite higher interest rates charged by AIS than by banks, AIS remains the leading financial institution in rural areas in Serbia.

Due to the local regulation, AFS' lending scheme is complicated and costly. Serbian regulations prohibit non-bank institutions from having direct credit operations with clients and as a result, all non-banks institutions must work with a partner bank. AIS was forced halt disbursements in early 2008 when the National Bank of Serbia (NBS) recommended a new structure for these partnerships. AFS is currently having promising discussions with potential partner banks in order to improve the lending mechanism. A lower deposit requirement from the bank partner would de facto lower the lending costs and reduce the FX exposure.

Due to lack of funding in local currency, and as a proactive measure to limit the potential deterioration of the portfolio quality, the new management team in place at the Holding level (new CEO, CFO and a COO starting in June) has reduced loan size in order to reduce the portfolio size of AFS (-30% since the beginning of the year), while maintaining an increasing base of clients (+5% since the beginning of the year). In addition, AFS has voluntarily limited its local currency loans to improve its open foreign currency position and plans to introduce Euro-indexed loans to its clients. However, at the time of writing, the mechanism for Euro-indexed loan is not in place yet.

Asset Quality	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio as % of Total Assets	96%	86%	90%	90%
PAR30	0.8%	2.5%	6.2%	6.6%
Restructured Loans	0.0%	0.0%	0.0%	0.0%
Loan loss reserve as % PAR 30	320%	148%	110%	104%

Over the course of 2009, portfolio quality deteriorated with PAR30 increasing from 2.5% at the end of 2008 to 6.2% at the end of 2009 and 6.6% in May 2010. However these levels are manageable and reserves are adequate. The global credit crisis has impacted some of the MFI's clients' repayment capacity, through a slowdown in the local economy, lower exports and a reduction in remittances received from relatives working abroad. The increase in percentages is also due to a decrease of the portfolio size. Indeed, in absolute terms, the portfolio at risk is stable since the beginning of the year. However, the PAR30 is expected to deteriorate somewhat more in the coming months, because of serious floods across the country in spring 2010, which led to some repayment delays.

<b>Financial Performance</b>	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)*
Return on Assets	10.9%	6.1%	7.5%	2.3%
Return on Equity	31.1%	19.2%	21.6%	8.9%
OSS	126%	124%	127%	148%
Portfolio yield	30.0%	30.5%	40.8%	47.2%
Operational Expense Ratio	14.6%	16.6%	19.2%	22.0%

\*Figures for the last twelve months

AFS managed to break even at the end of 2009, but is generating losses since the beginning of 2010, due to higher provisioning expenses and FX losses. AIS does not hedge its EUR liabilities due to the lack of available hedging instruments and rates charged to clients do not compensate enough for the these losses. The lack of liquidity over the last 18 months combined with the exchange rate loss means that AIS is aggressively seeking local dinar loans, while planning to introduce Euro-indexed loans to clients in order to mitigate the FX risk and improve its profitability level.

<b>Social Performance</b>	Year 2007	Year 2008	Year 2009
	(audited)		
Average loan size (USD)	1,501	1,331	1,268
% borrowers who are:			
- women	63%	63%	67%
- men	37%	37%	33%
- legal entities	0%	0%	0%
- rural	100%	100%	100%
- urban	0%	0%	0%
- semi-urban	0%	0%	0%

The Agroinvest group was established in order to alleviate rural poverty and promote economic development in rural areas in both Montenegro and Serbia. AFS has a strong commitment to target remote and rural communities and also to preserve the social orientation of their work. AFS is careful about measuring its social performance with the establishment of an in-house social performance team that is shared with AI VFI in Montenegro. In 2005, the MFI introduced a "happy child" program in which 3% of profits are returned to the community from where they came. This program has generated good recognition and response from clients. More than 65% of AFS' borrowers are women and all are based in rural areas. A majority of the clients have agricultural-related activities (87%), with less representation in trade (3%), manufacturing (5%) and services (5%).

**Please note that the financial statements accompanying this report include those of the operating company Agroinvest Fund Serbia, as well as its holding company and funding vehicle, Agroinvest Vision Fund Holding.**

AGROINVEST Fund Serbia  
Serbia

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BALANCE SHEET - Audited	Year 2007		Year 2008		Year 2009		Growth
	USD		USD		USD		1 Year
<b>Assets</b>							
Cash and Cash Equiv	501,112	2.1%	1,861,012	8.2%	748,132	3.6%	-59.8%
Cash in reserve	-	-	-	-	-	-	-
Short Term Investments	-	-	-	-	448,394	2.1%	-
<b>Total Liquidities</b>	<b>501,112</b>	2.1%	<b>1,861,012</b>	8.2%	<b>1,196,526</b>	5.7%	<b>-35.7%</b>
Gross loan portfolio Short term	22,462,111	96.3%	17,858,864	78.5%	9,465,869	45.1%	-47.0%
Loan loss reserve	-577,564	-2.5%	-724,207	-3.2%	-1,278,381	-6.1%	76.5%
Other Current Assets	605,134	2.6%	1,651,014	7.3%	1,863,200	8.9%	12.9%
<b>Total Current Assets</b>	<b>22,990,793</b>	98.5%	<b>20,646,682</b>	90.8%	<b>11,247,213</b>	53.6%	<b>-45.5%</b>
Long term outstanding loans	-	-	1,768,736	7.8%	9,465,866	45.1%	435.2%
Property Plant & Equipment Net	294,739	1.3%	268,320	1.2%	195,567	0.9%	-27.1%
Long term investments	43,936	0.2%	45,140	0.2%	46,877	0.2%	3.8%
Total other long term assets	-	-	12,527	0.1%	17,157	0.1%	37.0%
<b>Total Non-Current Assets</b>	<b>338,675</b>	1.5%	<b>2,094,724</b>	9.2%	<b>9,725,467</b>	46.4%	<b>364.3%</b>
<b>Total Assets</b>	<b>23,329,467</b>	100.0%	<b>22,741,406</b>	100.0%	<b>20,972,681</b>	100.0%	<b>-7.8%</b>
	<b>Growth</b>	<b>80%</b>	<b>-3%</b>	<b>-8%</b>			
<b>Liabilities</b>							
Sight deposits	-	-	-	-	-	-	-
Short Term Term deposits	-	-	-	-	-	-	-
Short Term Compulsory Deposits	-	-	-	-	-	-	-
<b>Savings &amp; deposits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Borrowing short term	15,304,483	65.6%	2,072,364	9.1%	6,228,687	29.7%	200.6%
Short term back to back loans	-	-	-	-	-	-	-
Other short term Liabilities	119,642	0.5%	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>15,424,125</b>	66.1%	<b>2,072,364</b>	9.1%	<b>6,228,687</b>	29.7%	<b>200.6%</b>
Long term Term Deposits	-	-	-	-	-	-	-
Long term compulsory savings	-	-	-	-	-	-	-
Borrowing long term	-	-	13,826,450	60.8%	5,882,713	28.0%	-57.5%
Long term back to back loans	-	-	-	-	-	-	-
Subordinated Debt	-	-	-	-	-	-	-
Other long term liabilities	-	-	106,632	0.5%	355,140	1.7%	233.1%
<b>Total Non-Current Liabilities</b>	<b>-</b>	0.0%	<b>13,933,082</b>	61.3%	<b>6,237,853</b>	29.7%	<b>-55.2%</b>
<b>Total Liabilities</b>	<b>15,424,125</b>	66.1%	<b>16,005,446</b>	70.4%	<b>12,466,540</b>	59.4%	<b>-22.1%</b>
	<b>Growth</b>	<b>89%</b>	<b>4%</b>	<b>-22%</b>			
Donations	-	-	-	-	-	-	-
Paid in Capital (+ add Paid)	5,199,545	22.3%	4,971,281	21.9%	5,064,212	24.1%	1.9%
Reserves	-	-	-	-	-	-	-
Retained earnings	733,321	3.1%	362,755	1.6%	1,797,668	8.6%	395.6%
Net income for the period	1,972,477	8.5%	1,401,924	6.2%	1,644,260	7.8%	17.3%
<b>Total Equity</b>	<b>7,905,342</b>	33.9%	<b>6,735,960</b>	29.6%	<b>8,506,141</b>	40.6%	<b>26.3%</b>
	<b>Growth</b>	<b>66%</b>	<b>-15%</b>	<b>26%</b>			
<b>Total Equity &amp; Liabilities</b>	<b>23,329,467</b>	100.0%	<b>22,741,406</b>	100.0%	<b>20,972,681</b>	100.0%	<b>-7.8%</b>
Total Net Loan Portfolio	21,884,547		18,903,393		17,653,354		<b>-6.6%</b>
Total Deposits	-		-		-		-
Total Debt (including Sub)	15,304,483		15,898,814		12,111,400		<b>-23.8%</b>
Debt Secured							
Gross Port : Total Assets	96.3%		86.3%		90.3%		
Liquidity	2.1%		8.2%		5.7%		
Solvency ratio	-		-		-		
Savings	0.0%		0.0%		0.0%		
Debt/equity	1.95		2.38		1.47		
Debt/equity (Sub as Equity) Unaudit	1.95		2.38		1.47		

AGROINVEST Fund Serbia  
Serbia

BlueOrchard Data Download - Income Statement

INCOME STATEMENT - Audited	Year 2007		Year 2008		Year 2009		Growth 1 Year
	USD		USD		USD		
Income from banking	5,158,841	99.5%	6,427,003	98.8%	7,863,051	96.7%	22.3%
Income from investments	-	0.0%	26,775	0.4%	54,132	0.7%	102.2%
<b>Total Banking Revenue</b>	<b>5,158,841</b>	99.5%	<b>6,453,778</b>	99.2%	<b>7,917,183</b>	97.3%	<b>22.7%</b>
Interest and fee on Debt	7,060	0.2%	51,228	1.3%	67,322	1.3%	31.4%
Interest on Deposits	-	0.0%	-	0.0%	-	0.0%	-
Loan loss provision	483,139	16.1%	413,129	10.5%	1,233,356	24.7%	198.5%
<b>Total Banking Expense</b>	<b>490,199</b>	16.4%	<b>464,357</b>	11.7%	<b>1,300,678</b>	26.0%	<b>180.1%</b>
<b>Growth</b>	<b>191%</b>		<b>-5%</b>		<b>180%</b>		
<b>Gross Margin</b>	<b>4,668,641</b>	90.0%	<b>5,989,421</b>	92.1%	<b>6,616,505</b>	81.4%	<b>10.5%</b>
Loan recuperation	-	0.0%	-	0.0%	-	0.0%	-
Other operating revenue	27,289	0.5%	49,734	0.8%	215,992	2.7%	334.3%
<b>Total other operating Rev</b>	<b>27,289</b>	0.5%	<b>49,734</b>	0.8%	<b>215,992</b>	2.7%	<b>334.3%</b>
Personnel expense	1,143,029	38.2%	1,769,858	44.8%	1,934,874	38.7%	9.3%
Administrative expense	1,262,437	42.2%	1,614,072	40.8%	1,658,081	33.2%	2.7%
Depreciation/amortization	96,148	3.2%	104,523	2.6%	107,891	2.2%	3.2%
Other operating expense	-	0.0%	-	0.0%	-	0.0%	-
<b>Total operating expense</b>	<b>2,501,613</b>	83.6%	<b>3,488,452</b>	88.3%	<b>3,700,846</b>	74.0%	<b>6.1%</b>
<b>Growth</b>	<b>125%</b>		<b>39%</b>		<b>6%</b>		
<b>Operating Margin</b>	<b>2,194,317</b>	42.3%	<b>2,550,703</b>	39.2%	<b>3,131,651</b>	38.5%	<b>22.8%</b>
Consulting and training	-	0.0%	-	0.0%	-	0.0%	-
Currency gain/deflation	-	0.0%	-	0.0%	-	0.0%	-
Donations / Grants	-	0.0%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op rev	-	0.0%	-	0.0%	-	0.0%	-
<b>Non-operating revenue</b>	<b>-</b>	0.0%	<b>-</b>	0.0%	<b>-</b>	0.0%	<b>-</b>
Currency loss/inflation	91,620	3.1%	920,747	23.3%	1,080,891	21.6%	17.4%
Other/Extra-ord non-op exp	-	0.0%	-	0.0%	-	0.0%	-
<b>Non-operating expense</b>	<b>91,620</b>	3.1%	<b>920,747</b>	23.3%	<b>1,080,891</b>	21.6%	<b>17.4%</b>
Taxes	130,220	4.4%	228,032	5.8%	406,500	8.1%	78.3%
<b>Net Income</b>	<b>1,972,477</b>	38.0%	<b>1,401,924</b>	21.6%	<b>1,644,260</b>	20.2%	<b>17.3%</b>
<b>Growth</b>	<b>207%</b>		<b>-29%</b>		<b>17%</b>		
<b>Net Income (Ex Donations)</b>	<b>1,972,477</b>		<b>1,401,924</b>		<b>1,644,260</b>		
Return on Assets	10.9%		6.1%		7.5%		
ROA net of Donations	10.9%		6.1%		7.5%		
Return on Equity	31.1%		19.2%		21.6%		
ROE net of Donations	31.1%		19.2%		21.6%		
Operational self-sufficiency	126.4%		124.2%		127.4%		
Portfolio yield	30.0%		30.5%		40.8%		
Funding Expense	0.1%		0.3%		0.5%		
Gross margin ratio	30.0%		30.2%		40.3%		
Operating expense ratio	14.6%		16.6%		19.2%		
Net margin ratio	15.4%		13.6%		21.1%		

AGROINVEST Holding (consolidated)  
Montenegro

BlueOrchard Data Download - Balance Sheet

BALANCE SHEET - Audited	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>Assets</b>							
Cash and Cash Equiv	27,401	0.1%	1,687,723	5.5%	1,415,205	4.5%	-16.1%
Cash in reserve	-	-	-	-	-	-	-
Short Term Investments	15,304,483	49.0%	14,140,189	45.8%	12,111,400	38.9%	-14.3%
<b>Total Liquidities</b>	<b>15,331,884</b>	<b>49.1%</b>	<b>15,827,912</b>	<b>51.3%</b>	<b>13,526,605</b>	<b>43.5%</b>	<b>-14.5%</b>
Gross loan portfolio Short term	-	-	-	-	-	-	-
Loan loss reserve	-	-	-	-	-	-	-
Other Current Assets	311,634	1.0%	92,063	0.3%	2,386,904	7.7%	2492.7%
<b>Total Current Assets</b>	<b>15,643,518</b>	<b>50.1%</b>	<b>15,919,975</b>	<b>51.6%</b>	<b>15,913,509</b>	<b>51.1%</b>	<b>0.0%</b>
Long term outstanding loans	-	-	-	-	-	-	-
Property Plant & Equipment Net	-	-	-	-	-	-	-
Long term investments	15,609,188	49.9%	14,923,932	48.4%	15,203,674	48.9%	1.9%
Total other long term assets	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>15,609,188</b>	<b>49.9%</b>	<b>14,923,932</b>	<b>48.4%</b>	<b>15,203,674</b>	<b>48.9%</b>	<b>1.9%</b>
<b>Total Assets</b>	<b>31,252,706</b>	<b>100.0%</b>	<b>30,843,908</b>	<b>100.0%</b>	<b>31,117,183</b>	<b>100.0%</b>	<b>0.9%</b>
	<b>Growth</b>	<b>121%</b>	<b>-1%</b>		<b>1%</b>		
<b>Liabilities</b>							
Sight deposits	-	-	-	-	-	-	-
Short Term Term deposits	-	-	-	-	-	-	-
Short Term Compulsory Deposits	-	-	-	-	-	-	-
<b>Savings &amp; deposits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Borrowing short term	4,414,500	14.1%	313,739	1.0%	8,521,807	27.4%	2616.2%
Short term back to back loans	-	-	-	-	-	-	-
Other short term Liabilities	600,385	1.9%	528,274	1.7%	685,808	2.2%	29.8%
<b>Total Current Liabilities</b>	<b>5,014,885</b>	<b>16.0%</b>	<b>842,013</b>	<b>2.7%</b>	<b>9,207,615</b>	<b>29.6%</b>	<b>993.5%</b>
Long term Term Deposits	-	-	-	-	-	-	-
Long term compulsory savings	-	-	-	-	-	-	-
Borrowing long term	12,013,482	38.4%	16,096,492	52.2%	9,308,786	29.9%	-42.2%
Long term back to back loans	-	-	-	-	-	-	-
Subordinated Debt	-	-	-	-	-	-	-
Other long term liabilities	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>12,013,482</b>	<b>38.4%</b>	<b>16,096,492</b>	<b>52.2%</b>	<b>9,308,786</b>	<b>29.9%</b>	<b>-42.2%</b>
<b>Total Liabilities</b>	<b>17,028,367</b>	<b>54.5%</b>	<b>16,938,505</b>	<b>54.9%</b>	<b>18,516,401</b>	<b>59.5%</b>	<b>9.3%</b>
	<b>Growth</b>	<b>75%</b>	<b>-1%</b>		<b>9%</b>		
Donations	-	-	-	-	-	-	-
Paid in Capital (+ add Paid)	15,943,844	51.0%	15,243,897	49.4%	15,528,860	49.9%	1.9%
Reserves	-	-	-	-	-	-	-
Retained earnings	-501,521	-1.6%	-1,644,018	-5.3%	-1,363,515	-4.4%	-17.1%
Net income for the period	-1,217,984	-3.9%	305,524	1.0%	-1,564,821	-5.0%	-612.2%
<b>Total Equity</b>	<b>14,224,339</b>	<b>45.5%</b>	<b>13,905,403</b>	<b>45.1%</b>	<b>12,600,524</b>	<b>40.5%</b>	<b>-9.4%</b>
	<b>Growth</b>	<b>225%</b>	<b>-2%</b>		<b>-9%</b>		
<b>Total Equity &amp; Liabilities</b>	<b>31,252,706</b>	<b>100.0%</b>	<b>30,843,908</b>	<b>100.0%</b>	<b>31,116,925</b>	<b>100.0%</b>	<b>0.9%</b>
Total Net Loan Portfolio	-	-	-	-	-	-	-
Total Deposits	-	-	-	-	-	-	-
Total Debt (including Sub)	16,427,982		16,410,231		17,830,593		<b>8.7%</b>
Debt Secured							
Gross Port : Total Assets	0.0%		0.0%		0.0%		
Liquidity	49.1%		51.3%		43.5%		
Solvency ratio	-		-		-		
Savings	0.0%		0.0%		0.0%		
Debt/equity	1.20		1.22		1.47		
Debt/equity (Sub as Equity) Unaudit	1.20		1.22		1.47		

AGROINVEST Holding (consolidated)  
Montenegro

BlueOrchard Data Download - Income Statement

INCOME STATEMENT - Audited	Year 2007		Year 2008		Year 2009		Growth 1 Year
	USD		USD		USD		
Income from banking	19,534	100.0%	-	0.0%	-	0.0%	-
Income from investments	-	0.0%	1,779,405	100.0%	-	0.0%	-100.0%
<b>Total Banking Revenue</b>	<b>19,534</b>	100.0%	<b>1,779,405</b>	100.0%	<b>-</b>	0.0%	<b>-100.0%</b>
Interest and fee on Debt	1,185,077	97.3%	1,325,006	89.9%	1,408,105	90.0%	6.3%
Interest on Deposits	-	0.0%	-	0.0%	-	0.0%	-
Loan loss provision	-	0.0%	-	0.0%	-	0.0%	-
<b>Total Banking Expense</b>	<b>1,185,077</b>	97.3%	<b>1,325,006</b>	89.9%	<b>1,408,105</b>	90.0%	<b>6.3%</b>
<b>Growth</b>	<b>207%</b>		<b>12%</b>		<b>6%</b>		
<b>Gross Margin</b>	<b>-1,165,543</b>	NA	<b>454,399</b>	NA	<b>-1,408,105</b>	NA	<b>-409.9%</b>
Loan recuperation	-	0.0%	-	0.0%	-	0.0%	-
Other operating revenue	-	0.0%	394	0.0%	19	100.0%	-95.3%
<b>Total other operating Rev</b>	<b>-</b>	0.0%	<b>394</b>	0.0%	<b>19</b>	100.0%	<b>-95.3%</b>
Personnel expense	15,779	1.3%	8,575	0.6%	6,217	0.4%	-27.5%
Administrative expense	7,358	0.6%	134,114	9.1%	149,691	9.6%	11.6%
Depreciation/amortization	-	0.0%	-	0.0%	-	0.0%	-
Other operating expense	9,771	0.8%	6,580	0.4%	827	0.1%	-87.4%
<b>Total operating expense</b>	<b>32,907</b>	2.7%	<b>149,269</b>	10.1%	<b>156,735</b>	10.0%	<b>5.0%</b>
<b>Growth</b>	<b>129%</b>		<b>354%</b>		<b>5%</b>		
<b>Operating Margin</b>	<b>-1,198,450</b>	NA	<b>305,524</b>	NA	<b>-1,564,821</b>	NA	<b>-612.2%</b>
Consulting and training	-	0.0%	-	0.0%	-	0.0%	-
Currency gain/deflation	-	0.0%	-	0.0%	-	0.0%	-
Donations / Grants	-	0.0%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op rev	-	0.0%	-	0.0%	-	0.0%	-
<b>Non-operating revenue</b>	<b>-</b>	0.0%	<b>-</b>	0.0%	<b>-</b>	0.0%	<b>-</b>
Currency loss/inflation	-	0.0%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op exp	-	0.0%	-	0.0%	-	0.0%	-
<b>Non-operating expense</b>	<b>-</b>	0.0%	<b>-</b>	0.0%	<b>-</b>	0.0%	<b>-</b>
Taxes	-	0.0%	-	0.0%	-	0.0%	-
<b>Net Income</b>	<b>-1,198,450</b>	NA	<b>305,524</b>	NA	<b>-1,564,821</b>	NA	<b>-612.2%</b>
<b>Growth</b>	<b>200%</b>		<b>-125%</b>		<b>-612%</b>		
<b>Net Income (Ex Donations)</b>	<b>-1,198,450</b>		<b>305,524</b>		<b>-1,564,821</b>		
Return on Assets	-5.3%		1.0%		-5.1%		
ROA net of Donations	-5.3%		1.0%		-5.1%		
Return on Equity	-12.9%		2.2%		-11.8%		
ROE net of Donations	-12.9%		2.2%		-11.8%		
Operational self-sufficiency	137.5%		128.5%		108.8%		
Portfolio yield	0.0%		0.0%		0.0%		
Funding Expense	9.1%		8.1%		8.2%		
Gross margin ratio	-9.1%		-8.1%		-8.2%		
Operating expense ratio	0.0%		0.0%		0.0%		
Net margin ratio	-9.1%		-8.1%		-8.2%		

#### 4. AMRET, Cambodia

Amret is a private, limited liability and regulated microfinance institution. In 2008, the company became a deposit taking microfinance institution as per the National Bank of Cambodia's new regulations.

The MFI started operations in 1991 as an experimental project of GRET (the French development NGO Groupe de Recherche et d'Echanges Technologiques) and transformed into a stand-alone company in 2000. The initial capital was provided by two shareholders, the French organizations GRET (81%) and SIDI. Amret's current shareholders are: GRET, Proparco, FMO, Oikocredit, LFP, Advans S.A. (formerly La Fayette Investissement) and Botta, a company incorporated by Amret's staff association.

Mission and Market Positioning	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio (USD)	30,650,147	54,973,066	53,454,731	51,836,422
% growth in local currency	70.3%	83.7%	-0.5%	-1.8%
# of Borrowers	187,463	226,262	224,708	204,306
# of Savers	706	983	3,293	6,297
# Branches	7	7	44	46
# Employees	611	768	964	1,074
# Loan officers	369	419	440	490

Amret was created to provide financial services to Cambodia's rural poor. As of March 2010, it was the third largest MFI in Cambodia both in terms of number of clients and total assets. Amret's average loan size is among the lowest in the market at USD 244, reflecting its focus on the rural poor. The company has 47 branches serving over 204,000 clients in more than 14 provinces.

Initially, Amret provided exclusively group loans to clients in the rural areas, but it now offers individual loans as well as savings products. It has also expanded into urban areas primarily in attempts to tap urban savings. Currently group loans account for 65% of the portfolio and individual loans 35%. Loans are made in both USD and local currency. Amret's borrowers are predominantly female (80%) and rural based (98.6%). A majority of the clients are involved in agriculture related activities (62.5%), with less representation in trade (19.8%), manufacturing (13.2%) and services 4.1%. The percentage of top ten loans is very low, at 0.2% in line with past trends.

Asset Quality	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio as % of Total Assets	79%	78%	75%	73%
PAR30	0.1%	0.5%	3.7%	2.4%
Restructured Loans	0.0%	0.0%	0.0%	0.0%
Loan loss reserve as % PAR 30	295%	74%	100%	100%

The global recession coupled with competition has impacted Cambodian MFIs including Amret and resulted in a rise in delinquency and a slight decline in portfolio during 2009. Portfolio at risk rose sharply from 0.5% in 2008 to nearly 4% by the end of 2009, but has stabilized in 2010. While write-offs were zero in both 2007 and 2008, they were 0.5% in 2009 and 1.6% as of May 2010. This is a trend we are observing also in other Cambodian MFIs.

Portfolio quality has been deteriorating mainly in the Siem Reap branches and also in the provinces of Kampong Speu and Kandal due to multiple lending across MFIs and a decline in business activities that are significant sources of repayment, mainly activities linked to construction, tourism and the garment industry. These are all sectors that have been performing poorly due to the global financial crisis.

<b>Financial Performance</b>	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)*
Return on Assets	8.1%	6.4%	4.7%	5.1%
Return on Equity	35.0%	31.3%	22.0%	22.1%
OSS	128%	144%	130%	133%
Portfolio yield	40.1%	34.6%	37.4%	36.2%
Operational Expense Ratio	14.8%	13.2%	14.4%	16.0%

\*Figures for the last twelve months

In 2009, Amret generated an ROA (net of donations) of 4.5% and an ROE of 21%, lower than in prior years mainly due to an increase of its provisions and lower financial income.

<b>Social Performance</b>	Year 2007	Year 2008	Year 2009
	(audited)		
Average loan size (USD)	163	243	238
% borrowers who are:			
- women	83%	83%	83%
- men	17%	17%	17%
- legal entities	0%	0%	0%
- rural	100%	100%	100%
- urban	0%	0%	0%
- semi-urban	0%	0%	0%

Since its inception, Amret has been committed to serving the financial needs of Cambodia's rural poor. Alongside its growth and its expansion into urban areas, the company remains committed to 'contributing to rural development in order to improve the living standards of the population.' It has one of the lowest average loan sizes of the regulated MFIs in Cambodia and continues to target the more remote and poor populations of the country. In addition, Amret is one of the first MFIs in the country to begin implementation of an environmental and social procedure that serves as a guide for credit agents and operational staff to monitor social and environmental aspects in their daily work.

BlueOrchard Data Download - Balance Sheet

BALANCE SHEET - Audited	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>Assets</b>							
Cash and Cash Equiv	976,321	2.5%	1,438,249	2.0%	1,983,727	2.8%	37.9%
Cash in reserve	49,766	0.1%	172,425	0.2%	9,816,585	13.7%	5593.3%
Short Term Investments	5,697,392	14.7%	2,237,757	3.2%	5,923,170	8.3%	164.7%
<b>Total Liquidities</b>	<b>6,723,480</b>	<b>17.4%</b>	<b>13,572,296</b>	<b>19.3%</b>	<b>17,723,482</b>	<b>24.8%</b>	<b>30.6%</b>
Gross loan portfolio Short term	26,697,989	69.0%	48,522,598	69.1%	44,907,908	62.8%	-7.4%
Loan loss reserve	-96,820	-0.3%	-363,243	-0.5%	-1,980,858	-2.8%	445.3%
Other Current Assets	996,109	2.6%	1,547,435	2.2%	1,744,122	2.4%	12.7%
<b>Total Current Assets</b>	<b>34,320,757</b>	<b>88.7%</b>	<b>63,279,085</b>	<b>90.1%</b>	<b>62,394,653</b>	<b>87.3%</b>	<b>-1.4%</b>
Long term outstanding loans	3,952,158	10.2%	6,450,468	9.2%	8,546,823	12.0%	32.5%
Property Plant & Equipment Net	383,212	1.0%	483,163	0.7%	530,309	0.7%	9.8%
Long term investments	-	-	-	-	-	-	-
Total other long term assets	26,152	0.1%	18,273	0.0%	10,208	0.0%	-44.1%
<b>Total Non-Current Assets</b>	<b>4,361,523</b>	<b>11.3%</b>	<b>6,951,904</b>	<b>9.9%</b>	<b>9,087,340</b>	<b>12.7%</b>	<b>30.7%</b>
<b>Total Assets</b>	<b>38,682,280</b>	<b>100.0%</b>	<b>70,230,989</b>	<b>100.0%</b>	<b>71,481,993</b>	<b>100.0%</b>	<b>1.8%</b>
<b>Growth</b>	<b>70%</b>		<b>82%</b>		<b>2%</b>		
<b>Liabilities</b>							
Sight deposits	36,882	0.1%	68,979	0.1%	541,862	0.8%	685.5%
Short Term Term deposits	853,884	2.2%	571,428	0.8%	2,403,614	3.4%	320.6%
Short Term Compulsory Deposits	-	-	-	-	-	-	-
<b>Savings &amp; deposits</b>	<b>890,766</b>	<b>2.3%</b>	<b>640,406</b>	<b>0.9%</b>	<b>2,945,476</b>	<b>4.1%</b>	<b>359.9%</b>
Borrowing short term	14,619,006	37.8%	16,815,533	23.9%	15,945,076	22.3%	-5.2%
Short term back to back loans	-	-	-	-	-	-	-
Other short term Liabilities	1,799,322	4.7%	2,845,138	4.1%	3,612,483	5.1%	27.0%
<b>Total Current Liabilities</b>	<b>17,309,094</b>	<b>44.7%</b>	<b>20,301,077</b>	<b>28.9%</b>	<b>22,503,035</b>	<b>31.5%</b>	<b>10.8%</b>
Long term Term Deposits	-	-	-	-	-	-	-
Long term compulsory savings	-	-	-	-	-	-	-
Borrowing long term	12,999,305	33.6%	35,192,385	50.1%	31,788,096	44.5%	-9.7%
Long term back to back loans	-	-	-	-	-	-	-
Subordinated Debt	-	-	995,795	1.4%	972,972	1.4%	-2.3%
Other long term liabilities	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>12,999,305</b>	<b>33.6%</b>	<b>36,188,180</b>	<b>51.5%</b>	<b>32,761,068</b>	<b>45.8%</b>	<b>-9.5%</b>
<b>Total Liabilities</b>	<b>30,308,399</b>	<b>78.4%</b>	<b>56,489,258</b>	<b>80.4%</b>	<b>55,264,103</b>	<b>77.3%</b>	<b>-2.2%</b>
<b>Growth</b>	<b>79%</b>		<b>86%</b>		<b>-2%</b>		
Donations	-	-	-	-	-	-	-
Paid in Capital (+ add Paid)	1,485,791	3.8%	3,916,277	5.6%	3,826,519	5.4%	-2.3%
Reserves	845,676	2.2%	1,121,961	1.6%	1,330,615	1.9%	18.6%
Retained earnings	3,547,808	9.2%	5,237,535	7.5%	7,761,669	10.9%	48.2%
Net income for the period	2,494,606	6.4%	3,465,959	4.9%	3,299,086	4.6%	-4.8%
<b>Total Equity</b>	<b>8,373,882</b>	<b>21.6%</b>	<b>13,741,732</b>	<b>19.6%</b>	<b>16,217,890</b>	<b>22.7%</b>	<b>18.0%</b>
<b>Growth</b>	<b>43%</b>		<b>64%</b>		<b>18%</b>		
<b>Total Equity &amp; Liabilities</b>	<b>38,682,280</b>	<b>100.0%</b>	<b>70,230,989</b>	<b>100.0%</b>	<b>71,481,993</b>	<b>100.0%</b>	<b>1.8%</b>
Total Net Loan Portfolio	30,553,327		54,609,822		51,473,873		-5.7%
Total Deposits	890,766		640,406		2,945,476		359.9%
Total Debt (including Sub)	27,618,311		53,003,714		48,706,145		-8.1%
Debt Secured							
Gross Port : Total Assets	79.2%		78.3%		74.8%		
Liquidity	17.4%		19.3%		24.8%		
Solvency ratio	7.55		21.19		6.02		
Savings	2.3%		0.9%		4.1%		
Debt/equity	3.62		4.11		3.41		
Debt/equity (Sub as Equity) Unaudit	3.73		3.36		2.76		

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	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>INCOME STATEMENT - Audited</b>							
Income from banking	9,656,914	98.2%	14,814,941	98.2%	20,261,843	98.9%	36.8%
Income from investments	130,531	1.3%	216,665	1.4%	-	0.0%	-100.0%
<b>Total Banking Revenue</b>	<b>9,787,444</b>	99.5%	<b>15,031,606</b>	99.7%	<b>20,261,843</b>	98.9%	<b>34.8%</b>
Interest and fee on Debt	3,102,139	46.2%	4,711,599	44.3%	6,465,311	39.7%	37.2%
Interest on Deposits	-	0.0%	-	0.0%	76,971	0.5%	-
Loan loss provision	44,045	0.7%	280,321	2.6%	1,929,623	11.9%	588.4%
<b>Total Banking Expense</b>	<b>3,146,183</b>	46.9%	<b>4,991,920</b>	46.9%	<b>8,471,905</b>	52.1%	<b>69.7%</b>
<b>Growth</b>	<b>184%</b>		<b>59%</b>		<b>70%</b>		
<b>Gross Margin</b>	<b>6,641,261</b>	67.5%	<b>10,039,686</b>	66.6%	<b>11,789,938</b>	57.6%	<b>17.4%</b>
Loan recuperation	-	0.0%	-	0.0%	-	0.0%	-
Other operating revenue	40,784	0.4%	47,387	0.3%	90,942	0.4%	91.9%
<b>Total other operating Rev</b>	<b>40,784</b>	0.4%	<b>47,387</b>	0.3%	<b>90,942</b>	0.4%	<b>91.9%</b>
Personnel expense	1,950,669	29.1%	3,008,127	28.3%	4,446,887	27.3%	47.8%
Administrative expense	1,368,260	20.4%	2,341,361	22.0%	2,810,417	17.3%	20.0%
Depreciation/amortization	114,985	1.7%	126,099	1.2%	350,918	2.2%	178.3%
Other operating expense	127,629	1.9%	166,838	1.6%	192,658	1.2%	15.5%
<b>Total operating expense</b>	<b>3,561,543</b>	53.1%	<b>5,642,425</b>	53.1%	<b>7,800,880</b>	47.9%	<b>38.3%</b>
<b>Growth</b>	<b>14%</b>		<b>58%</b>		<b>38%</b>		
<b>Operating Margin</b>	<b>3,120,503</b>	31.7%	<b>4,444,648</b>	29.5%	<b>4,080,000</b>	19.9%	<b>-8.2%</b>
Consulting and training	-	0.0%	-	0.0%	-	0.0%	-
Currency gain/deflation	-	0.0%	-	0.0%	-	0.0%	-
Donations / Grants	4,758	0.0%	636	0.0%	131,913	0.6%	20631.4%
Other/Extra-ord non-op rev	-	0.0%	-	0.0%	-	0.0%	-
<b>Non-operating revenue</b>	<b>4,758</b>	0.0%	<b>636</b>	0.0%	<b>131,913</b>	0.6%	<b>20631.4%</b>
Currency loss/inflation	49,674	0.7%	22,234	0.2%	60,652	0.4%	172.8%
Other/Extra-ord non-op exp	-	0.0%	-	0.0%	-	0.0%	-
<b>Non-operating expense</b>	<b>49,674</b>	0.7%	<b>22,234</b>	0.2%	<b>60,652</b>	0.4%	<b>172.8%</b>
Taxes	580,981	8.7%	957,091	9.0%	852,175	5.2%	-11.0%
<b>Net Income</b>	<b>2,494,606</b>	25.4%	<b>3,465,959</b>	23.0%	<b>3,299,086</b>	16.1%	<b>-4.8%</b>
<b>Growth</b>	<b>87%</b>		<b>39%</b>		<b>-5%</b>		
<b>Net Income (Ex Donations)</b>	<b>2,489,848</b>		<b>3,465,322</b>		<b>3,167,173</b>		
Return on Assets	8.1%		6.4%		4.7%		
ROA net of Donations	8.1%		6.4%		4.5%		
Return on Equity	35.0%		31.3%		22.0%		
ROE net of Donations	35.0%		31.3%		21.1%		
Operational self-sufficiency	127.5%		144.0%		130.1%		
Portfolio yield	40.1%		34.6%		37.4%		
Funding Expense	14.1%		11.5%		12.3%		
Gross margin ratio	26.0%		23.1%		25.1%		
Operating expense ratio	14.8%		13.2%		14.4%		
Net margin ratio	11.2%		10.0%		10.7%		

## 5. BancaMia, Colombia (formerly WWB Medellin)

BancaMia was created in October 2008 as the first specialized Colombian microfinance bank, formed by the merger of two NGOs in the Women's World Banking (WWB) network, WWB Medellín and WWB Bogotá. The BBVA Foundation owns 51% of the bank and the remaining 49% of the shares are split equally between the two WWB affiliates. Both preceding organizations have long and successful operations in the Colombia's microfinance market (since 1985 and 1980, respectively). IFC, the financial private arm of the World Bank, has recently announced that it will invest up to 10mm USD in preferred shares of BancaMia. This financial support is in addition to technical assistance in risk management and product design provided by IFC during the MFI's conversion to a bank.

Mission and Market Positioning	Year 2007*	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio (USD)	67,976,483	163,014,834	241,303,922	263,064,479
% growth in local currency**	100.5%	45.1%	34.4%	5.3%
# of Borrowers	66,377	190,079	285,769	309,792
# of Savers	-	-	-	2
# Branches	26	76	103	107
# Employees	312	1,191	1,501	1,604
# Loan officers	157	624	758	798

\* Figures for 2007 are for WWB Medellin;

\*\* Growth figures for 2008 compare BancaMia's portfolio to the combined portfolios of WWB Bogota and WWB Medellin

The bank's business strategy is to operate nation-wide, which in its first years of existence has resulted in a rapid increase its network of branches. In order to position its brand, BancaMia began an aggressive growth since late 2008, and it is now the market leader in Colombia microfinance in terms of loan portfolio size. Thus, portfolio grew 34% in local currency as of Dec-09 and management expects at least a similar growth rate for 2010, due to better macroeconomic conditions projected for this year.

It is important to highlight that there has not been any drift from the original mission. The bank is highly committed to serve the same market niche (microfinance), but amplifying the kind of services provided to the target clientele. They expect to begin raising deposits substantially by the end of the year. Building a base of deposit clients will likely be a slow process, as it would take some time to gain the confidence of their clients, but BancaMia aims to be a pioneer in opening the micro-savings market in Colombia.

Asset Quality	Year 2007*	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio as % of Total Asse	95%	80%	84%	86%
PAR30	1.4%	3.9%	3.5%	4.3%
Restructured Loans	0.0%	0.2%	1.3%	1.4%
Loan loss reserve as % PAR 30	154%	93%	127%	130%

\* Figures for 2007 are for WWB Medellin

BancaMia has experienced some deterioration in its portfolio quality since 2008 due principally to some evidence of over-indebtedness that hit all MFIs and banks across the country, combined with the recessionary macroeconomic environment. Thus, BancaMia almost doubled its portfolio at risk (PAR30 + Restructured loans) compared to what the original borrowing MFI in BOLD (WWB Medellin) showed in 2007. Write-offs were also significant in 2009. MIS difficulties resulting from the merger negatively impacted on loan collections in 2008, but this has been overcome with a new financial core now fully in place.

When becoming a bank, BancaMia's increased its loan loss provisions considerably as a result of the adjustment to regulatory requirements. While as of the end of 2009 the bank showed just a fair loan loss reserve ratio, it has been increasing its risk coverage, and currently this ratio is well above international standards.

<b>Financial Performance</b>	Year 2007*	Year 2008**	Year 2009	may 2010
	(audited)	(unaudited)	(audited)	(unaudited)***
Return on Assets	4.4%	-0.8%	0.1%	1.8%
Return on Equity	31.7%	-6.4%	0.2%	6.6%
OSS	119%	99%	103%	109%
Portfolio yield	30.6%	38.3%	36.7%	39.5%
Operational Expense Ratio	13.2%	23.4%	20.8%	20.6%

\* Figures for 2007 are for WWB Medellin;

\*\* As BancaMia began operations in Oct 2008, figures are annualized based on data from Oct - Dec and are unaudited

\*\*\* Figures for the last twelve months

BancaMia posted a marginally positive ROA for 2009 after booking losses in 2008. Net income in both years was hit by an increase in provision expenses (due to regulatory requirements) as well as a reduction in financial revenue due to the portfolio deterioration mentioned above. Thus, the bank's gross margin declined and was not enough to cover operating expenses for most of 2009.

The bank reached break-even in November 2009, however, and profitability continues to show a positive trend. While BancaMia has booked accumulated losses of 1.2mm USD as of end-2009, these retained losses would be totally absorbed by the projected capital injection from IFC, without affecting the capital adequacy ratios of the bank. Leverage is also already quite low, at only 2.4 x. The main pending issue to be addressed by BancaMia is how to improve operational efficiency, as its operation expense ratio continues to be significantly higher than the market average.

<b>Social Performance</b>	Year 2007*	Year 2008	Year 2009
	(audited)		
Average loan size (USD)	1,024	858	844
% borrowers who are:			
- women	62%	62%	67%
- men	38%	38%	33%
- legal entities	0%	0%	0%
- rural	4%	4%	4%
- urban	96%	96%	96%
- semi-urban	0%	0%	0%

\* Figures for 2007 are for WWB Medellin;

BancaMia serves clients of the bottom socio-economic layers and more than 65% of its clients are women. Its average loan size is below USD 900, and almost 50% of its portfolio is made up of loans under USD 1500.

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BALANCE SHEET - Audited	WWB Medellin		BancaMia		BancaMia		Growth 1 Year
	Year 2007 USD		Year 2008 USD		Year 2009 USD		
<b>Assets</b>							
Cash and Cash Equiv	544,900	0.8%	4,313,584	2.1%	5,232,843	1.8%	21.3%
Cash in reserve	-	-	-	-	-	-	-
Short Term Investments	2,396,991	3.3%	923,799	0.5%	1,475,490	0.5%	59.7%
<b>Total Liquidities</b>	<b>2,941,891</b>	<b>4.1%</b>	<b>5,237,383</b>	<b>2.6%</b>	<b>6,708,333</b>	<b>2.3%</b>	<b>28.1%</b>
Gross loan portfolio Short term	20,392,945	28.4%	32,602,931	16.1%	48,260,784	16.9%	48.0%
Loan loss reserve	-1,499,037	-2.1%	-6,445,667	-3.2%	-10,776,471	-3.8%	67.2%
Other Current Assets	997,305	1.4%	4,838,480	2.4%	5,585,294	2.0%	15.4%
<b>Total Current Assets</b>	<b>22,833,104</b>	<b>31.8%</b>	<b>36,233,127</b>	<b>17.9%</b>	<b>49,777,941</b>	<b>17.4%</b>	<b>37.4%</b>
Long term outstanding loans	47,583,538	66.2%	130,411,903	64.3%	193,043,137	67.6%	48.0%
Property Plant & Equipment Net	931,862	1.3%	2,486,466	1.2%	4,479,902	1.6%	80.2%
Long term investments	558	0.0%	-	-	-	-	-
Total other long term assets	557,051	0.8%	33,731,791	16.6%	38,370,098	13.4%	13.8%
<b>Total Non-Current Assets</b>	<b>49,073,009</b>	<b>68.2%</b>	<b>166,630,160</b>	<b>82.1%</b>	<b>235,893,137</b>	<b>82.6%</b>	<b>41.6%</b>
<b>Total Assets</b>	<b>71,906,112</b>	<b>100.0%</b>	<b>202,863,287</b>	<b>100.0%</b>	<b>285,671,078</b>	<b>100.0%</b>	<b>40.8%</b>
Growth	<b>124%</b>		<b>182%</b>		<b>41%</b>		
<b>Liabilities</b>							
Sight deposits	-	-	-	-	-	-	-
Short Term Term deposits	-	-	-	-	436,275	0.2%	-
Short Term Compulsory Deposits	-	-	-	-	-	-	-
<b>Savings &amp; deposits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>436,275</b>	<b>0.2%</b>	<b>-</b>
Borrowing short term	30,739,765	42.7%	30,023,685	14.8%	46,893,627	16.4%	56.2%
Short term back to back loans	-	-	-	-	-	-	-
Other short term Liabilities	1,486,561	2.1%	11,591,783	5.7%	8,077,451	2.8%	-30.3%
<b>Total Current Liabilities</b>	<b>32,226,326</b>	<b>44.8%</b>	<b>41,615,468</b>	<b>20.5%</b>	<b>55,407,353</b>	<b>19.4%</b>	<b>33.1%</b>
Long term Term Deposits	-	-	-	-	-	-	-
Long term compulsory savings	-	-	-	-	-	-	-
Borrowing long term	31,056,698	43.2%	95,739,840	47.2%	147,182,843	51.5%	53.7%
Long term back to back loans	-	-	-	-	-	-	-
Subordinated Debt	-	-	-	-	-	-	-
Other long term liabilities	6,255	0.0%	4,557,111	2.2%	38,235	0.0%	-99.2%
<b>Total Non-Current Liabilities</b>	<b>31,062,953</b>	<b>43.2%</b>	<b>100,296,951</b>	<b>49.4%</b>	<b>147,221,078</b>	<b>51.5%</b>	<b>46.8%</b>
<b>Total Liabilities</b>	<b>63,289,279</b>	<b>88.0%</b>	<b>141,912,419</b>	<b>70.0%</b>	<b>202,628,431</b>	<b>70.9%</b>	<b>42.8%</b>
Growth	<b>140%</b>		<b>124%</b>		<b>43%</b>		
Donations	1,101,346	1.5%	-	-	-	-	-
Paid in Capital (+ add Paid)	436,159	0.6%	62,061,474	30.6%	84,094,118	29.4%	35.5%
Reserves	4,810,145	6.7%	-	-	-	-	-
Retained earnings	-	-	-	-	-1,223,039	-0.4%	-
Net income for the period	2,269,183	3.2%	-1,110,785	-0.5%	171,569	0.1%	-115.4%
<b>Total Equity</b>	<b>8,616,833</b>	<b>12.0%</b>	<b>60,950,689</b>	<b>30.0%</b>	<b>83,042,647</b>	<b>29.1%</b>	<b>36.2%</b>
Growth	<b>51%</b>		<b>607%</b>		<b>36%</b>		
<b>Total Equity &amp; Liabilities</b>	<b>71,906,112</b>	<b>100.0%</b>	<b>202,863,109</b>	<b>100.0%</b>	<b>285,671,078</b>	<b>100.0%</b>	<b>40.8%</b>
Total Net Loan Portfolio	66,477,446		156,569,167		230,527,451		<b>47.2%</b>
Total Deposits	-		-		436,275		-
Total Debt (including Sub)	61,796,463		125,763,525		194,076,471		<b>54.3%</b>
Debt Secured							
Gross Port : Total Assets	94.5%		80.4%		84.5%		
Liquidity	4.1%		2.6%		2.3%		
Solvency ratio	-		-		15.38		
Savings	0.0%		0.0%		0.2%		
Debt/equity	7.34		2.33		2.44		
Debt/equity (Sub as Equity) Unau	7.34		2.33		2.44		

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	WWB Medellin		BancaMia		BancaMia		Growth
	Year 2007		Year 2008		Year 2009		1 Year
INCOME STATEMENT - Audited	USD		USD		USD		
Income from banking	15,067,917	96.0%	13,279,998	73.3%	74,160,784	95.2%	458.4%
Income from investments	177,529	1.1%	166,506	0.9%	-232,843	-0.3%	-239.8%
<b>Total Banking Revenue</b>	<b>15,245,446</b>	97.2%	<b>13,446,504</b>	74.2%	<b>73,927,941</b>	94.9%	<b>449.8%</b>
Interest and fee on Debt	5,207,659	40.1%	4,262,831	22.2%	18,132,843	23.5%	325.4%
Interest on Deposits	-	0.0%	-	0.0%	-	0.0%	-
Loan loss provision	1,244,907	9.6%	7,971,382	41.4%	16,685,294	21.6%	109.3%
<b>Total Banking Expense</b>	<b>6,452,567</b>	49.7%	<b>12,234,213</b>	63.6%	<b>34,818,137</b>	45.2%	<b>184.6%</b>
<b>Growth</b>	<b>156%</b>		<b>90%</b>		<b>185%</b>		
<b>Gross Margin</b>	<b>8,792,879</b>	56.0%	<b>1,212,291</b>	6.7%	<b>39,109,804</b>	50.2%	<b>3126.1%</b>
Loan recuperation	-	0.0%	-	0.0%	-	0.0%	-
Other operating revenue	-	0.0%	4,007	0.0%	2,213,725	2.8%	55148.7%
<b>Total other operating Rev</b>	<b>-</b>	0.0%	<b>4,007</b>	0.0%	<b>2,213,725</b>	2.8%	<b>55148.7%</b>
Personnel expense	3,900,451	30.0%	3,463,244	18.0%	22,326,961	29.0%	544.7%
Administrative expense	2,264,509	17.4%	2,827,492	14.7%	15,672,549	20.3%	454.3%
Depreciation/amortization	293,806	2.3%	669,142	3.5%	4,045,098	5.2%	504.5%
Other operating expense	62,769	0.5%	17,363	0.1%	-	0.0%	-100.0%
<b>Total operating expense</b>	<b>6,521,535</b>	50.2%	<b>6,977,241</b>	36.3%	<b>42,044,608</b>	54.6%	<b>502.6%</b>
<b>Growth</b>	<b>86%</b>		<b>7%</b>		<b>503%</b>		
<b>Operating Margin</b>	<b>2,271,344</b>	14.5%	<b>-5,760,943</b>	-31.8%	<b>-721,078</b>	-0.9%	<b>-87.5%</b>
Consulting and training	-	0.0%	-	0.0%	-	0.0%	-
Currency gain/deflation	334,260	2.1%	-	0.0%	-	0.0%	-
Donations / Grants	16,532	0.1%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op rev	95,866	0.6%	4,671,083	25.8%	1,794,118	2.3%	-61.6%
<b>Non-operating revenue</b>	<b>446,659</b>	2.8%	<b>4,671,083</b>	25.8%	<b>1,794,118</b>	2.3%	<b>-61.6%</b>
Currency loss/inflation	338,677	2.6%	-	0.0%	-490	0.0%	-
Other/Extra-ord non-op exp	20,456	0.2%	20,925	0.1%	210,784	0.3%	907.4%
<b>Non-operating expense</b>	<b>359,133</b>	2.8%	<b>20,925</b>	0.1%	<b>210,294</b>	0.3%	<b>905.0%</b>
Taxes	89,686	0.7%	-	0.0%	691,176	0.9%	-
<b>Net Income</b>	<b>2,269,183</b>	14.5%	<b>-1,110,785</b>	-6.1%	<b>171,569</b>	0.2%	<b>-115.4%</b>
<b>Growth</b>	<b>89%</b>		<b>-149%</b>		<b>-115%</b>		
<b>Net Income (Ex Donations)</b>	<b>2,252,651</b>		<b>-1,110,785</b>		<b>171,569</b>		
Return on Assets	4.4%				0.1%		
ROA net of Donations	4.3%				0.1%		
Return on Equity	31.7%				0.2%		
ROE net of Donations	31.5%				0.2%		
Operational self-sufficiency	118.8%				103.4%		
Portfolio yield	30.6%				36.7%		
Funding Expense	11.8%				11.3%		
Gross margin ratio	18.7%				25.4%		
Operating expense ratio	13.2%				20.8%		
Net margin ratio	5.5%				4.6%		

## 6. BANEX, Nicaragua (formerly FINDESA)

\*\* BANEX is currently in default on its obligations to BOLD 2007, and has ceased interest and principal payments to lenders. BlueOrchard Finance, S.A., in its capacity of Servicer under BOLD 2007 is involved extensively in creditor discussions with Banex, and is working to obtain recovery for the BOLD 2007 transaction. The text that follows provides the status of the institution as of time of writing, but given the current very difficult, and rapidly changing situation, important events may occur to change the status of the MFI considerably. \*\*

Mission and Market Positioning	Year 2007	Year 2008	Year 2009	apr 2010
	(audited)			(unaudited)
Gross Loan Portfolio (USD)	130,658,551	139,517,822	120,293,264	101,027,292
% growth in local currency	55.1%	12.2%	-9.0%	-17.4%
# of Borrowers	34,932	35,421	23,931	21,118
# of Savers	55,741	36,825	54,469	37,576
# Branches	26	28	29	30
# Employees	575	616	636	578
# Loan officers	118	119	100	73

Findesa was created in 2002 from the operations of an NGO working in Nicaragua since 1993 and was granted a banking license in September 2008, changing its name to "Banco del Exito" ("Banex"). As of year-end 2008, Banex was the largest MFI in Nicaragua, and had a strong track record as one of the best performing institutions in the country. Prior to the current crisis, Banex typically had high portfolio quality, with PAR30 under 2%, a compounded annual growth of over 70% and an ROE over 30% per annum. In the past year and a half, however, performance has deteriorated significantly, due to a combination of external and internal factors.

Asset Quality	Year 2007	Year 2008	Year 2009	apr 2010
	(audited)			(unaudited)
Gross Loan Portfolio as % of Total Assets	80%	77%	78%	73%
PAR30	2.5%	3.9%	14.2%	16.0%
Restructured Loans	0.4%	6.6%	28.2%	29.3%
Loan loss reserve as % PAR 30	139%	110%	75%	96%

The portfolio quality of all MFIs in Nicaragua has suffered considerably in the last two years, due in part to the negative impact of the global financial crisis on the local economic activity and the decline of remittances from Nicaraguans working abroad. In addition to the macroeconomic turmoil, however, other local factors have contributed significantly to the current situation, including a "no pay" movement in the north and central regions of the country, and exposure of many MFIs to the cattle farming sector which has suffered from depressed commodity prices for beef.

Banex has been particularly hard hit due to a recent change in product mix that emphasized small and medium-sized enterprise (SME) lending, high concentration in livestock loans, and high leverage. Furthermore, it appears that Banex, in order to gain market share in an extremely aggressive and competitive market, loosened its credit practices, and lengthened loan tenures.

Financial Performance	Year 2007	Year 2008	Year 2009	Apr-10
	(audited)			(unaudited)*
Return on Assets	2.6%	1.6%	-10.0%	-14.5%
Return on Equity	26.2%	17.5%	-145.3%	-267.5%
OSS	115.6%	117.5%	77.3%	66.0%
Portfolio yield	26.5%	23.1%	22.7%	24.9%
Operational Expense Ratio	12.5%	13.4%	15.6%	11.9%

\* Figures for the last twelve months

As a result of the above, Banex is in a significantly weakened financial state. The situation includes the following:

- As of May 2010, it was estimated that 25-30% of the total gross loan portfolio will likely have to be written off
- Accumulated losses through the end of April 2010 reached USD 8.4 million and it is estimated that to date it has reached levels that will produce negative equity.
- The poor financial situation of Banex was made public by the Nicaraguan press in June and clients have since started to withdraw their deposits.

#### Restructuring

At the end of 2009, when the capital adequacy ratio was reaching critical levels, Banex shareholders agreed to contribute USD 4.5 million of additional equity if lenders agreed to partially restructure their obligations. A recapitalization by shareholders and lenders was completed in December 2009 / January 2010, including a conversion of senior debt to subordinated debt (in some cases conversion of senior debt to equity) and a moratorium of principal payments for 2010. BOLD07 participated in this restructuring by converting USD 900,000 of its USD 6mm senior debt to subordinated debt in the bank.

In addition to the above increases of equity and subordinate loans, significant changes at the management and board levels were made.

The portfolio deterioration has continued, however, and capital levels are suspected to be negative as of today. In June 2010, stakeholders made a new effort to engage in a second restructuring of the debts due by Banex with the goal of bringing the bank's equity and CAR levels to above the required levels. This effort was made because we believed that an intervention of the Superintendency, followed by a liquidation of the bank's assets, would not result in the optimal recovery of the outstanding exposure.

The second restructuring required participation of all lenders, and despite the fact that the majority expressed their written interest in the plan, some lenders decided not to go ahead, mainly because the local government development bank did not participate.

#### Current situation

The Superintendence has not intervened yet and the bank is still operating. Almost all deposits have either been returned by Banex to depositors or transferred to another bank in the country. An intervention could occur at any time. In addition, it is possible that the bank will enter a voluntary liquidation process.

BlueOrchard Data Download - Balance Sheet

BALANCE SHEET - Audited	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>Assets</b>							
Cash and Cash Equiv	22,584,936	13.8%	30,703,833	17.0%	13,873,775	9.0%	-54.8%
Cash in reserve	3,680,784	2.2%	-	-	20,469,933	13.3%	-
Short Term Investments	2,013,034	1.2%	127,967	0.1%	100,948	0.1%	-21.1%
<b>Total Liquidities</b>	<b>28,278,754</b>	17.3%	<b>30,831,801</b>	17.1%	<b>34,444,657</b>	22.4%	<b>11.7%</b>
Gross loan portfolio Short term	5,127,032	3.1%	25,171,941	13.9%	34,805,224	22.6%	38.3%
Loan loss reserve	-4,299,298	-2.6%	-5,938,269	-3.3%	-13,520,603	-8.8%	127.7%
Other Current Assets	5,899,859	3.6%	14,079,344	7.8%	2,440,810	1.6%	-82.7%
<b>Total Current Assets</b>	<b>35,006,346</b>	21.4%	<b>64,144,816</b>	35.5%	<b>58,170,088</b>	37.7%	<b>-9.3%</b>
Long term outstanding loans	125,531,519	76.7%	114,345,881	63.3%	85,488,040	55.5%	-25.2%
Property Plant & Equipment Net	2,181,907	1.3%	2,133,068	1.2%	-	-	-100.0%
Long term investments	26,653	0.0%	-	-	-	-	-
Total other long term assets	869,788	0.5%	-	-	10,439,929	6.8%	-
<b>Total Non-Current Assets</b>	<b>128,609,867</b>	78.6%	<b>116,478,949</b>	64.5%	<b>95,927,970</b>	62.3%	<b>-17.6%</b>
<b>Total Assets</b>	<b>163,616,213</b>	100.0%	<b>180,623,765</b>	100.0%	<b>154,098,057</b>	100.0%	<b>-14.7%</b>
<b>Growth</b>	<b>41%</b>		<b>10%</b>		<b>-15%</b>		
<b>Liabilities</b>							
Sight deposits	13,106,284	8.0%	4,354,828	2.4%	19,763,499	12.8%	353.8%
Short Term Deposits	15,232,640	9.3%	33,374,233	18.5%	18,205,009	11.8%	-45.5%
Short Term Compulsory Deposits	-	-	-	-	-	-	-
<b>Savings &amp; deposits</b>	<b>28,338,924</b>	17.3%	<b>37,729,061</b>	20.9%	<b>37,968,507</b>	24.6%	<b>0.6%</b>
Borrowing short term	3,336,955	2.0%	22,862,958	12.7%	47,780,630	31.0%	109.0%
Short term back to back loans	-	-	-	-	-	-	-
Other short term Liabilities	3,763,305	2.3%	6,211,695	3.4%	2,496,369	1.6%	-59.8%
<b>Total Current Liabilities</b>	<b>35,439,184</b>	21.7%	<b>66,803,714</b>	37.0%	<b>88,245,507</b>	57.3%	<b>32.1%</b>
Long term Term Deposits	-	-	-	-	-	-	-
Long term compulsory savings	-	-	-	-	-	-	-
Borrowing long term	113,194,332	69.2%	89,708,218	49.7%	52,467,522	34.0%	-41.5%
Long term back to back loans	-	-	-	-	-	-	-
Subordinated Debt	-	-	7,231,066	4.0%	7,190,943	4.7%	-0.6%
Other long term liabilities	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>113,194,332</b>	69.2%	<b>96,939,284</b>	53.7%	<b>59,658,465</b>	38.7%	<b>-38.5%</b>
<b>Total Liabilities</b>	<b>148,633,516</b>	90.8%	<b>163,742,997</b>	90.7%	<b>147,903,972</b>	96.0%	<b>-9.7%</b>
<b>Growth</b>	<b>44%</b>		<b>10%</b>		<b>-10%</b>		
Donations	-	-	195,419	0.1%	-	-	-100.0%
Paid in Capital (+ add Paid)	9,585,969	5.9%	12,220,506	6.8%	18,709,732	12.1%	53.1%
Reserves	1,756,801	1.1%	1,671,407	0.9%	2,161,721	1.4%	29.3%
Retained earnings	-4,910	0.0%	-	-	2,086,448	1.4%	-
Net income for the period	3,644,837	2.2%	2,793,436	1.5%	-16,763,815	-10.9%	-700.1%
<b>Total Equity</b>	<b>14,982,697</b>	9.2%	<b>16,880,768</b>	9.3%	<b>6,194,086</b>	4.0%	<b>-63.3%</b>
<b>Growth</b>	<b>17%</b>		<b>13%</b>		<b>-63%</b>		
<b>Total Equity &amp; Liabilities</b>	<b>163,616,213</b>	100.0%	<b>180,623,765</b>	100.0%	<b>154,098,057</b>	100.0%	<b>-14.7%</b>
Total Net Loan Portfolio	126,359,253		133,579,553		106,772,661		<b>-20.1%</b>
Total Deposits	28,338,924		37,729,061		37,968,507		<b>0.6%</b>
Total Debt (including Sub)	116,531,286		119,802,242		107,439,095		<b>-10.3%</b>
Debt Secured							
Gross Port : Total Assets	79.9%		77.2%		78.1%		
Liquidity	17.3%		17.1%		22.4%		
Solvency ratio	1.00		0.82		0.91		
Savings	17.3%		20.9%		24.6%		
Debt/equity	9.92		9.70		23.88		
Debt/equity (Sub as Equity) Unaudit	9.95		6.50		9.35		

BlueOrchard Data Download - Income Statement

	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>INCOME STATEMENT - Audited</b>							
Income from banking	29,035,387	73.9%	31,221,113	79.6%	29,436,567	79.2%	-5.7%
Income from investments	431,400	1.1%	1,984,981	5.1%	215,007	0.6%	-89.2%
<b>Total Banking Revenue</b>	<b>29,466,787</b>	75.0%	<b>33,206,094</b>	84.7%	<b>29,651,573</b>	79.7%	<b>-10.7%</b>
Interest and fee on Debt	8,715,655	30.7%	9,941,050	28.3%	9,521,006	17.7%	-4.2%
Interest on Deposits	-	0.0%	1,936,601	5.5%	2,111,850	3.9%	9.0%
Loan loss provision	5,992,729	21.1%	5,109,582	14.6%	21,516,553	40.0%	321.1%
<b>Total Banking Expense</b>	<b>14,708,384</b>	51.8%	<b>16,987,234</b>	48.4%	<b>33,149,408</b>	61.7%	<b>95.1%</b>
<b>Growth</b>	<b>47%</b>		<b>15%</b>		<b>95%</b>		
<b>Gross Margin</b>	<b>14,758,404</b>	37.5%	<b>16,218,860</b>	41.4%	<b>-3,497,835</b>	-9.4%	<b>-121.6%</b>
Loan recuperation	-	0.0%	-	0.0%	-	0.0%	-
Other operating revenue	3,455,850	8.8%	4,945,052	12.6%	6,786,297	18.2%	37.2%
<b>Total other operating Rev</b>	<b>3,455,850</b>	8.8%	<b>4,945,052</b>	12.6%	<b>6,786,297</b>	18.2%	<b>37.2%</b>
Personnel expense	6,343,693	22.3%	5,655,696	16.1%	5,311,340	9.9%	-6.1%
Administrative expense	5,350,353	18.8%	6,926,881	19.7%	6,632,051	12.3%	-4.3%
Depreciation/amortization	-	0.0%	1,743,079	5.0%	1,743,950	3.2%	0.0%
Other operating expense	1,973,991	6.9%	3,783,459	10.8%	6,605,167	12.3%	74.6%
<b>Total operating expense</b>	<b>13,668,037</b>	48.1%	<b>18,109,115</b>	51.6%	<b>20,292,508</b>	37.8%	<b>12.1%</b>
<b>Growth</b>	<b>41%</b>		<b>32%</b>		<b>12%</b>		
<b>Operating Margin</b>	<b>4,546,217</b>	11.6%	<b>3,054,797</b>	7.8%	<b>-17,004,045</b>	-45.7%	<b>-656.6%</b>
Consulting and training	-	0.0%	-	0.0%	-	0.0%	-
Currency gain/deflation	6,390,732	16.3%	1,055,139	2.7%	752,536	2.0%	-28.7%
Donations / Grants	-	0.0%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op rev	-	0.0%	-	0.0%	-	0.0%	-
<b>Non-operating revenue</b>	<b>6,390,732</b>	16.3%	<b>1,055,139</b>	2.7%	<b>752,536</b>	2.0%	<b>-28.7%</b>
Currency loss/inflation	5,663,930	19.9%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op exp	43,195	0.2%	-	0.0%	296,407	0.6%	-
<b>Non-operating expense</b>	<b>5,707,125</b>	20.1%	<b>-</b>	0.0%	<b>296,407</b>	0.6%	<b>-</b>
Taxes	1,584,987	5.6%	1,316,501	3.8%	215,898	0.4%	-83.6%
<b>Net Income</b>	<b>3,644,837</b>	9.3%	<b>2,793,436</b>	7.1%	<b>-16,763,815</b>	-45.1%	<b>-700.1%</b>
<b>Growth</b>	<b>0%</b>		<b>-23%</b>		<b>-700%</b>		
<b>Net Income (Ex Donations)</b>	<b>3,644,837</b>		<b>2,793,436</b>		<b>-16,763,815</b>		
Return on Assets	2.6%		1.6%		-10.0%		
ROA net of Donations	2.6%		1.6%		-10.0%		
Return on Equity	26.2%		17.5%		-145.3%		
ROE net of Donations	26.2%		17.5%		-145.3%		
Operational self-sufficiency	115.6%		117.5%		77.3%		
Portfolio yield	26.5%		23.1%		22.7%		
Funding Expense	7.1%		6.6%		6.3%		
Gross margin ratio	19.4%		16.5%		16.4%		
Operating expense ratio	12.5%		13.4%		15.6%		
Net margin ratio	6.9%		3.1%		0.8%		

## 7. Confianza, Peru

Financiera Confianza began operations as the microcredit program of the Peruvian NGO SEPAR and transformed into a regulated institution in 1998 under the legal status of an EDPYME. In September 2009 Confianza became a Financiera, after passing through a process of conversion and authorization from the supervisor, which entailed reinforcements in risk management, human resources and internal controls. As a Financiera, the MFI is allowed to raise deposits from the public.

Confianza's shareholding is diverse among local and international groups, providing good financial backing as demonstrated by several capital injections in the past three years. The founding NGO SEPAR holds the largest share, though this continues to decline with the entrance of new shareholders. SEPAR's holding as of December 2009 was 21.1%, followed by Oikocredit (15.3%), Incofin (12.3%), Volksvermogen (8.8%), ASN Novib Fonds (8.5%), Rural Impulse Fund (7.7%), ResponsAbility (6.8%) and CAF (2.2%), among other minority shareholders.

Mission and Market Positioning	Year 2007	Year 2008	Year 2009	apr 2010
	(audited)			(unaudited)
Gross Loan Portfolio (USD)	64,255,845	88,826,488	115,135,388	114,329,129
% growth in local currency	55.1%	45.0%	19.2%	0.9%
# of Borrowers	47,558	59,042	72,138	73,589
# of Savers	-	-	-	-
# Branches	27	35	38	38
# Employees	344	488	603	644
# Loan officers	140	236	357	386

For long time, Confianza was primarily a player in the Huancayo department and surrounding regions in the Peru sierra and has a strong market position in the central Andean region of Peru. In the past several years, the MFI has also increased its presence in Lima, in particular in the eastern suburbs where migrants from Huancayo tend to live. As of December 2009, it had 38 branches (from which 10 are local agencies shared with Banco de la Nacion, a public-owned bank). Its main competitor is the Caja Municipal de Huancayo, though it also faces growing competition from MiBanco, Cajas Municipales and EDPYMEs due to the fact that around one third of its portfolio belongs to its Lima offices.

Asset Quality	Year 2007	Year 2008	Year 2009	apr 2010
	(audited)			(unaudited)
Gross Loan Portfolio as % of Total Assets	83%	88%	83%	80%
PAR30	2.9%	3.1%	4.3%	5.7%
Restructured Loans	0.4%	0.3%	0.6%	0.6%
Loan loss reserve as % PAR 30	129%	141%	124%	120%

Confianza experienced some deterioration in its portfolio quality in 2009 following the general trend in the Peruvian microfinance market. The slowdown in economic activity in Peru was the main external factor behind the increase in portfolio at risk, but Confianza also faced some internal problems related to insufficient controls and poor credit risk monitoring in the Lima branches. Measures have been taken to strengthen admission policies, improve procedures to monitor the clients' performance and collection, and reinforce training to credit officers. Despite the recent uptick in delinquency, the level of credit risk is similar to the market average, and is amply covered by loan loss reserves.

<b>Financial Performance</b>	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)*
Return on Assets	3.0%	3.8%	3.3%	2.7%
Return on Equity	20.3%	24.7%	19.9%	16.4%
OSS	119%	127%	120%	117%
Portfolio yield	31.8%	31.7%	33.4%	34.6%
Operational Expense Ratio	15.0%	13.6%	16.0%	16.1%

\*Figures for the last twelve months

As of December 2009, in spite of a lower portfolio growth pace, Confianza showed an attractive portfolio yield and still good profitability ratios. The MFI was able to reduce financing costs, thereby offsetting loan loss provisions related to higher delinquency. Operating expenses were higher in 2009 than in prior years, due largely to the process of conversion into a Financiera, but Confianza has a clear objective to improve efficiency indicators and progress in this regard has been seen already in 2010.

<b>Social Performance</b>	Year 2007	Year 2008	Year 2009
	(audited)		
Average loan size (USD)	1,351	1,504	1,596
% borrowers who are:			
- women	40%	40%	40%
- men	60%	57%	57%
- legal entities	0%	2%	2%
- rural	13%	12%	14%
- urban	87%	88%	86%
- semi-urban	0%	0%	0%

Edpyme Confianza boasts a strong social impact given that it lends to more than 70,000 micro-entrepreneurs, many of whom live in relatively remote areas of the Peruvian sierra, and maintains a lower average loan size than that of its direct competitors.

BlueOrchard Data Download - Balance Sheet

BALANCE SHEET - Audited	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>Assets</b>							
Cash and Cash Equiv	10,998,998	14.2%	9,507,800	9.4%	15,998,269	11.6%	68.3%
Cash in reserve	-	-	-	-	40,859	0.0%	-
Short Term Investments	-	-	49,029	0.0%	4,041,551	2.9%	8143.2%
<b>Total Liquidities</b>	<b>10,998,998</b>	14.2%	<b>10,450,493</b>	10.3%	<b>21,277,008</b>	15.4%	<b>103.6%</b>
Gross loan portfolio Short term	14,121,607	18.2%	26,647,947	26.3%	41,076,870	29.7%	54.1%
Loan loss reserve	-2,361,723	-3.0%	-3,797,517	-3.7%	-5,917,936	-4.3%	55.8%
Other Current Assets	446,894	0.6%	848,774	0.8%	647,853	0.5%	-23.7%
<b>Total Current Assets</b>	<b>23,205,775</b>	29.9%	<b>34,149,698</b>	33.7%	<b>57,083,795</b>	41.2%	<b>67.2%</b>
Long term outstanding loans	50,134,238	64.7%	62,178,542	61.3%	74,058,518	53.5%	19.1%
Property Plant & Equipment Net	4,183,701	5.4%	5,155,683	5.1%	6,012,465	4.3%	16.6%
Long term investments	-	-	-	-	43,629	0.0%	-
Total other long term assets	-	-	-	-	1,241,690	0.9%	-
<b>Total Non-Current Assets</b>	<b>54,317,939</b>	70.1%	<b>67,334,225</b>	66.3%	<b>81,356,302</b>	58.8%	<b>20.8%</b>
<b>Total Assets</b>	<b>77,523,714</b>	100.0%	<b>101,483,922</b>	100.0%	<b>138,440,097</b>	100.0%	<b>36.4%</b>
<b>Growth</b>	<b>46%</b>		<b>31%</b>		<b>36%</b>		
<b>Liabilities</b>							
Sight deposits	-	-	-	-	-	-	-
Short Term Term deposits	-	-	-	-	-	-	-
Short Term Compulsory Deposits	-	-	-	-	-	-	-
<b>Savings &amp; deposits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Borrowing short term	16,192,719	20.9%	20,822,429	20.5%	40,789,127	29.5%	95.9%
Short term back to back loans	-	-	-	-	-	-	-
Other short term Liabilities	1,229,125	1.6%	2,012,735	2.0%	1,621,884	1.2%	-19.4%
<b>Total Current Liabilities</b>	<b>17,421,844</b>	22.5%	<b>22,835,164</b>	22.5%	<b>42,411,011</b>	30.6%	<b>85.7%</b>
Long term Term Deposits	-	-	-	-	-	-	-
Long term compulsory savings	-	-	-	-	-	-	-
Borrowing long term	48,578,156	62.7%	62,467,287	61.6%	72,215,720	52.2%	15.6%
Long term back to back loans	-	-	-	-	-	-	-
Subordinated Debt	-	-	-	-	-	-	-
Other long term liabilities	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>48,578,156</b>	62.7%	<b>62,467,287</b>	61.6%	<b>72,215,720</b>	52.2%	<b>15.6%</b>
<b>Total Liabilities</b>	<b>66,000,000</b>	85.1%	<b>85,302,451</b>	84.1%	<b>114,626,731</b>	82.8%	<b>34.4%</b>
<b>Growth</b>	<b>45%</b>		<b>29%</b>		<b>34%</b>		
Donations	-	-	-	-	-	-	-
Paid in Capital (+ add Paid)	9,263,527	11.9%	12,269,659	12.1%	18,920,706	13.7%	54.2%
Reserves	315,297	0.4%	485,833	0.5%	900,970	0.7%	85.4%
Retained earnings	-	-	-	-	-	-	-
Net income for the period	1,944,890	2.5%	3,425,979	3.4%	3,991,690	2.9%	16.5%
<b>Total Equity</b>	<b>11,523,714</b>	14.9%	<b>16,181,471</b>	15.9%	<b>23,813,366</b>	17.2%	<b>47.2%</b>
<b>Growth</b>	<b>51%</b>		<b>40%</b>		<b>47%</b>		
<b>Total Equity &amp; Liabilities</b>	<b>77,523,714</b>	100.0%	<b>101,483,922</b>	100.0%	<b>138,440,097</b>	100.0%	<b>36.4%</b>
Total Net Loan Portfolio	61,894,122		85,028,972		109,217,452		<b>28.4%</b>
Total Deposits	-		-		-		-
Total Debt (including Sub)	64,770,875		83,289,717		113,004,848		<b>35.7%</b>
Debt Secured							
Gross Port : Total Assets	82.9%		87.5%		83.2%		
Liquidity	14.2%		10.3%		15.4%		
Solvency ratio	-		-		-		
Savings	0.0%		0.0%		0.0%		
Debt/equity	5.73		5.27		4.81		
Debt/equity (Sub as Equity) Unaudit	5.73		3.84		3.60		

BlueOrchard Data Download - Income Statement

	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>INCOME STATEMENT - Audited</b>							
Income from banking	16,370,741	94.2%	24,247,692	96.4%	34,042,590	96.4%	40.4%
Income from investments	345,691	2.0%	246,100	1.0%	116,343	0.3%	-52.7%
<b>Total Banking Revenue</b>	<b>16,716,433</b>	96.2%	<b>24,493,792</b>	97.4%	<b>34,158,934</b>	96.8%	<b>39.5%</b>
Interest and fee on Debt	5,294,589	36.8%	6,747,851	34.6%	9,568,560	32.6%	41.8%
Interest on Deposits	-	0.0%	-	0.0%	-	0.0%	-
Loan loss provision	1,294,923	9.0%	2,245,145	11.5%	3,388,504	11.5%	50.9%
<b>Total Banking Expense</b>	<b>6,589,512</b>	45.8%	<b>8,992,996</b>	46.1%	<b>12,957,064</b>	44.2%	<b>44.1%</b>
<b>Growth</b>	<b>76%</b>		<b>36%</b>		<b>44%</b>		
<b>Gross Margin</b>	<b>10,126,921</b>	58.3%	<b>15,500,796</b>	61.6%	<b>21,201,870</b>	60.1%	<b>36.8%</b>
Loan recuperation	-	0.0%	99,013	0.4%	-	0.0%	-100.0%
Other operating revenue	197,729	1.1%	241,961	1.0%	538,435	1.5%	122.5%
<b>Total other operating Rev</b>	<b>197,729</b>	1.1%	<b>340,974</b>	1.4%	<b>538,435</b>	1.5%	<b>57.9%</b>
Personnel expense	4,349,365	30.3%	6,169,373	31.7%	8,454,294	28.8%	37.0%
Administrative expense	2,935,872	20.4%	3,722,381	19.1%	6,502,770	22.2%	74.7%
Depreciation/amortization	388,444	2.7%	480,739	2.5%	776,316	2.6%	61.5%
Other operating expense	67,802	0.5%	61,127	0.3%	576,177	2.0%	842.6%
<b>Total operating expense</b>	<b>7,741,483</b>	53.9%	<b>10,433,620</b>	53.5%	<b>16,309,557</b>	55.6%	<b>56.3%</b>
<b>Growth</b>	<b>50%</b>		<b>35%</b>		<b>56%</b>		
<b>Operating Margin</b>	<b>2,583,166</b>	14.9%	<b>5,408,150</b>	21.5%	<b>5,430,748</b>	15.4%	<b>0.4%</b>
Consulting and training	-	0.0%	-	0.0%	-	0.0%	-
Currency gain/deflation	-	0.0%	-	0.0%	412,396	1.2%	-
Donations / Grants	45,090	0.3%	100,923	0.4%	-	0.0%	-100.0%
Other/Extra-ord non-op rev	423,848	2.4%	211,716	0.8%	195,291	0.6%	-7.8%
<b>Non-operating revenue</b>	<b>468,938</b>	2.7%	<b>312,639</b>	1.2%	<b>607,687</b>	1.7%	<b>94.4%</b>
Currency loss/inflation	-	0.0%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op exp	42,084	0.3%	59,854	0.3%	73,061	0.2%	22.1%
<b>Non-operating expense</b>	<b>42,084</b>	0.3%	<b>59,854</b>	0.3%	<b>73,061</b>	0.2%	<b>22.1%</b>
Taxes	1,065,130	7.4%	2,234,957	11.5%	1,994,460	6.8%	-10.8%
<b>Net Income</b>	<b>1,944,890</b>	11.2%	<b>3,425,979</b>	13.6%	<b>3,970,914</b>	11.2%	<b>15.9%</b>
<b>Growth</b>	<b>164%</b>		<b>76%</b>		<b>16%</b>		
<b>Net Income (Ex Donations)</b>	<b>1,899,800</b>		<b>3,325,056</b>		<b>3,970,914</b>		
Return on Assets	3.0%		3.8%		3.3%		
ROA net of Donations	2.9%		3.7%		3.3%		
Return on Equity	20.3%		24.7%		19.9%		
ROE net of Donations	19.9%		24.0%		19.9%		
Operational self-sufficiency	118.8%		127.1%		120.5%		
Portfolio yield	31.8%		31.7%		33.4%		
Funding Expense	9.7%		9.1%		9.7%		
Gross margin ratio	22.1%		22.6%		23.6%		
Operating expense ratio	15.0%		13.6%		16.0%		
Net margin ratio	7.1%		8.9%		7.6%		

## 8. Constanta, Georgia

Constanta Bank is a for-profit regulated Microfinance Organization, registered as a bank since 2008. It transformed from an NGO to a Joint-Stock Company in 2007 in line with the 2006 microfinance law. It is owned by its founding NGO, Constanta Foundation (77.5%) and management (22.6%). The institution is currently negotiating with new shareholders already active in microfinance to expand its shareholder base.

Constanta, was founded in 1997, and registered as a Microfinance Organization in March 2005. Initial funding was provided by UNHCR and subsequently USAID.

Mission and Market Positioning	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio (USD)	26,988,672	34,713,556	31,617,813	33,638,391
% growth in local currency	24.9%	34.7%	-7.9%	12.7%
# of Borrowers	14,653	11,549	11,466	13,981
# of Savers	-	-	-	-
# Branches	20	21	21	21
# Employees	354	309	317	353
# Loan officers	139	98	114	138

With its 21-branch network Constanta currently covers the main urban areas and the main rural centers of Georgia. The number of borrowers increased by 21.9% year to date in May 2010 to 13,981 which is a very good performance compared to the previous two years during which Constanta lost many clients following a change in its strategy to focus on larger individual loans.

In comparison with its competitors, Constanta now has a strong performance both in terms of profitability and growth. This has also given the MFI greater access to external financing: Poor financial performance in the last three years had made it difficult for Constanta to raise funding, but since the second half of 2009, the institution has successfully managed to secure loans from international lenders again. This will support the institution's growth in the future.

Asset Quality	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio as % of Total Assets	68%	82%	81%	80%
PAR30	0.4%	0.9%	1.7%	1.0%
Restructured Loans	0.0%	0.9%	1.5%	1.5%
Loan loss reserve as % PAR 30	459%	549%	192%	290%

As of May 2010, Constanta reported total assets of USD 41.9 million of which 80% was comprised of its loan portfolio. The bank had USD 3.8 million in cash. Total assets were up by 6.9% year-on-year in USD.

The portfolio quality of the institution remains very good with a PAR 30 at 1%, year-to-date write-offs at 1.5% and reprogrammed loans at 1.5%. Loan loss provisions more than adequately cover the portfolio at risk.

Financial Performance	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)*
Return on Assets	-1.3%	-6.1%	0.2%	1.2%
Return on Equity	-5.4%	-30.5%	1.4%	7.0%
OSS	94%	81%	105%	103%
Portfolio yield	37.5%	30.0%	28.3%	32.4%
Operational Expense Ratio	28.6%	25.9%	18.3%	20.5%

\*Figures for the last twelve months

In 2009 posted a ROA of 0.2% which was its first profitable year since 2006. The bank is also in full compliances with the capital adequacy ratio as of May 2010. Constanta's financial situation has continued to improve during 2010 with operating expenses decreasing to a reasonable level of 20% of portfolio as at May 2010.

<b>Social Performance</b>	Year 2007	Year 2008	Year 2009
	(audited)		
Average loan size (USD)	1,842	3,006	2,758
% borrowers who are:			
- women	50%	42%	24%
- men	50%	57%	30%
- legal entities	0%	1%	51%
- rural	31%	32%	29%
- urban	69%	68%	76%
- semi-urban	0%	0%	0%

Constanta has a natural geographic diversification in both rural and urban areas as it is working on a national level. Constanta also has a good social impact operating in rural areas providing micro loans with average loan size of USD 2,387 as of May 2010.

BlueOrchard Data Download - Balance Sheet

BALANCE SHEET - Audited	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>Assets</b>							
Cash and Cash Equiv	1,177,470	2.9%	1,470,995	3.5%	2,748,677	7.0%	86.9%
Cash in reserve	-	-	12,624	0.0%	311,552	0.8%	2367.9%
Short Term Investments	5,858,402	14.7%	1,238,954	2.9%	32,107	0.1%	-97.4%
<b>Total Liquidities</b>	<b>7,035,872</b>	<b>17.6%</b>	<b>2,722,573</b>	<b>6.4%</b>	<b>3,092,336</b>	<b>7.9%</b>	<b>13.6%</b>
Gross loan portfolio Short term	13,509,125	33.8%	23,344,154	55.1%	18,306,677	46.7%	-21.6%
Loan loss reserve	-534,298	-1.3%	-1,095,882	-2.6%	-854,985	-2.2%	-22.0%
Other Current Assets	312,146	0.8%	-	-	630,240	1.6%	-
<b>Total Current Assets</b>	<b>20,322,845</b>	<b>50.9%</b>	<b>24,970,845</b>	<b>59.0%</b>	<b>21,174,267</b>	<b>54.0%</b>	<b>-15.2%</b>
Long term outstanding loans	13,479,547	33.8%	11,369,402	26.8%	13,311,136	33.9%	17.1%
Property Plant & Equipment Net	4,709,880	11.8%	5,088,668	12.0%	4,650,098	11.9%	-8.6%
Long term investments	-	-	-	-	-	-	-
Total other long term assets	1,402,769	3.5%	923,956	2.2%	89,185	0.2%	-90.3%
<b>Total Non-Current Assets</b>	<b>19,592,196</b>	<b>49.1%</b>	<b>17,382,026</b>	<b>41.0%</b>	<b>18,050,419</b>	<b>46.0%</b>	<b>3.8%</b>
<b>Total Assets</b>	<b>39,915,041</b>	<b>100.0%</b>	<b>42,352,870</b>	<b>100.0%</b>	<b>39,224,686</b>	<b>100.0%</b>	<b>-7.4%</b>
<b>Growth</b>	<b>27%</b>		<b>6%</b>		<b>-7%</b>		
<b>Liabilities</b>							
Sight deposits	-	-	674,482	1.6%	590,404	1.5%	-12.5%
Short Term Term deposits	-	-	-	-	-	-	-
Short Term Compulsory Deposits	-	-	-	-	-	-	-
<b>Savings &amp; deposits</b>	<b>-</b>	<b>-</b>	<b>674,482</b>	<b>1.6%</b>	<b>590,404</b>	<b>1.5%</b>	<b>-12.5%</b>
Borrowing short term	10,698,553	26.8%	29,397,054	69.4%	17,637,196	45.0%	-40.0%
Short term back to back loans	-	-	-	-	-	-	-
Other short term Liabilities	353,052	0.9%	154,494	0.4%	265,176	0.7%	71.6%
<b>Total Current Liabilities</b>	<b>11,051,605</b>	<b>27.7%</b>	<b>30,226,029</b>	<b>71.4%</b>	<b>18,492,776</b>	<b>47.1%</b>	<b>-38.8%</b>
Long term Term Deposits	-	-	-	-	-	-	-
Long term compulsory savings	-	-	-	-	-	-	-
Borrowing long term	19,197,609	48.1%	5,195,071	12.3%	13,782,032	35.1%	165.3%
Long term back to back loans	-	-	-	-	-	-	-
Subordinated Debt	-	-	-	-	-	-	-
Other long term liabilities	244,179	0.6%	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>19,441,787</b>	<b>48.7%</b>	<b>5,195,071</b>	<b>12.3%</b>	<b>13,782,032</b>	<b>35.1%</b>	<b>165.3%</b>
<b>Total Liabilities</b>	<b>30,493,392</b>	<b>76.4%</b>	<b>35,421,100</b>	<b>83.6%</b>	<b>32,274,808</b>	<b>82.3%</b>	<b>-8.9%</b>
<b>Growth</b>	<b>29%</b>		<b>16%</b>		<b>-9%</b>		
Donations	-	-	-	-	-	-	-
Paid in Capital (+ add Paid)	9,104,468	22.8%	9,422,904	22.2%	9,319,817	23.8%	-1.1%
Reserves	784,770	2.0%	-	-	-	-	-
Retained earnings	-	-	-	-	-2,463,880	-6.3%	-
Net income for the period	-467,590	-1.2%	-2,491,133	-5.9%	93,941	0.2%	-103.8%
<b>Total Equity</b>	<b>9,421,649</b>	<b>23.6%</b>	<b>6,931,770</b>	<b>16.4%</b>	<b>6,949,878</b>	<b>17.7%</b>	<b>0.3%</b>
<b>Growth</b>	<b>21%</b>		<b>-26%</b>		<b>0%</b>		
<b>Total Equity &amp; Liabilities</b>	<b>39,915,041</b>	<b>100.0%</b>	<b>42,352,870</b>	<b>100.0%</b>	<b>39,224,686</b>	<b>100.0%</b>	<b>-7.4%</b>
Total Net Loan Portfolio	26,454,374		33,617,674		30,762,828		<b>-8.5%</b>
Total Deposits	-		674,482		590,404		<b>-12.5%</b>
Total Debt (including Sub)	29,896,161		34,592,125		31,419,228		<b>-9.2%</b>
Debt Secured							
Gross Port : Total Assets	67.6%		82.0%		80.6%		
Liquidity	17.6%		6.4%		7.9%		
Solvency ratio	-		4.04		5.24		
Savings	0.0%		1.6%		1.5%		
Debt/equity	3.24		5.11		4.64		
Debt/equity (Sub as Equity) Unaudit	3.24		5.62		4.78		

CONSTANTA  
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BlueOrchard Data Download - Income Statement

INCOME STATEMENT - Audited	Year 2007		Year 2008		Year 2009		Growth 1 Year
	USD		USD		USD		
Income from banking	8,841,410	86.4%	9,240,156	93.7%	9,392,354	94.6%	1.6%
Income from investments	-	0.0%	177,938	1.8%	67,186	0.7%	-62.2%
<b>Total Banking Revenue</b>	<b>8,841,410</b>	86.4%	<b>9,418,094</b>	95.5%	<b>9,459,540</b>	95.3%	<b>0.4%</b>
Interest and fee on Debt	3,089,364	30.5%	3,084,460	24.8%	2,700,517	27.7%	-12.4%
Interest on Deposits	-	0.0%	71,536	0.6%	30,917	0.3%	-56.8%
Loan loss provision	157,961	1.6%	1,289,450	10.4%	981,628	10.1%	-23.9%
<b>Total Banking Expense</b>	<b>3,247,325</b>	32.0%	<b>4,445,446</b>	35.7%	<b>3,713,063</b>	38.0%	<b>-16.5%</b>
<b>Growth</b>	<b>90%</b>		<b>37%</b>		<b>-16%</b>		
<b>Gross Margin</b>	<b>5,594,084</b>	54.6%	<b>4,972,648</b>	50.4%	<b>5,746,477</b>	57.9%	<b>15.6%</b>
Loan recuperation	-	0.0%	90,772	0.9%	-	0.0%	-100.0%
Other operating revenue	561,359	5.5%	-	0.0%	328,200	3.3%	-
<b>Total other operating Rev</b>	<b>561,359</b>	5.5%	<b>90,772</b>	0.9%	<b>328,200</b>	3.3%	<b>261.6%</b>
Personnel expense	2,716,803	26.8%	3,943,493	31.7%	3,167,846	32.4%	-19.7%
Administrative expense	3,285,085	32.4%	2,538,022	20.4%	2,122,599	21.7%	-16.4%
Depreciation/amortization	498,427	4.9%	936,580	7.5%	762,828	7.8%	-18.6%
Other operating expense	238,515	2.4%	575,894	4.6%	-	0.0%	-100.0%
<b>Total operating expense</b>	<b>6,738,829</b>	66.4%	<b>7,993,989</b>	64.2%	<b>6,053,273</b>	62.0%	<b>-24.3%</b>
<b>Growth</b>	<b>91%</b>		<b>19%</b>		<b>-24%</b>		
<b>Operating Margin</b>	<b>-583,386</b>	-5.7%	<b>-2,930,568</b>	-29.7%	<b>21,404</b>	0.2%	<b>-100.7%</b>
Consulting and training	-	0.0%	-	0.0%	-	0.0%	-
Currency gain/deflation	-	0.0%	343,853	3.5%	133,777	1.3%	-61.1%
Donations / Grants	796,728	7.8%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op rev	38,389	0.4%	11,422	0.1%	7,135	0.1%	-37.5%
<b>Non-operating revenue</b>	<b>835,116</b>	8.2%	<b>355,275</b>	3.6%	<b>140,912</b>	1.4%	<b>-60.3%</b>
Currency loss/inflation	193,833	1.9%	221,821	1.8%	23,188	0.2%	-89.5%
Other/Extra-ord non-op exp	157,332	1.6%	18,635	0.1%	-	0.0%	-100.0%
<b>Non-operating expense</b>	<b>351,164</b>	3.5%	<b>240,457</b>	1.9%	<b>23,188</b>	0.2%	<b>-90.4%</b>
Taxes	368,156	3.6%	-324,617	-2.6%	45,187	0.5%	-113.9%
<b>Net Income</b>	<b>-467,590</b>	-4.6%	<b>-2,491,133</b>	-25.3%	<b>93,941</b>	0.9%	<b>-103.8%</b>
<b>Growth</b>	<b>-147%</b>		<b>433%</b>		<b>-104%</b>		
<b>Net Income (Ex Donations)</b>	<b>-1,264,317</b>		<b>-2,491,133</b>		<b>93,941</b>		
Return on Assets	-1.3%		-6.1%		0.2%		
ROA net of Donations	-3.5%		-6.1%		0.2%		
Return on Equity	-5.4%		-30.5%		1.4%		
ROE net of Donations	-14.7%		-30.5%		1.4%		
Operational self-sufficiency	94.2%		81.0%		104.6%		
Portfolio yield	37.5%		30.0%		28.3%		
Funding Expense	11.6%		9.5%		8.0%		
Gross margin ratio	25.9%		20.5%		20.3%		
Operating expense ratio	28.6%		25.9%		18.3%		
Net margin ratio	-2.7%		-5.4%		2.0%		

## 9. Crear Arequipa, Peru

Crear Arequipa recently transformed into a Financiera, which is a deposit taking financial institution regulated by the Peruvian banking superintendency. It began operations in 1992 as the microcredit program of the Peruvian NGO Habitat Peru and become a regulated institution under the form of an EDPYME in 1998 with the involvement of local entrepreneurs.

The majority of the capital belongs to 13 individuals (75.4%), of whom two own more than 15% of the shares. The distribution of shareholding has not changed since the entrance at the end of 2007 of NOVIB (6.79%), IADB (with 6.76%), and CAF (5.81%). Habitat, the founding NGO, holds the remaining 5.22% of the shares.

Mission and Market Positioning	Year 2007	Year 2008	Year 2009	apr 2010
	(audited)			(unaudited)
Gross Loan Portfolio (USD)	47,656,981	62,486,788	108,544,668	118,244,967
% growth in local currency	50.0%	37.6%	59.7%	10.7%
# of Borrowers	36,022	52,476	79,325	86,065
# of Savers	-	-	-	-
# Branches	9	14	21	23
# Employees	366	579	767	788
# Loan officers	136	205	309	315

Crear Arequipa was originally a regional player in Arequipa but is currently also positioned strongly in Lima with nearly half (10) of the MFI's branches now located in Peruvian capital. Arequipa is one of the most competitive microfinance markets in Peru and the largest market share belongs to CMAC Arequipa, BCP and MiBanco.

Asset Quality	Year 2007	Year 2008	Year 2009	apr 2010
	(audited)			(unaudited)
Gross Loan Portfolio as % of Total Assets	94%	86%	93%	86%
PAR30	2.9%	3.0%	4.0%	5.4%
Restructured Loans	0.2%	0.0%	0.1%	0.1%
Loan loss reserve as % PAR 30	128%	147%	115%	105%

As of May 2010, the outstanding portfolio of Crear Arequipa was USD 121 million, from which 84% corresponds to microcredit loans, and has grown 11% YTD. The figures for portfolio quality are still reasonably strong with a PAR 30 of 5.4%, although this has been on an increasing trend since the end of 2008 as a consequence of the slowing economy, where GDP growth of almost 10% in 2008 declined to slightly under 1% in 2009

Financial Performance	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)*
Return on Assets	5.1%	4.1%	3.7%	4.5%
Return on Equity	33.2%	28.7%	30.4%	36.1%
OSS	136%	128%	124%	129%
Portfolio yield	33.1%	32.7%	34.3%	36.5%
Operational Expense Ratio	13.5%	13.1%	14.3%	13.8%

\*Figures for the last twelve months

Even with a reduction of its operating margin, Crear Arequipa shows consistently strong returns, with a net income of USD 3.5 million at the end of 2009, which translates into a ROA and ROE levels of 3.7% and 30.4% respectively. Thus far in 2010, the margins seem to be improving. Eighty percent of net income is capitalized each year, allowing the institution to continue to expand. Operational efficiency is reasonable for an institution of its size at 13.9%.

<b>Social Performance</b>	Year 2007	Year 2008	Year 2009
	(audited)		
Average loan size (USD)	1,323	1,191	1,368
% borrowers who are:			
- women	53%	52%	53%
- men	47%	46%	46%
- legal entities	0%	2%	1%
- rural	0%	0%	0%
- urban	100%	100%	100%
- semi-urban	0%	0%	0%

Financiera Crear Arequipa boasts over 86,000 clients, almost 45% of which are unique to them. With an average loan size of USD around USD 1,300 for its total portfolio, Crear Arequipa reaches a lower market niche than its competitors and plays an important role in financial inclusion.

CREAR AREQUIPA  
Peru

BlueOrchard Data Download - Balance Sheet

BALANCE SHEET - Audited	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>Assets</b>							
Cash and Cash Equiv	2,541,750	5.0%	9,330,150	12.9%	4,921,053	4.2%	-47.3%
Cash in reserve	956,580	1.9%	-	-	-	-	-
Short Term Investments	-	-	-	-	-	-	-
<b>Total Liquidities</b>	<b>3,498,330</b>	6.9%	<b>10,375,995</b>	14.4%	<b>10,879,848</b>	9.3%	<b>4.9%</b>
Gross loan portfolio Short term	32,526,800	64.5%	43,740,751	60.5%	81,837,258	69.8%	87.1%
Loan loss reserve	-1,807,949	-3.6%	-2,677,491	-3.7%	-4,916,551	-4.2%	83.6%
Other Current Assets	84,502	0.2%	296,084	0.4%	184,903	0.2%	-37.6%
<b>Total Current Assets</b>	<b>34,301,683</b>	68.0%	<b>51,735,339</b>	71.6%	<b>87,985,457</b>	75.1%	<b>70.1%</b>
Long term outstanding loans	15,130,180	30.0%	18,746,036	25.9%	26,707,410	22.8%	42.5%
Property Plant & Equipment Net	934,870	1.9%	1,622,732	2.2%	1,978,532	1.7%	21.9%
Long term investments	-	-	-	-	-	-	-
Total other long term assets	99,866	0.2%	141,356	0.2%	540,859	0.5%	282.6%
<b>Total Non-Current Assets</b>	<b>16,164,916</b>	32.0%	<b>20,510,124</b>	28.4%	<b>29,226,801</b>	24.9%	<b>42.5%</b>
<b>Total Assets</b>	<b>50,466,600</b>	100.0%	<b>72,245,463</b>	100.0%	<b>117,212,258</b>	100.0%	<b>62.2%</b>
<b>Growth</b>	<b>34%</b>		<b>43%</b>		<b>62%</b>		
<b>Liabilities</b>							
Sight deposits	-	-	-	-	-	-	-
Short Term Term deposits	-	-	-	-	-	-	-
Short Term Compulsory Deposits	-	-	-	-	-	-	-
<b>Savings &amp; deposits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Borrowing short term	8,533,400	16.9%	9,327,921	12.9%	35,530,125	30.3%	280.9%
Short term back to back loans	-	-	-	-	-	-	-
Other short term Liabilities	635,939	1.3%	821,394	1.1%	1,221,260	1.0%	48.7%
<b>Total Current Liabilities</b>	<b>9,169,339</b>	18.2%	<b>10,149,316</b>	14.0%	<b>36,751,385</b>	31.4%	<b>262.1%</b>
Long term Term Deposits	-	-	-	-	-	-	-
Long term compulsory savings	-	-	-	-	-	-	-
Borrowing long term	33,434,536	66.3%	52,478,828	72.6%	66,977,147	57.1%	27.6%
Long term back to back loans	-	-	-	-	-	-	-
Subordinated Debt	-	-	-	-	-	-	-
Other long term liabilities	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>33,434,536</b>	66.3%	<b>52,478,828</b>	72.6%	<b>66,977,147</b>	57.1%	<b>27.6%</b>
<b>Total Liabilities</b>	<b>42,603,874</b>	84.4%	<b>62,628,144</b>	86.7%	<b>103,728,532</b>	88.5%	<b>65.6%</b>
<b>Growth</b>	<b>33%</b>		<b>47%</b>		<b>66%</b>		
Donations	-	-	-	-	-	-	-
Paid in Capital (+ add Paid)	5,209,753	10.3%	6,493,155	9.0%	9,022,853	7.7%	39.0%
Reserves	427,522	0.8%	619,866	0.9%	946,676	0.8%	52.7%
Retained earnings	-	-	-	-	-	-	-
Net income for the period	2,225,451	4.4%	2,504,298	3.5%	3,514,197	3.0%	40.3%
<b>Total Equity</b>	<b>7,862,725</b>	15.6%	<b>9,617,319</b>	13.3%	<b>13,483,726</b>	11.5%	<b>40.2%</b>
<b>Growth</b>	<b>42%</b>		<b>22%</b>		<b>40%</b>		
<b>Total Equity &amp; Liabilities</b>	<b>50,466,600</b>	100.0%	<b>72,245,463</b>	100.0%	<b>117,212,258</b>	100.0%	<b>62.2%</b>
Total Net Loan Portfolio	45,849,031		59,809,296		103,628,116		<b>73.3%</b>
Total Deposits	-		-		-		-
Total Debt (including Sub)	41,967,936		61,806,749		102,507,271		<b>65.9%</b>
Debt Secured							
Gross Port : Total Assets	94.4%		86.5%		92.6%		
Liquidity	6.9%		14.4%		9.3%		
Solvency ratio	-		-		-		
Savings	0.0%		0.0%		0.0%		
Debt/equity	5.42		6.51		7.69		
Debt/equity (Sub as Equity) Unaudit	5.41		4.94		5.96		

CREAR AREOUIPA  
Peru

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	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>INCOME STATEMENT - Audited</b>							
Income from banking	12,828,323	94.9%	18,018,784	99.0%	29,372,922	98.7%	63.0%
Income from investments	553,774	4.1%	-	0.0%	-	0.0%	-
<b>Total Banking Revenue</b>	<b>13,382,098</b>	99.0%	<b>18,018,784</b>	99.0%	<b>29,372,922</b>	98.7%	<b>63.0%</b>
Interest and fee on Debt	3,785,237	37.1%	5,039,160	35.2%	8,068,906	33.0%	60.1%
Interest on Deposits	-	0.0%	-	0.0%	-	0.0%	-
Loan loss provision	1,178,357	11.5%	2,063,356	14.4%	3,753,809	15.3%	81.9%
<b>Total Banking Expense</b>	<b>4,963,594</b>	48.7%	<b>7,102,515</b>	49.7%	<b>11,822,715</b>	48.3%	<b>66.5%</b>
<b>Growth</b>	<b>55%</b>		<b>43%</b>		<b>66%</b>		
<b>Gross Margin</b>	<b>8,418,504</b>	62.3%	<b>10,916,269</b>	60.0%	<b>17,550,208</b>	59.0%	<b>60.8%</b>
Loan recuperation	111,556	0.8%	-	0.0%	279,432	0.9%	-
Other operating revenue	-	0.0%	318	0.0%	693	0.0%	117.5%
<b>Total other operating Rev</b>	<b>111,556</b>	0.8%	<b>318</b>	0.0%	<b>280,125</b>	0.9%	<b>87887.2%</b>
Personnel expense	3,285,571	32.2%	4,284,304	30.0%	7,710,873	31.5%	80.0%
Administrative expense	1,772,545	17.4%	2,715,696	19.0%	3,996,191	16.3%	47.2%
Depreciation/amortization	136,941	1.3%	166,507	1.2%	279,432	1.1%	67.8%
Other operating expense	30,728	0.3%	27,698	0.2%	250,346	1.0%	803.8%
<b>Total operating expense</b>	<b>5,225,785</b>	51.2%	<b>7,194,206</b>	50.3%	<b>12,236,842</b>	50.0%	<b>70.1%</b>
<b>Growth</b>	<b>70%</b>		<b>38%</b>		<b>70%</b>		
<b>Operating Margin</b>	<b>3,304,275</b>	24.5%	<b>3,722,381</b>	20.4%	<b>5,593,490</b>	18.8%	<b>50.3%</b>
Consulting and training	-	0.0%	-	0.0%	-	0.0%	-
Currency gain/deflation	-	0.0%	-	0.0%	-	0.0%	-
Donations / Grants	-	0.0%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op rev	17,702	0.1%	186,246	1.0%	101,801	0.3%	-45.3%
<b>Non-operating revenue</b>	<b>17,702</b>	0.1%	<b>186,246</b>	1.0%	<b>101,801</b>	0.3%	<b>-45.3%</b>
Currency loss/inflation	-	0.0%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op exp	13,026	0.1%	-	0.0%	400,277	1.6%	-
<b>Non-operating expense</b>	<b>13,026</b>	0.1%	<b>-</b>	0.0%	<b>400,277</b>	1.6%	<b>-</b>
Taxes	1,083,500	10.6%	1,404,330	9.8%	1,780,817	7.3%	26.8%
<b>Net Income</b>	<b>2,225,451</b>	16.5%	<b>2,504,298</b>	13.8%	<b>3,514,197</b>	11.8%	<b>40.3%</b>
<b>Growth</b>	<b>55%</b>		<b>13%</b>		<b>40%</b>		
<b>Net Income (Ex Donations)</b>	<b>2,225,451</b>		<b>2,504,298</b>		<b>3,514,197</b>		
Return on Assets	5.1%		4.1%		3.7%		
ROA net of Donations	5.1%		4.1%		3.7%		
Return on Equity	33.2%		28.7%		30.4%		
ROE net of Donations	33.2%		28.7%		30.4%		
Operational self-sufficiency	136.1%		127.9%		124.4%		
Portfolio yield	33.1%		32.7%		34.3%		
Funding Expense	10.3%		9.7%		9.8%		
Gross margin ratio	22.8%		23.0%		24.5%		
Operating expense ratio	13.5%		13.1%		14.3%		
Net margin ratio	9.3%		9.9%		10.2%		

## 10. CredAgro, Azerbaijan

CredAgro, a non-bank credit organization, was established in May 2000 by USAID and ACDI/VOCA was granted the ownership of CredAgro by USAID in 2005. With a widespread network of branches, CredAgro targets the upper end of the rural microfinance market, offering a well diversified range of individual products.

Mission and Market Positioning	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio (USD)	32,682,554	51,663,282	44,648,145	40,673,199
% growth in local currency	224.6%	51.3%	-14.5%	-8.8%
# of Borrowers	8,596	13,773	20,145	21,768
# of Savers	-	-	-	-
# Branches	21	21	21	22
# Employees	139	197	315	304
# Loan officers	57	86	135	135

Credagro focuses on the rural regions of Azerbaijan servicing 21,768 clients all over the country through its network of 22 branches. In 2010, Credagro continues to downscale its portfolio by focusing on smaller-sized loans and to consolidate existing assets. Therefore, the institution is not growing in 2010 in terms of assets but its client base is expanding.

Asset Quality	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio as % of Total Assets	84%	86%	89%	88%
PAR30	0.7%	1.6%	5.1%	9.9%
Restructured Loans	0.0%	0.0%	0.1%	0.0%
Loan loss reserve as % PAR 30	187%	114%	60%	73%

Portfolio quality has continued to decrease in recent months and PAR30 stood at 9.9% at end-May 2010, versus 6.5% 12 months earlier. The loan loss reserve is kept at a relatively low level and does not cover the increase in past due loans, and stood at 73.2% as of May 2010.

The decline in portfolio quality is due largely to fraud committed by a group of CredAgro employees, and discovered in 2008. These employees were identified and fired including part of the top management in the summer and fall 2008. By October 2008 strong measures were taken to review and revise all of CredAgro's lending procedures and processes and new, well-qualified managers were hired. Today, CredAgro still has some portfolio quality issues linked to this fraud but management feels that all necessary, including legal, actions have been taken. PAR30 was expected to rise somewhat, though to no higher than 10-12%, and the MFI is confident that 80% to 90% of the portfolio at risk will ultimately be repaid. CredAgro is under very close monitoring by all its lenders and provides progress reports on a regular basis.

Financial Performance	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)*
Return on Assets	6.8%	7.6%	1.0%	0.8%
Return on Equity	27.0%	41.2%	4.8%	4.0%
OSS	141%	158%	103%	104%
Portfolio yield	25.9%	31.9%	32.8%	32.7%
Operational Expense Ratio	7.8%	8.5%	13.9%	15.8%

\*Figures for the last twelve months

CredAgro posted weak results for 2009 with an ROA of 1% and ROE of 4.8% as of December 2009, due to the impact of the fraud mentioned above. Year-to-date results through the end of May 2010 are positive but much lower than in the past, due mostly to the loan loss provision expenses. The operating expenses remain relatively low at 15.6% and the portfolio yield has increased to reach 32% (up from 25%).

<b>Social Performance</b>	Year 2007	Year 2008	Year 2009
	(audited)		
Average loan size (USD)	3,802	3,751	2,216
% borrowers who are:			
- women	13%	13%	14%
- men	87%	87%	86%
- legal entities	0%	0%	0%
- rural	78%	80%	73%
- urban	22%	20%	27%
- semi-urban	0%	0%	0%

Credagro's wide network of branches covers many rural areas of Azerbaijan that do not have any other provider of financial services and the strategy is to keep the focus on rural areas in the future.

BlueOrchard Data Download - Balance Sheet

BALANCE SHEET - Audited	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>Assets</b>							
Cash and Cash Equiv	941,460	2.4%	876,287	1.5%	1,369,201	2.7%	56.3%
Cash in reserve	-	-	-	-	-	-	-
Short Term Investments	4,555,139	11.7%	5,147,988	8.6%	-	-	-100.0%
<b>Total Liquidities</b>	<b>5,496,599</b>	<b>14.1%</b>	<b>6,024,275</b>	<b>10.1%</b>	<b>1,369,201</b>	<b>2.7%</b>	<b>-77.3%</b>
Gross loan portfolio Short term	32,682,554	83.8%	17,508,843	29.3%	24,313,023	48.4%	38.9%
Loan loss reserve	-448,609	-1.1%	-959,131	-1.6%	-1,451,055	-2.9%	51.3%
Other Current Assets	250,481	0.6%	503,630	0.8%	1,925,459	3.8%	282.3%
<b>Total Current Assets</b>	<b>37,981,026</b>	<b>97.3%</b>	<b>23,077,617</b>	<b>38.6%</b>	<b>26,156,628</b>	<b>52.0%</b>	<b>13.3%</b>
Long term outstanding loans	-	-	34,154,439	57.1%	20,335,121	40.5%	-40.5%
Property Plant & Equipment Net	1,039,371	2.7%	2,282,356	3.8%	3,390,588	6.7%	48.6%
Long term investments	-	-	-	-	-	-	-
Total other long term assets	-	-	325,856	0.5%	388,229	0.8%	19.1%
<b>Total Non-Current Assets</b>	<b>1,039,371</b>	<b>2.7%</b>	<b>36,762,651</b>	<b>61.4%</b>	<b>24,113,939</b>	<b>48.0%</b>	<b>-34.4%</b>
<b>Total Assets</b>	<b>39,020,396</b>	<b>100.0%</b>	<b>59,840,268</b>	<b>100.0%</b>	<b>50,270,567</b>	<b>100.0%</b>	<b>-16.0%</b>
<b>Growth</b>	<b>288%</b>		<b>53%</b>		<b>-16%</b>		
<b>Liabilities</b>							
Sight deposits	-	-	-	-	-	-	-
Short Term Term deposits	-	-	-	-	-	-	-
Short Term Compulsory Deposits	-	-	-	-	-	-	-
<b>Savings &amp; deposits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Borrowing short term	-	-	16,939,417	28.3%	6,204,638	12.3%	-63.4%
Short term back to back loans	-	-	-	-	-	-	-
Other short term Liabilities	563,064	1.4%	1,634,566	2.7%	1,577,255	3.1%	-3.5%
<b>Total Current Liabilities</b>	<b>563,064</b>	<b>1.4%</b>	<b>18,573,983</b>	<b>31.0%</b>	<b>7,781,893</b>	<b>15.5%</b>	<b>-58.1%</b>
Long term Term Deposits	-	-	-	-	-	-	-
Long term compulsory savings	-	-	-	-	-	-	-
Borrowing long term	31,338,559	80.3%	29,634,458	49.5%	31,820,061	63.3%	7.4%
Long term back to back loans	-	-	-	-	-	-	-
Subordinated Debt	-	-	-	-	-	-	-
Other long term liabilities	31,814	0.1%	375,059	0.6%	-	-	-100.0%
<b>Total Non-Current Liabilities</b>	<b>31,370,373</b>	<b>80.4%</b>	<b>30,009,517</b>	<b>50.1%</b>	<b>31,820,061</b>	<b>63.3%</b>	<b>6.0%</b>
<b>Total Liabilities</b>	<b>31,933,437</b>	<b>81.8%</b>	<b>48,583,500</b>	<b>81.2%</b>	<b>39,601,954</b>	<b>78.8%</b>	<b>-18.5%</b>
<b>Growth</b>	<b>572%</b>		<b>52%</b>		<b>-18%</b>		
Donations	-	-	-	-	-	-	-
Paid in Capital (+ add Paid)	5,351	0.0%	5,647	0.0%	5,636	0.0%	-0.2%
Reserves	3,068,695	7.9%	3,238,412	5.4%	2,095,904	4.2%	-35.3%
Retained earnings	4,012,914	10.3%	8,012,709	13.4%	8,039,003	16.0%	0.3%
Net income for the period	-	-	-	-	528,070	1.1%	-
<b>Total Equity</b>	<b>7,086,960</b>	<b>18.2%</b>	<b>11,256,768</b>	<b>18.8%</b>	<b>10,668,613</b>	<b>21.2%</b>	<b>-5.2%</b>
<b>Growth</b>	<b>34%</b>		<b>59%</b>		<b>-5%</b>		
<b>Total Equity &amp; Liabilities</b>	<b>39,020,396</b>	<b>100.0%</b>	<b>59,840,268</b>	<b>100.0%</b>	<b>50,270,567</b>	<b>100.0%</b>	<b>-16.0%</b>
Total Net Loan Portfolio	32,233,945		50,704,151		43,197,089		-14.8%
Total Deposits	-		-		-		-
Total Debt (including Sub)	31,338,559		46,573,875		38,024,699		-18.4%
Debt Secured							
Gross Port : Total Assets	83.8%		86.3%		88.8%		
Liquidity	14.1%		10.1%		2.7%		
Solvency ratio	-		-		-		
Savings	0.0%		0.0%		0.0%		
Debt/equity	4.51		4.32		3.71		
Debt/equity (Sub as Equity) Unaudit	4.44		1.58		1.56		

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	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>INCOME STATEMENT - Audited</b>							
Income from banking	5,500,027	97.9%	13,432,363	99.6%	15,795,941	96.4%	17.6%
Income from investments	-	0.0%	-	0.0%	-	0.0%	-
<b>Total Banking Revenue</b>	<b>5,500,027</b>	97.9%	<b>13,432,363</b>	99.6%	<b>15,795,941</b>	96.4%	<b>17.6%</b>
Interest and fee on Debt	1,429,484	41.5%	4,457,573	52.1%	4,825,149	30.8%	8.2%
Interest on Deposits	-	0.0%	-	0.0%	-	0.0%	-
Loan loss provision	365,514	10.6%	497,336	5.8%	4,144,042	26.4%	733.2%
<b>Total Banking Expense</b>	<b>1,794,998</b>	52.1%	<b>4,954,909</b>	58.0%	<b>8,969,191</b>	57.2%	<b>81.0%</b>
<b>Growth</b>	<b>566%</b>		<b>176%</b>		<b>81%</b>		
<b>Gross Margin</b>	<b>3,705,029</b>	65.9%	<b>8,477,454</b>	62.9%	<b>6,826,750</b>	41.7%	<b>-19.5%</b>
Loan recuperation	-	0.0%	-	0.0%	-	0.0%	-
Other operating revenue	16,348	0.3%	-	0.0%	579,190	3.5%	-
<b>Total other operating Rev</b>	<b>16,348</b>	0.3%	<b>-</b>	0.0%	<b>579,190</b>	3.5%	<b>-</b>
Personnel expense	1,097,188	31.8%	2,543,479	29.8%	4,504,515	28.7%	77.1%
Administrative expense	475,053	13.8%	812,311	9.5%	1,806,128	11.5%	122.3%
Depreciation/amortization	79,713	2.3%	147,499	1.7%	392,054	2.5%	165.8%
Other operating expense	-	0.0%	89,688	1.0%	-	0.0%	-100.0%
<b>Total operating expense</b>	<b>1,651,953</b>	47.9%	<b>3,592,977</b>	42.0%	<b>6,702,697</b>	42.8%	<b>86.5%</b>
<b>Growth</b>	<b>139%</b>		<b>117%</b>		<b>87%</b>		
<b>Operating Margin</b>	<b>2,069,424</b>	36.8%	<b>4,884,477</b>	36.2%	<b>703,244</b>	4.3%	<b>-85.6%</b>
Consulting and training	-	0.0%	-	0.0%	-	0.0%	-
Currency gain/deflation	51,565	0.9%	50,722	0.4%	7,094	0.0%	-86.0%
Donations / Grants	51,945	0.9%	4,705	0.0%	75	0.0%	-98.4%
Other/Extra-ord non-op rev	-	0.0%	-	0.0%	-	0.0%	-
<b>Non-operating revenue</b>	<b>103,510</b>	1.8%	<b>55,427</b>	0.4%	<b>7,169</b>	0.0%	<b>-87.1%</b>
Currency loss/inflation	-	0.0%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op exp	-	0.0%	-	0.0%	-	0.0%	-
<b>Non-operating expense</b>	<b>-</b>	0.0%	<b>-</b>	0.0%	<b>-</b>	0.0%	<b>-</b>
Taxes	501,566	14.6%	1,162,046	13.6%	182,343	1.2%	-84.3%
<b>Net Income</b>	<b>1,671,368</b>	29.7%	<b>3,777,858</b>	28.0%	<b>528,070</b>	3.2%	<b>-86.0%</b>
<b>Growth</b>	<b>271%</b>		<b>126%</b>		<b>-86%</b>		
<b>Net Income (Ex Donations)</b>	<b>1,619,423</b>		<b>3,773,153</b>		<b>527,995</b>		
Return on Assets	6.8%		7.6%		1.0%		
ROA net of Donations	6.6%		7.6%		1.0%		
Return on Equity	27.0%		41.2%		4.8%		
ROE net of Donations	26.2%		41.1%		4.8%		
Operational self-sufficiency	140.9%		157.7%		102.5%		
Portfolio yield	25.9%		31.9%		32.8%		
Funding Expense	8.0%		11.4%		11.4%		
Gross margin ratio	17.9%		20.4%		21.4%		
Operating expense ratio	7.8%		8.5%		13.9%		
Net margin ratio	10.2%		11.9%		7.5%		

## 11. Financiera Edyficar

Edyficar was created in 1997 as an EDPYME by Care Perú and Care International. It absorbed the lending programs of Care Perú in 1992. Over the past few years, Edyficar emerged as the largest EDPYME and became the first EDPYME to convert into a Financiera in February 2008, a status which will allow Edyficar to capture deposits from the public. In September 2009 Banco de Credito del Peru (BCP) acquired 100% of the share of Care Perú, becoming the largest shareholders of Edyficar. In this operation, on a consolidated basis BCP becomes the leader in all banking segments in Peru (corporate, commercial, consumer and microenterprise) as their own microfinance lending operations (generally in higher amounts) were already large.

Mission and Market Positioning	Year 2007	Year 2008	Year 2009	apr 2010
	(audited)			(unaudited)
Gross Loan Portfolio (USD)	130,021,710	188,923,273	249,941,136	276,992,842
% growth in local currency	50.8%	52.4%	21.6%	12.6%
# of Borrowers	137,018	180,885	213,203	235,788
# of Savers	-	4	4,003	2,386
# Branches	17	20	23	100
# Employees	722	961	1,247	1,342
# Loan officers	376	525	666	714

As of April 2010, Edyficar had the 6th largest micro and small loan portfolio in Peru with 4.6% of the market. Ahead of Edyficar are Mibanco, Banco de Credito (Shareholder), ScotiaBank, CrediScotia Financiera and CMAC Arequipa. This percentage share understates Edyficar's market position because it tends to compete in a lower end of this category. Most full-scale banks and CMACs compete in the upper segment of microfinance and small business loans (which in Perú is defined as any loan under 30,000 USD) while Edyficar's competes more on the lower to middle, and upper segment of microfinance, as reflected in an average loan size of microloans of USD 1,200 vs. USD 3,000 of CMACs and USD 2,600 of Mibanco. Full-service banks that are also active in the microfinance market have much larger average loan sizes: BCP's average MYPE (Micro and small business) loan, for example, is USD 9,500.

In terms of geographic concentration, Edyficar has about 26% of its volume in Lima and a presence in 15 of Peru's 25 departments (provinces). Edyficar has the second largest network of offices in among microfinance institutions in Peru after MiBanco. Banco La Nacion, a state-owned bank, has by far the largest overall branch network in Peru and establishes service points at Banco de la Nacion branches has allowed Edyficar to service various remote areas with no or few alternative lenders.

As Financiera Edyficar can now collect deposits, they have USD 35mm in deposits from 2,386 active savers.

Asset Quality	Year 2007	Year 2008	Year 2009	apr 2010
	(audited)			(unaudited)
Gross Loan Portfolio as % of Total Assets	87%	85%	92%	80%
PAR30	3.0%	2.7%	3.9%	4.6%
Restructured Loans	0.7%	0.4%	0.6%	0.7%
Loan loss reserve as % PAR 30	129%	154%	154%	150%

As of April 2010, the outstanding portfolio of Edyficar was USD 277 million of which microcredit loans account for 82%. The portfolio grew 32% in 2009, mostly in microloans and consumer loans. Portfolio quality remains strong with a PAR 30 of 4.6%, although it has increased from 2.7% in December 2008, in large degree as a consequence of a slowing local economy. This increase in portfolio at risk was felt by all MFIs in Peru as the GDP grow slightly under 1% as compared to

almost 10% in the previous year. Refinanced loans are only 0.7% and the MFI's risk coverage ratio is high.

<b>Financial Performance</b>	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)*
Return on Assets	5.5%	4.9%	3.3%	3.5%
Return on Equity	32.3%	32.2%	22.5%	25.8%
OSS	136%	130%	119%	127%
Portfolio yield	35.4%	33.1%	33.9%	34.2%
Operational Expense Ratio	17.5%	16.1%	17.0%	15.9%

\*Figures for the last twelve months

Edyficar's profitability indicators in 2009 declined from prior years as a result of a near doubling in loan loss provisions and collection expenses. Nevertheless, with a 3.3% ROA and 22.5% ROE, profitability indicators are in line with the average in Peru's microfinance market and still comfortable.

<b>Social Performance</b>	Year 2007	Year 2008	Year 2009
	(audited)		
Average loan size (USD)	949	1,044	1,172
% borrowers who are:			
- women	50%	47%	47%
- men	50%	53%	50%
- legal entities	0%	0%	3%
- rural	0%	0%	0%
- urban	100%	100%	100%
- semi-urban	0%	0%	0%

Financiera Edyficar boasts nearly 236,000 clients, over 50% of which are unique to them. With an average loan size of USD 1,172 (for its total portfolio) and its presence in many areas where there is no competition, Edyficar reaches a lower market niche than its competitors and plays an important role in financial inclusion.

BlueOrchard Data Download - Balance Sheet

BALANCE SHEET - Audited	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>Assets</b>							
Cash and Cash Equiv	15,150,301	10.1%	1,695,957	0.8%	12,372,576	4.5%	629.5%
Cash in reserve	-	-	-	-	-	-	-
Short Term Investments	-	-	8,016,555	3.6%	3,012,119	1.1%	-62.4%
<b>Total Liquidities</b>	<b>15,150,301</b>	10.1%	<b>28,398,918</b>	12.7%	<b>15,384,695</b>	5.6%	<b>-45.8%</b>
Gross loan portfolio Short term	88,721,009	59.2%	157,508,755	70.6%	122,959,834	45.1%	-21.9%
Loan loss reserve	-4,868,069	-3.2%	-7,567,972	-3.4%	-14,957,064	-5.5%	97.6%
Other Current Assets	<u>1,587,842</u>	1.1%	-	-	<u>4,659,280</u>	1.7%	-
<b>Total Current Assets</b>	<b>100,591,082</b>	67.1%	<b>178,339,701</b>	79.9%	<b>128,046,745</b>	47.0%	<b>-28.2%</b>
Long term outstanding loans	41,300,701	27.6%	31,414,518	14.1%	126,981,302	46.6%	304.2%
Property Plant & Equipment Net	7,981,630	5.3%	8,536,453	3.8%	9,552,285	3.5%	11.9%
Long term investments	-	-	-	-	-	-	-
Total other long term assets	-	-	4,874,881	2.2%	7,962,950	2.9%	63.3%
<b>Total Non-Current Assets</b>	<b>49,282,331</b>	32.9%	<b>44,825,852</b>	20.1%	<b>144,496,537</b>	53.0%	<b>222.4%</b>
<b>Total Assets</b>	<b>149,873,413</b>	100.0%	<b>223,165,552</b>	100.0%	<b>272,543,283</b>	100.0%	<b>22.1%</b>
<b>Growth</b>	<b>58%</b>		<b>49%</b>		<b>22%</b>		
<b>Liabilities</b>							
Sight deposits	-	-	-	-	-	-	-
Short Term Term deposits	-	-	6,581,980	2.9%	35,140,582	12.9%	433.9%
Short Term Compulsory Deposits	-	-	-	-	-	-	-
<b>Savings &amp; deposits</b>	-	-	<b>6,581,980</b>	2.9%	<b>35,140,582</b>	12.9%	<b>433.9%</b>
Borrowing short term	44,984,636	30.0%	76,174,785	34.1%	85,907,548	31.5%	12.8%
Short term back to back loans	-	-	-	-	-	-	-
Other short term Liabilities	<u>4,844,021</u>	3.2%	<u>5,998,408</u>	2.7%	<u>8,478,186</u>	3.1%	41.3%
<b>Total Current Liabilities</b>	<b>49,828,657</b>	33.2%	<b>88,755,174</b>	39.8%	<b>129,526,316</b>	47.5%	<b>45.9%</b>
Long term Term Deposits	-	-	-	-	-	-	-
Long term compulsory savings	-	-	-	-	-	-	-
Borrowing long term	74,685,705	49.8%	102,752,308	46.0%	101,918,629	37.4%	-0.8%
Long term back to back loans	-	-	-	-	-	-	-
Subordinated Debt	-	-	-	-	-	-	-
Other long term liabilities	-	-	-	-	<u>340,374</u>	0.1%	-
<b>Total Non-Current Liabilities</b>	<b>74,685,705</b>	49.8%	<b>102,752,308</b>	46.0%	<b>102,259,003</b>	37.5%	<b>-0.5%</b>
<b>Total Liabilities</b>	<b>124,514,362</b>	83.1%	<b>191,507,482</b>	85.8%	<b>231,785,319</b>	85.0%	<b>21.0%</b>
<b>Growth</b>	<b>59%</b>		<b>54%</b>		<b>21%</b>		
Donations	-	-	-	-	-	-	-
Paid in Capital (+ add Paid)	16,599,198	11.1%	19,936,644	8.9%	28,831,025	10.6%	44.6%
Reserves	1,989,980	1.3%	2,542,184	1.1%	3,763,504	1.4%	48.0%
Retained earnings	-	-	-	-	-	-	-
Net income for the period	<u>6,769,873</u>	4.5%	<u>9,179,242</u>	4.1%	<u>8,163,435</u>	3.0%	-11.1%
<b>Total Equity</b>	<b>25,359,051</b>	16.9%	<b>31,658,071</b>	14.2%	<b>40,757,964</b>	15.0%	<b>28.7%</b>
<b>Growth</b>	<b>54%</b>		<b>25%</b>		<b>29%</b>		
<b>Total Equity &amp; Liabilities</b>	<b>149,873,413</b>	100.0%	<b>223,165,552</b>	100.0%	<b>272,543,283</b>	100.0%	<b>22.1%</b>
Total Net Loan Portfolio	125,153,641		181,355,301		234,984,072		<b>29.6%</b>
Total Deposits	-		6,581,980		35,140,582		<b>433.9%</b>
Total Debt (including Sub)	119,670,341		178,927,093		187,826,177		<b>5.0%</b>
Debt Secured							
Gross Port : Total Assets	86.8%		84.7%		91.7%		
Liquidity	10.1%		12.7%		5.6%		
Solvency ratio	-		4.31		0.44		
Savings	0.0%		2.9%		12.9%		
Debt/equity	4.91		6.05		5.69		
Debt/equity (Sub as Equity) Unaudit	5.02		4.23		4.92		

EDYFICAR  
Peru

BlueOrchard Data Download - Income Statement

	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>INCOME STATEMENT - Audited</b>							
Income from banking	37,337,675	92.9%	52,777,141	92.9%	74,481,302	94.7%	41.1%
Income from investments	594,188	1.5%	722,063	1.3%	1,474,723	1.9%	104.2%
<b>Total Banking Revenue</b>	<b>37,931,864</b>	94.4%	<b>53,499,204</b>	94.2%	<b>75,956,025</b>	96.5%	<b>42.0%</b>
Interest and fee on Debt	7,741,817	25.6%	11,510,665	26.0%	14,347,299	21.7%	24.6%
Interest on Deposits	-	0.0%	70,678	0.2%	934,557	1.4%	1222.3%
Loan loss provision	3,958,918	13.1%	6,602,038	14.9%	13,053,324	19.7%	97.7%
<b>Total Banking Expense</b>	<b>11,700,735</b>	38.7%	<b>18,183,381</b>	41.1%	<b>28,335,180</b>	42.8%	<b>55.8%</b>
<b>Growth</b>	<b>55%</b>		<b>55%</b>		<b>56%</b>		
<b>Gross Margin</b>	<b>26,231,129</b>	65.3%	<b>35,315,823</b>	62.2%	<b>47,620,845</b>	60.5%	<b>34.8%</b>
Loan recuperation	2,007,348	5.0%	2,460,045	4.3%	2,075,139	2.6%	-15.6%
Other operating revenue	120,240	0.3%	419,612	0.7%	628,116	0.8%	49.7%
<b>Total other operating Rev</b>	<b>2,127,589</b>	5.3%	<b>2,879,656</b>	5.1%	<b>2,703,255</b>	3.4%	<b>-6.1%</b>
Personnel expense	12,561,122	41.6%	17,523,719	39.6%	21,828,947	33.0%	24.6%
Administrative expense	4,850,701	16.0%	6,682,267	15.1%	9,819,598	14.8%	47.0%
Depreciation/amortization	861,055	2.8%	1,147,405	2.6%	1,615,997	2.4%	40.8%
Other operating expense	163,661	0.5%	317,733	0.7%	4,118,421	6.2%	1196.2%
<b>Total operating expense</b>	<b>18,436,540</b>	61.0%	<b>25,671,124</b>	58.1%	<b>37,382,964</b>	56.5%	<b>45.6%</b>
<b>Growth</b>	<b>47%</b>		<b>39%</b>		<b>46%</b>		
<b>Operating Margin</b>	<b>9,922,178</b>	24.7%	<b>12,524,355</b>	22.0%	<b>12,941,136</b>	16.4%	<b>3.3%</b>
Consulting and training	-	0.0%	-	0.0%	-	0.0%	-
Currency gain/deflation	-	0.0%	-	0.0%	-	0.0%	-
Donations / Grants	-	0.0%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op rev	122,912	0.3%	434,575	0.8%	28,393	0.0%	-93.5%
<b>Non-operating revenue</b>	<b>122,912</b>	0.3%	<b>434,575</b>	0.8%	<b>28,393</b>	0.0%	<b>-93.5%</b>
Currency loss/inflation	-	0.0%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op exp	85,504	0.3%	357,529	0.8%	477,493	0.7%	33.6%
<b>Non-operating expense</b>	<b>85,504</b>	0.3%	<b>357,529</b>	0.8%	<b>477,493</b>	0.7%	<b>33.6%</b>
Taxes	3,189,713	10.6%	3,422,159	7.7%	4,328,601	6.5%	26.5%
<b>Net Income</b>	<b>6,769,873</b>	16.8%	<b>9,179,242</b>	16.2%	<b>8,163,435</b>	10.4%	<b>-11.1%</b>
<b>Growth</b>	<b>73%</b>		<b>36%</b>		<b>-11%</b>		
<b>Net Income (Ex Donations)</b>	<b>6,769,873</b>		<b>9,179,242</b>		<b>8,163,435</b>		
Return on Assets	5.5%		4.9%		3.3%		
ROA net of Donations	5.5%		4.9%		3.3%		
Return on Equity	32.3%		32.2%		22.5%		
ROE net of Donations	32.3%		32.2%		22.5%		
Operational self-sufficiency	136.2%		130.0%		118.5%		
Portfolio yield	35.4%		33.1%		33.9%		
Funding Expense	7.9%		7.5%		7.0%		
Gross margin ratio	27.5%		25.6%		26.9%		
Operating expense ratio	17.5%		16.1%		17.0%		
Net margin ratio	10.0%		9.5%		9.9%		

## 12. EKI, Bosnia Herzegovina

EKI is a credit-only, not-for-profit Microcredit Foundation formed under the terms of the 2007 Microfinance Law of the Federation of Bosnia and Herzegovina and regulated by the Banking Agency of Bosnia and Herzegovina. It is a member of the international U.S. based network World Vision International (World Vision). The MFI began operations in February 1996 in Tuzla, Bosnia-Herzegovina as a project of World Vision and funded by the World Bank's Local Initiatives Project. Over the years, EKI extended its operations throughout the country and registered as a local microcredit organization in March 2001, with its subsequent registration as a foundation in 2008.

EKI plans to transform to a for-profit Microcredit Company in order to better meet its clients' needs with loan amounts up to EUR 25,000 (vs. EUR 5,000 under its current status) and to better attract international lenders and investors. Vision Fund, a fully owned subsidiary of World Vision, will be introduced as shareholder by converting its current senior loan to equity and the expected initial capital structure will be 40% for the Foundation and 60% for Vision Fund. EKI might at a later stage seek other international investors.

Mission and Market Positioning	Year 2007	Year 2008	Year 2009	apr 2010
	(audited)			(unaudited)
Gross Loan Portfolio (USD)	121,247,303	148,217,923	113,468,968	92,248,077
% growth in local currency	79.8%	27.4%	-24.2%	-24.1%
# of Borrowers	41,222	53,039	51,618	48,052
# of Savers	-	-	-	-
# Branches	12	14	15	15
# Employees	281	320	316	184
# Loan officers	181	187	181	158

EKI's mission is "to reduce the economic causes of poverty." EKI loans and services aim to start up and improve small businesses, crafts, services and agricultural activities. The targeted clients are low income households, women, invalids, returnees and individuals whose businesses create or sustain jobs. EKI is well-positioned in the medium- and low-end of the market and focuses on individual and rural lending. It operates through a large network of 15 branches and over 60 satellites offices covering almost all of Bosnia's territory and offers a well-diversified range of products.

All MFIs in Bosnia experienced sharp declines in their portfolios during 2009 following years of very strong growth, and EKI was no exception. Indeed, over the last quarter of 2008 and the course of 2009, EKI slowed down its disbursements and focused on the increasing portfolio in arrears. EKI remains one of the market leaders in Bosnia, however, and ranks third in number of clients, just behind Mikrofin and Partner.

Asset Quality	Year 2007	Year 2008	Year 2009	apr 2010
	(audited)			(unaudited)
Gross Loan Portfolio as % of Total Assets	98%	100%	93%	94%
PAR30	0.4%	1.7%	8.4%	9.7%
Restructured Loans	0.0%	0.1%	0.2%	0.5%
Loan loss reserve as % PAR 30	84%	94%	104%	101%

While portfolio quality was excellent over the past years (PAR 30 was consistently below 1%), EKI has seen this ratio rise from 1.7% as of December 2008 to 10% as of May 2010. The international financial crisis has hit Bosnia severely and the aggressive growth across the sector throughout the last five years has resulted in high over-indebtedness of clients. EKI is active in addressing risk by slowing down disbursements, introducing rescheduling of loans and through more stringent control of its portfolio. EKI is also the first Bosnian MFI to have created a proper risk management department.

Financial Performance	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)*
Return on Assets	7.5%	3.7%	-5.2%	-3.8%
Return on Equity	35.8%	19.3%	-28.9%	-19.8%
OSS	152%	124%	84%	89%
Portfolio yield	22.1%	20.0%	20.0%	20.6%
Operational Expense Ratio	9.1%	7.7%	7.3%	8.5%

\*Figures for the last twelve months

EKI has historically been a highly profitable institution with consistently strong profitability over the past five years (ROE over 22% and ROA over 5%). However, due to the severe crisis in Bosnia, financial performance has declined significantly and the MFI posted losses in 2009 with an ROA of -3.6% and an ROE of -24.1%.

The first quarter of 2010 showed a deepening trend of weaker profitability. However, monthly net income became positive again in May 2010, thanks to a slight improvement of the portfolio quality in volume, which reduced the provision expenses.

Overall, EKI's action plan for 2010 is to decrease the portfolio by 30%, to strengthen its risk management function and to focus on smaller loans whose quality is better. EKI's priority will remain focused on increasing quality control, improving portfolio quality, hiring and training collection officers, while carefully managing the costs.

Social Performance	Year 2007	Year 2008	Year 2009
	(audited)		
Average loan size (USD)	2,941	2,795	2,198
% borrowers who are:			
- women	40%	41%	42%
- men	60%	59%	58%
- legal entities	0%	0%	0%
- rural	60%	64%	64%
- urban	35%	34%	35%
- semi-urban	5%	2%	1%

EKI's end statement policy seeks "to maintain 100% FSS by providing financial services to 40% of low-income households resulting in 5% having improvement in period of 12 months". The institution targets an allocation of 40% of its portfolio to microloans (less than EUR 2,500). This allocation should increase with the new policy of disbursing more small loans for quality reasons. EKI measures its social impact through the use of a balance scorecard evaluating seven indicators of well-being. The latest results show that half of the sample population saw an improvement in these indicators thanks to an EKI loan.

BlueOrchard Data Download - Balance Sheet

BALANCE SHEET - Audited	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>Assets</b>							
Cash and Cash Equiv	723,495	0.6%	965,231	0.6%	3,092,178	2.5%	220.4%
Cash in reserve	-	-	-	-	-	-	-
Short Term Investments	418,977	0.3%	410,241	0.3%	7,344,840	6.0%	1690.4%
<b>Total Liquidities</b>	<b>1,142,472</b>	<b>0.9%</b>	<b>1,375,473</b>	<b>0.9%</b>	<b>10,437,018</b>	<b>8.5%</b>	<b>658.8%</b>
Gross loan portfolio Short term	57,544,151	46.5%	70,754,340	47.5%	60,251,928	49.2%	-14.8%
Loan loss reserve	-433,543	-0.4%	-3,417,952	-2.3%	-11,724,568	-9.6%	243.0%
Other Current Assets	-1,601,924	-1.3%	-1,673,698	-1.1%	-1,097,319	-0.9%	-34.4%
<b>Total Current Assets</b>	<b>56,651,157</b>	<b>45.8%</b>	<b>67,038,163</b>	<b>45.0%</b>	<b>57,867,058</b>	<b>47.2%</b>	<b>-13.7%</b>
Long term outstanding loans	63,703,152	51.5%	77,463,582	52.0%	53,217,040	43.4%	-31.3%
Property Plant & Equipment Net	3,405,675	2.8%	4,430,463	3.0%	4,077,855	3.3%	-8.0%
Long term investments	-	-	-	-	7,344,840	6.0%	-
Total other long term assets	673	0.0%	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>67,109,500</b>	<b>54.2%</b>	<b>81,894,045</b>	<b>55.0%</b>	<b>64,639,736</b>	<b>52.8%</b>	<b>-21.1%</b>
<b>Total Assets</b>	<b>123,760,657</b>	<b>100.0%</b>	<b>148,932,208</b>	<b>100.0%</b>	<b>122,506,794</b>	<b>100.0%</b>	<b>-17.7%</b>
<b>Growth</b>	<b>97%</b>		<b>20%</b>		<b>-18%</b>		
<b>Liabilities</b>							
Sight deposits	-	-	-	-	-	-	-
Short Term Term deposits	-	-	-	-	-	-	-
Short Term Compulsory Deposits	-	-	-	-	-	-	-
<b>Savings &amp; deposits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Borrowing short term	19,385,892	15.7%	28,394,676	19.1%	41,021,667	33.5%	44.5%
Short term back to back loans	-	-	-	-	-	-	-
Other short term Liabilities	898,037	0.7%	1,539,133	1.0%	1,080,426	0.9%	-29.8%
<b>Total Current Liabilities</b>	<b>20,283,929</b>	<b>16.4%</b>	<b>29,933,809</b>	<b>20.1%</b>	<b>42,102,093</b>	<b>34.4%</b>	<b>40.7%</b>
Long term Term Deposits	-	-	-	-	-	-	-
Long term compulsory savings	-	-	-	-	-	-	-
Borrowing long term	79,522,262	64.3%	90,440,791	60.7%	59,244,216	48.4%	-34.5%
Long term back to back loans	-	-	-	-	-	-	-
Subordinated Debt	-	-	-	-	-	-	-
Other long term liabilities	-	-	576,811	0.4%	-	-	-100.0%
<b>Total Non-Current Liabilities</b>	<b>79,522,262</b>	<b>64.3%</b>	<b>91,017,603</b>	<b>61.1%</b>	<b>59,244,216</b>	<b>48.4%</b>	<b>-34.9%</b>
<b>Total Liabilities</b>	<b>99,806,191</b>	<b>80.6%</b>	<b>120,951,411</b>	<b>81.2%</b>	<b>101,346,309</b>	<b>82.7%</b>	<b>-16.2%</b>
<b>Growth</b>	<b>110%</b>		<b>21%</b>		<b>-16%</b>		
Donations	5,010,688	4.0%	754,292	0.5%	761,660	0.6%	1.0%
Paid in Capital (+ add Paid)	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Retained earnings	11,908,272	9.6%	22,227,233	14.9%	27,492,472	22.4%	23.7%
Net income for the period	7,035,507	5.7%	4,999,273	3.4%	-7,093,647	-5.8%	-241.9%
<b>Total Equity</b>	<b>23,954,466</b>	<b>19.4%</b>	<b>27,980,797</b>	<b>18.8%</b>	<b>21,160,485</b>	<b>17.3%</b>	<b>-24.4%</b>
<b>Growth</b>	<b>56%</b>		<b>17%</b>		<b>-24%</b>		
<b>Total Equity &amp; Liabilities</b>	<b>123,760,657</b>	<b>100.0%</b>	<b>148,932,208</b>	<b>100.0%</b>	<b>122,506,794</b>	<b>100.0%</b>	<b>-17.7%</b>
Total Net Loan Portfolio	120,813,760		144,799,971		101,744,400		-29.7%
Total Deposits	-		-		-		-
Total Debt (including Sub)	98,908,154		118,835,467		100,265,883		-15.6%
Debt Secured							
Gross Port : Total Assets	98.0%		99.5%		92.6%		
Liquidity	0.9%		0.9%		8.5%		
Solvency ratio	-		-		-		
Savings	0.0%		0.0%		0.0%		
Debt/equity	4.17		4.32		4.79		
Debt/equity (Sub as Equity) Unaudit	4.27		4.29		4.53		

BlueOrchard Data Download - Income Statement

	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>INCOME STATEMENT - Audited</b>							
Income from banking	20,153,086	97.0%	26,971,923	95.5%	26,177,011	97.9%	-2.9%
Income from investments	19,881	0.1%	10,911	0.0%	81,528	0.3%	647.2%
<b>Total Banking Revenue</b>	<b>20,172,967</b>	97.1%	<b>26,982,834</b>	95.5%	<b>26,258,538</b>	98.2%	<b>-2.7%</b>
Interest and fee on Debt	4,871,624	35.5%	7,946,610	34.2%	7,285,347	21.7%	-8.3%
Interest on Deposits	-	0.0%	-	0.0%	-	0.0%	-
Loan loss provision	583,229	4.2%	4,968,723	21.4%	16,708,043	49.8%	236.3%
<b>Total Banking Expense</b>	<b>5,454,853</b>	39.7%	<b>12,915,333</b>	55.6%	<b>23,993,390</b>	71.5%	<b>85.8%</b>
<b>Growth</b>	<b>201%</b>		<b>137%</b>		<b>86%</b>		
<b>Gross Margin</b>	<b>14,718,114</b>	70.8%	<b>14,067,501</b>	49.8%	<b>2,265,149</b>	8.5%	<b>-83.9%</b>
Loan recuperation	94,753	0.5%	137,475	0.5%	330,518	1.2%	140.4%
Other operating revenue	255,517	1.2%	54,553	0.2%	105,031	0.4%	92.5%
<b>Total other operating Rev</b>	<b>350,270</b>	1.7%	<b>192,028</b>	0.7%	<b>435,549</b>	1.6%	<b>126.8%</b>
Personnel expense	5,488,700	40.0%	6,506,401	28.0%	6,036,724	18.0%	-7.2%
Administrative expense	2,391,599	17.4%	3,223,742	13.9%	2,919,574	8.7%	-9.4%
Depreciation/amortization	395,740	2.9%	587,722	2.5%	619,170	1.8%	5.4%
Other operating expense	-	0.0%	-	0.0%	-	0.0%	-
<b>Total operating expense</b>	<b>8,276,039</b>	60.3%	<b>10,317,864</b>	44.4%	<b>9,575,468</b>	28.5%	<b>-7.2%</b>
<b>Growth</b>	<b>56%</b>		<b>25%</b>		<b>-7%</b>		
<b>Operating Margin</b>	<b>6,792,345</b>	32.7%	<b>3,941,664</b>	14.0%	<b>-6,874,770</b>	-25.7%	<b>-274.4%</b>
Consulting and training	-	0.0%	-	0.0%	-	0.0%	-
Currency gain/deflation	-	0.0%	162,933	0.6%	-	0.0%	-100.0%
Donations / Grants	157,397	0.8%	851,033	3.0%	47,741	0.2%	-94.4%
Other/Extra-ord non-op rev	93,041	0.4%	51,644	0.2%	8,814	0.0%	-82.9%
<b>Non-operating revenue</b>	<b>250,437</b>	1.2%	<b>1,065,610</b>	3.8%	<b>56,555</b>	0.2%	<b>-94.7%</b>
Currency loss/inflation	7,276	0.1%	8,001	0.0%	4,407	0.0%	-44.9%
Other/Extra-ord non-op exp	-	0.0%	-	0.0%	-	0.0%	-
<b>Non-operating expense</b>	<b>7,276</b>	0.1%	<b>8,001</b>	0.0%	<b>4,407</b>	0.0%	<b>-44.9%</b>
Taxes	-	0.0%	-	0.0%	271,025	0.8%	-
<b>Net Income</b>	<b>7,035,507</b>	33.9%	<b>4,999,273</b>	17.7%	<b>-7,093,647</b>	-26.5%	<b>-241.9%</b>
<b>Growth</b>	<b>13%</b>		<b>-29%</b>		<b>-242%</b>		
<b>Net Income (Ex Donations)</b>	<b>6,878,110</b>		<b>4,148,240</b>		<b>-7,141,388</b>		
Return on Assets	7.5%		3.7%		-5.2%		
ROA net of Donations	7.4%		3.0%		-5.3%		
Return on Equity	35.8%		19.3%		-28.9%		
ROE net of Donations	35.0%		16.0%		-29.1%		
Operational self-sufficiency	151.8%		123.6%		84.0%		
Portfolio yield	22.1%		20.0%		20.0%		
Funding Expense	6.7%		7.3%		6.7%		
Gross margin ratio	15.4%		12.7%		13.4%		
Operating expense ratio	9.1%		7.7%		7.3%		
Net margin ratio	6.4%		5.1%		6.0%		

### 13. EQUITY BANK, Kenya

Equity Bank is a full service commercial bank regulated by the Kenyan Central Bank, with a listing on the Nairobi stock exchange since August 2006. As of 31 December 2009, the largest three shareholders were Helios Eb Investors (24.4%), British American Investments Company (Kenya) Ltd (11.4%) and Nelson Muguku Njoroge (6.1%). Equity Bank is a member of AMFI, Kenya Bankers' Association, Women's World Banking and the Microfinance Network.

The MFI was founded as Equity Building Society in 1984, providing mortgage financing to low and middle income earners. In 1993, Equity Bank was declared technically insolvent by the Central Bank and the bank's Board of Director's responded with a turnaround strategy oriented on moving away from mortgages towards savings mobilization and microcredit. On 31 December 2004, the institution transferred its assets and liabilities into the newly registered commercial bank.

Mission and Market Positioning	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio (USD)	350,047,244	583,161,290	870,059,563	836,957,378
% growth in local currency	94.5%	103.3%	45.4%	1.5%
# of Borrowers	392,822	569,360	715,969	775,537
# of Savers	1,840,332	3,018,356	4,037,504	4,311,456
# Branches	327	883	1,705	2,191
# Employees	2,418	3,952	4,291	4,304
# Loan officers	538	1,037	1,110	1,395

Equity Bank is the largest national microfinance provider in Kenya in terms of total assets, number of branches, and number of clients. Equity Bank is the only bank and the only MFI in Kenya with a nationwide network and it operates out of 118 branches, 52 mobile units (traveling vans) and 450 ATMs located throughout Kenya's 8 provinces. The Bank has 4.2 million depositors, which together equal more than 50% of all bank accounts in Kenya. 55% of its clients are urban, 30% rural, and 15% peri-urban. Its clients are involved primarily in trade (33%), manufacturing (14%) and services (14%). In 2009, the Bank also introduced insurance to its product line through its wholly owned subsidiary, Equity Insurance Agency.

In 2009, the bank's portfolio increased 25% in local currency terms, and client outreach by 26%. This was achieved despite a series of negative local factors: political turbulence in the aftermath of the disputed presidential elections of December 2007, a continuing drought, higher energy costs and power rationing. The bank grew by refocusing its efforts on its credit operations as its successful deposit mobilization continued.

In 2008, the Bank acquired 100% of Uganda Microfinance Ltd a first step in its regional expansion plans. The MFI, now operating as Equity Bank Uganda Limited, became a fully licensed bank in Uganda in December 2008 and currently has 44 branches. In 2009 the Bank also launched operations in Southern Sudan with one branch in Juba and two planned for 2010.

Asset Quality	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio as % of Total Assets	42%	57%	65%	60%
PAR30	5.4%	5.8%	6.4%	5.8%
Restructured Loans	0.1%	0.3%	0.0%	0.0%
Loan loss reserve as % PAR 30	33%	40%	55%	47%

As of April 2010, PAR 30 plus restructuring was 5.4%, an improvement from the 6.4% at December 2009 and on par with 5.4% at December 2007. The deterioration in 2009 was due to a number of factors including the slow down of the economy and the severe drought that effected much of the country. Larger corporate loans appear to have the worst portfolio quality of all products

contributing 42% of the PAR, compared to 25% of the overall portfolio. According to the bank, consumer loans are the best performing loan category as 90% of the consumer loans are through MOUs with institutions which are required to make payments until the loan is paid in full – the PAR 90 on consumer loans is 1.78%. There were not write-offs in 2009. Write-offs were 1.6% in 2008 and in 2007.

<b>Financial Performance</b>	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)*
Return on Assets	5.3%	5.4%	4.8%	6.2%
Return on Equity	22.3%	20.7%	20.2%	26.5%
OSS	159%	150%	153%	161%
Portfolio yield	15.4%	26.9%	20.0%	23.1%
Operational Expense Ratio	21.3%	18.2%	17.2%	14.8%

\*Figures for the last twelve months

In 2009, Equity Bank generated an ROA of 4.8%. Profitability was somewhat lower than prior years due mainly to heavy investments made in local and regional expansion. Equity Bank continues to derive more than 40% of its revenues from non-credit activities such as check clearing, money transfers, bank guarantees, remittances, foreign exchange transactions and trade finance which has helped to drive its strong ROA.

<b>Social Performance</b>	Year 2007	Year 2008	Year 2009
	(audited)		
Average loan size (USD)	891	1,024	1,215
% borrowers who are:			
- women	45%	47%	45%
- men	55%	53%	55%
- legal entities	0%	0%	0%
- rural	30%	30%	30%
- urban	55%	45%	45%
- semi-urban	15%	25%	25%

With a client base of over 4.2 million people and the largest branch network of any financial institution in Kenya, Equity Bank is very much seen as the 'poor peoples' bank. It penetrates into rural villages and has a 'mobile banking' service composed of computer equipped vehicles for reaching even the most remote areas. Equity Bank was the first bank in the region to roll out smart card, wireless, solar-powered, biometric point of sale infrastructure. Social impact is enhanced via the Equity Group Foundation which has a mission to influence the socio-economic prosperity of 50 million people in Africa during its first 5 years. The foundation is active in education, agriculture, health, entrepreneurship and financial literacy.

BlueOrchard Data Download - Balance Sheet

BALANCE SHEET - Audited	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>Assets</b>							
Cash and Cash Equiv	96,866,142	11.6%	61,548,387	6.0%	81,495,698	6.1%	32.4%
Cash in reserve	28,110,236	3.4%	30,025,806	3.0%	42,925,215	3.2%	43.0%
Short Term Investments	189,763,780	22.7%	178,606,452	17.5%	141,522,171	10.6%	-20.8%
<b>Total Liquidities</b>	<b>314,740,157</b>	37.7%	<b>270,180,645</b>	26.5%	<b>265,943,084</b>	19.9%	<b>-1.6%</b>
Gross loan portfolio Short term	183,322,835	21.9%	215,769,677	21.2%	288,859,775	21.6%	33.9%
Loan loss reserve	-6,173,228	-0.7%	-14,516,129	-1.4%	-31,846,459	-2.4%	119.4%
Other Current Assets	<u>38,062,992</u>	4.6%	<u>29,251,613</u>	2.9%	<u>36,545,334</u>	2.7%	24.9%
<b>Total Current Assets</b>	<b>529,952,756</b>	63.4%	<b>500,685,806</b>	49.2%	<b>559,501,734</b>	41.9%	<b>11.7%</b>
Long term outstanding loans	166,724,409	19.9%	367,391,613	36.1%	581,199,788	43.6%	58.2%
Property Plant & Equipment Net	41,055,118	4.9%	61,883,871	6.1%	85,268,034	6.4%	37.8%
Long term investments	94,582,677	11.3%	52,477,419	5.2%	83,401,721	6.3%	58.9%
Total other long term assets	3,527,559	0.4%	35,354,839	3.5%	25,016,545	1.9%	-29.2%
<b>Total Non-Current Assets</b>	<b>305,889,764</b>	36.6%	<b>517,107,742</b>	50.8%	<b>774,886,089</b>	58.1%	<b>49.9%</b>
<b>Total Assets</b>	<b>835,842,520</b>	100.0%	<b>1,017,793,548</b>	100.0%	<b>1,334,387,823</b>	100.0%	<b>31.1%</b>
<b>Growth</b>	<b>190%</b>		<b>22%</b>		<b>31%</b>		
<b>Liabilities</b>							
Sight deposits	92,204,724	11.0%	563,290,323	55.3%	767,994,705	57.6%	36.3%
Short Term Term deposits	404,425,197	48.4%	86,180,645	8.5%	156,465,917	11.7%	81.6%
Short Term Compulsory Deposits	-	-	-	-	-	-	-
<b>Savings &amp; deposits</b>	<b>496,629,921</b>	59.4%	<b>649,470,968</b>	63.8%	<b>924,460,622</b>	69.3%	<b>42.3%</b>
Borrowing short term	-	-	8,480,645	0.8%	8,497,684	0.6%	0.2%
Short term back to back loans	-	-	-	-	-	-	-
Other short term Liabilities	<u>13,606,299</u>	1.6%	<u>32,283,871</u>	3.2%	<u>20,833,885</u>	1.6%	-35.5%
<b>Total Current Liabilities</b>	<b>510,236,220</b>	61.0%	<b>690,235,484</b>	67.8%	<b>953,792,191</b>	71.5%	<b>38.2%</b>
Long term Term Deposits	-	-	-	-	-	-	-
Long term compulsory savings	-	-	-	-	-	-	-
Borrowing long term	71,196,850	8.5%	74,912,903	7.4%	77,365,983	5.8%	3.3%
Long term back to back loans	-	-	-	-	-	-	-
Subordinated Debt	-	-	-	-	-	-	-
Other long term liabilities	<u>19,496,063</u>	2.3%	<u>-</u>	-	<u>-</u>	-	-
<b>Total Non-Current Liabilities</b>	<b>90,692,913</b>	10.9%	<b>74,912,903</b>	7.4%	<b>77,365,983</b>	5.8%	<b>3.3%</b>
<b>Total Liabilities</b>	<b>600,929,134</b>	71.9%	<b>765,148,387</b>	75.2%	<b>1,031,158,173</b>	77.3%	<b>34.8%</b>
<b>Growth</b>	<b>134%</b>		<b>27%</b>		<b>35%</b>		
Donations	-	-	-	-	-	-	-
Paid in Capital (+ add Paid)	194,551,181	23.3%	180,800,000	17.8%	185,466,578	13.9%	2.6%
Reserves	4,188,976	0.5%	-529,032	-0.1%	4,037,062	0.3%	-863.1%
Retained earnings	6,409,449	0.8%	7,587,097	0.7%	38,067,505	2.9%	401.7%
Net income for the period	<u>29,763,780</u>	3.6%	<u>50,451,613</u>	5.0%	<u>56,042,356</u>	4.2%	11.1%
<b>Total Equity</b>	<b>234,913,386</b>	28.1%	<b>252,645,161</b>	24.8%	<b>303,216,413</b>	22.7%	<b>20.0%</b>
<b>Growth</b>	<b>642%</b>		<b>8%</b>		<b>20%</b>		
<b>Total Equity &amp; Liabilities</b>	<b>835,842,520</b>	100.0%	<b>1,017,793,548</b>	100.0%	<b>1,334,374,586</b>	100.0%	<b>31.1%</b>
Total Net Loan Portfolio	343,874,016		568,645,161		838,213,104		<b>47.4%</b>
Total Deposits	496,629,921		649,470,968		924,460,622		<b>42.3%</b>
Total Debt (including Sub)	71,196,850		83,393,548		85,863,666		<b>3.0%</b>
Debt Secured							
Gross Port : Total Assets	41.9%		57.3%		65.2%		
Liquidity	37.7%		26.5%		19.9%		
Solvency ratio	0.63		0.42		0.29		
Savings	59.4%		63.8%		69.3%		
Debt/equity	2.56		3.03		3.40		
Debt/equity (Sub as Equity) Unaudit	2.56		3.03		3.40		

EOUIITY BANK  
Kenya

BlueOrchard Data Download - Income Statement

	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>INCOME STATEMENT - Audited</b>							
Income from banking	39,590,551	39.7%	125,509,677	69.5%	145,254,798	63.2%	15.7%
Income from investments	10,094,488	10.1%	23,690,323	13.1%	17,313,038	7.5%	-26.9%
<b>Total Banking Revenue</b>	<b>49,685,039</b>	49.8%	<b>149,200,000</b>	82.6%	<b>162,567,836</b>	70.8%	<b>9.0%</b>
Interest and fee on Debt	7,795,276	12.5%	10,748,387	9.3%	21,469,226	13.4%	99.7%
Interest on Deposits	-	0.0%	6,825,806	5.9%	-	0.0%	-100.0%
Loan loss provision	-393,701	-0.6%	13,161,290	11.4%	13,699,537	8.6%	4.1%
<b>Total Banking Expense</b>	<b>7,401,575</b>	11.9%	<b>30,735,484</b>	26.5%	<b>35,168,762</b>	22.0%	<b>14.4%</b>
<b>Growth</b>	<b>98%</b>		<b>315%</b>		<b>14%</b>		
<b>Gross Margin</b>	<b>42,283,465</b>	42.4%	<b>118,464,516</b>	65.6%	<b>127,399,073</b>	55.5%	<b>7.5%</b>
Loan recuperation	984,252	1.0%	-	0.0%	-	0.0%	-
Other operating revenue	49,031,496	49.2%	31,019,355	17.2%	66,393,117	28.9%	114.0%
<b>Total other operating Rev</b>	<b>50,015,748</b>	50.2%	<b>31,019,355</b>	17.2%	<b>66,393,117</b>	28.9%	<b>114.0%</b>
Personnel expense	23,133,858	37.2%	38,116,129	32.9%	57,432,164	35.9%	50.7%
Administrative expense	2,866,142	4.6%	37,341,935	32.2%	8,537,392	5.3%	-77.1%
Depreciation/amortization	6,661,417	10.7%	9,664,516	8.3%	15,539,378	9.7%	60.8%
Other operating expense	22,188,976	35.6%	-	0.0%	43,189,940	27.0%	-
<b>Total operating expense</b>	<b>54,850,394</b>	88.1%	<b>85,122,581</b>	73.5%	<b>124,698,875</b>	78.0%	<b>46.5%</b>
<b>Growth</b>	<b>79%</b>		<b>55%</b>		<b>46%</b>		
<b>Operating Margin</b>	<b>37,448,819</b>	37.6%	<b>64,361,290</b>	35.6%	<b>69,093,316</b>	30.1%	<b>7.4%</b>
Consulting and training	-	0.0%	-	0.0%	-	0.0%	-
Currency gain/deflation	-	0.0%	-	0.0%	-	0.0%	-
Donations / Grants	-	0.0%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op rev	-	0.0%	438,710	0.2%	767,704	0.3%	75.0%
<b>Non-operating revenue</b>	<b>-</b>	0.0%	<b>438,710</b>	0.2%	<b>767,704</b>	0.3%	<b>75.0%</b>
Currency loss/inflation	-	0.0%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op exp	-	0.0%	-	0.0%	-	0.0%	-
<b>Non-operating expense</b>	<b>-</b>	0.0%	<b>-</b>	0.0%	<b>-</b>	0.0%	<b>-</b>
Taxes	7,685,039	12.3%	14,348,387	12.4%	13,818,663	8.6%	-3.7%
<b>Net Income</b>	<b>29,763,780</b>	29.9%	<b>50,451,613</b>	27.9%	<b>56,042,356</b>	24.4%	<b>11.1%</b>
<b>Growth</b>	<b>175%</b>		<b>70%</b>		<b>11%</b>		
<b>Net Income (Ex Donations)</b>	<b>29,763,780</b>		<b>50,451,613</b>		<b>56,042,356</b>		
Return on Assets	5.3%		5.4%		4.8%		
ROA net of Donations	5.3%		5.4%		4.8%		
Return on Equity	22.3%		20.7%		20.2%		
ROE net of Donations	22.3%		20.7%		20.2%		
Operational self-sufficiency	158.5%		150.4%		152.8%		
Portfolio yield	15.4%		26.9%		20.0%		
Funding Expense	1.9%		1.7%		2.5%		
Gross margin ratio	13.5%		25.2%		17.5%		
Operating expense ratio	21.3%		18.2%		17.2%		
Net margin ratio	-7.9%		7.0%		0.4%		

#### 14. FDL NITLAPAN, Nicaragua

The Fondo de Desarrollo Local (FDL) is a microfinance NGO created in 1993 under the auspices of the Development Institute of the Central American University Nitalpan of Managua. Six of its ten founders are Jesuit priests. The institution evolved from a research department into an NGO, with a market oriented approach that nevertheless adheres to its initial development and Christian values. Today, FDL is the largest NGO microfinance institution in the country and the third largest institution (including regulated MFIs).

FDL has been studying the possibility of transforming to a regulated institution for at least 2 years. In Q409 the Board decided to go ahead with transformation. FDL has created a special Committee (General Assembly member, CEO, Risk Manager and Compliance officer) that will follow up the compliance of the transformation schedule. The idea is not to distract management team and to allow them to concentrate on the critical situation and challenges of 2010.

Mission and Market Positioning	Year 2007	Year 2008	Year 2009	apr 2010
	(audited)			(unaudited)
Gross Loan Portfolio (USD)	47,126,690	53,582,425	73,815,981	67,297,130
% growth in local currency	40.9%	19.4%	44.8%	-15.0%
# of Borrowers	71,992	82,336	76,689	74,284
# of Savers	-	-	-	-
# Branches	34	36	36	36
# Employees	499	593	606	574
# Loan officers	205	229	222	219

The institution's main focus continues to be the support of rural development, even as FDL diversified its activities in urban areas to benefit from the higher portfolio yields. Its close relation with the university allows FDL to test new methodologies, without bearing all the development costs of these new approaches.

FDL is one of the MFIs in Nicaragua with the strongest network of branches, reaching far into otherwise uncovered, hard-to-reach regions of the country. FDL offers a large array of lending products which can be roughly divided into the following categories: Micro company, small company, medium company and entrepreneur loans; Agricultural and cattle-related loans; Housing improvement loans; Short term group loans to rural women. Consumer loans represent less than 6% of the portfolio.

After 5 years of continuous and strong portfolio growth, FDL stopped its expansion in 2009 given the negative market circumstances. Last year portfolio volume remained at the same level (meeting management's expectations of a growth rate between 0%-3%), while the microfinance industry shrank.

Asset Quality	Year 2007	Year 2008	Year 2009	apr 2010
	(audited)			(unaudited)
Gross Loan Portfolio as % of Total Assets	86%	81%	89%	83%
PAR30	1.6%	2.1%	8.1%	9.9%
Restructured Loans	0.7%	1.4%	3.4%	4.6%
Loan loss reserve as % PAR 30	187%	161%	111%	96%

Portfolio quality deteriorated significantly during 2009. Historically, FDL's arrears were low, in the range of 2% and 3%. However, in 2009 the MFI had to deal with an extremely adverse market environment: the persistence of the disruptive No Pay Movement, the approval by the National Assembly of a law allowing the renegotiation of the terms of loans in arrears, and the exposure of the MFI to the cattle farming sector which suffers from volatile cattle/meat prices. PAR30 reached a peak of 10.2% in Nov09..

FDL expects a slow recovery of their non performing assets and reduce PAR30 from 8.1% in Dec09 to 7.3% in Dec10. Note however, that on the monthly projections the MFI anticipates higher arrears, starting in Q2. This is because a high proportion of livestock portfolio expires in March, April and May, and historically those months have had a worse performance.

FDL has 3.4% of its portfolio restructured. FDL's policy is to continue restructuring clients that have the ability and willingness to pay. While compared to some other players in Nicaragua, the level of restructurings is lower, it continues to represent a risk for FDL. The MFI could still improve the monitoring of these riskier clients.

Financial Performance	Year 2007	Year 2008	Year 2009	Apr-10
	(audited)			(unaudited)
Return on Assets	3.6%	3.4%	-3.1%	-3.0%
Return on Equity	20.3%	19.5%	-20.1%	-19.4%
OSS	112.3%	117.3%	89.5%	89.0%
Portfolio yield	25.5%	25.6%	21.5%	23.0%
Operational Expense Ratio	14.0%	14.1%	12.7%	12.4%

\* Figures for the last twelve months

FDL used to have a healthy ROA (the lowest was 3.4% in 2008), slightly lower every year mainly because of the reduction of interest rates (high competition in early years and then the change in regulation in 2008). However, in 2009 FDL closed the financial year with net losses due to higher loan loss reserves to cover for the deterioration of the portfolio: provision expenses climbed to three times their level in 2008.

Social Performance	Year 2007	Year 2008	Year 2009
	(audited)		
Average loan size (USD)	655	651	963
% borrowers who are:			
- women	63%	36%	36%
- men	37%	64%	64%
- legal entities	0%	0%	0%
- rural	35%	84%	81%
- urban	65%	16%	19%
- semi-urban	0%	0%	0%

FDL has a strong sense of mission and is committed to increase the quality of life of its clients with its financial services. The main social objectives of FDL are:

- To fight poverty by providing loans to the poorer population: The volume of FDL's very poor clients grew 5 times from Jun05 to Jun08.
- To promote women's equality
  - 56% of FDL's clients are women. Between 2005 and 2009 the number of female clients grew on average 11% every year.
  - FDL includes the number of women clients in a loan officer's incentive scheme.

To maintain good human resource management inside FDL

FDL NITLAPAN  
Nicaragua

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BALANCE SHEET - Audited	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>Assets</b>							
Cash and Cash Equiv	5,835,663	8.8%	5,590,238	6.7%	6,730,338	8.3%	20.4%
Cash in reserve	-	-	-	-	-	-	-
Short Term Investments	918,361	1.4%	1,829,960	2.2%	745,854	0.9%	-59.2%
<b>Total Liquidities</b>	<b>6,754,024</b>	<b>10.2%</b>	<b>7,420,199</b>	<b>8.9%</b>	<b>7,476,192</b>	<b>9.2%</b>	<b>0.8%</b>
Gross loan portfolio Short term	335,972	0.5%	19,636,101	23.6%	36,427,975	45.0%	85.5%
Loan loss reserve	-1,649,345	-2.5%	-2,308,115	-2.8%	-6,201,958	-7.7%	168.7%
Other Current Assets	5,772,145	8.7%	2,504,599	3.0%	809,181	1.0%	-67.7%
<b>Total Current Assets</b>	<b>11,212,795</b>	<b>16.9%</b>	<b>27,252,783</b>	<b>32.8%</b>	<b>38,511,390</b>	<b>47.6%</b>	<b>41.3%</b>
Long term outstanding loans	53,246,452	80.1%	54,179,880	65.2%	37,167,799	45.9%	-31.4%
Property Plant & Equipment Net	1,191,071	1.8%	1,640,910	2.0%	1,371,099	1.7%	-16.4%
Long term investments	-	-	-	-	1,688,678	2.1%	-
Total other long term assets	799,036	1.2%	-	-	2,148,856	2.7%	-
<b>Total Non-Current Assets</b>	<b>55,236,559</b>	<b>83.1%</b>	<b>55,820,790</b>	<b>67.2%</b>	<b>42,376,431</b>	<b>52.4%</b>	<b>-24.1%</b>
<b>Total Assets</b>	<b>66,449,355</b>	<b>100.0%</b>	<b>83,073,573</b>	<b>100.0%</b>	<b>80,887,821</b>	<b>100.0%</b>	<b>-2.6%</b>
Growth	<b>21%</b>		<b>25%</b>		<b>-3%</b>		
<b>Liabilities</b>							
Sight deposits	-	-	-	-	-	-	-
Short Term Term deposits	-	-	-	-	-	-	-
Short Term Compulsory Deposit	-	-	-	-	-	-	-
<b>Savings &amp; deposits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Borrowing short term	7,092,535	10.7%	20,103,645	24.2%	33,119,095	40.9%	64.7%
Short term back to back loans	-	-	-	-	-	-	-
Other short term Liabilities	1,409,936	2.1%	1,878,401	2.3%	2,515,085	3.1%	33.9%
<b>Total Current Liabilities</b>	<b>8,502,471</b>	<b>12.8%</b>	<b>21,982,046</b>	<b>26.5%</b>	<b>35,634,180</b>	<b>44.1%</b>	<b>62.1%</b>
Long term Term Deposits	-	-	-	-	-	-	-
Long term compulsory savings	-	-	-	-	-	-	-
Borrowing long term	45,839,046	69.0%	46,908,504	56.5%	34,333,237	42.4%	-26.8%
Long term back to back loans	-	-	-	-	-	-	-
Subordinated Debt	-	-	-	-	-	-	-
Other long term liabilities	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>45,839,046</b>	<b>69.0%</b>	<b>46,908,504</b>	<b>56.5%</b>	<b>34,333,237</b>	<b>42.4%</b>	<b>-26.8%</b>
<b>Total Liabilities</b>	<b>54,341,516</b>	<b>81.8%</b>	<b>68,890,550</b>	<b>82.9%</b>	<b>69,967,417</b>	<b>86.5%</b>	<b>1.6%</b>
Growth	<b>20%</b>		<b>27%</b>		<b>2%</b>		
Donations	2,121,682	3.2%	2,115,967	2.5%	2,005,517	2.5%	-5.2%
Paid in Capital (+ add Paid)	532	0.0%	506	0.0%	480	0.0%	-5.2%
Reserves	-	-	-	-	-	-	-
Retained earnings	7,769,143	11.7%	9,500,247	11.4%	11,436,692	14.1%	20.4%
Net income for the period	2,216,481	3.3%	2,566,302	3.1%	-2,522,285	-3.1%	-198.3%
<b>Total Equity</b>	<b>12,107,839</b>	<b>18.2%</b>	<b>14,183,023</b>	<b>17.1%</b>	<b>10,920,404</b>	<b>13.5%</b>	<b>-23.0%</b>
Growth	<b>24%</b>		<b>17%</b>		<b>-23%</b>		
<b>Total Equity &amp; Liabilities</b>	<b>66,449,355</b>	<b>100.0%</b>	<b>83,073,573</b>	<b>100.0%</b>	<b>80,887,821</b>	<b>100.0%</b>	<b>-2.6%</b>
Total Net Loan Portfolio	51,933,079		71,507,866		67,393,816		<b>-5.8%</b>
Total Deposits	-		-		-		-
Total Debt (including Sub)	52,931,580		67,012,148		67,452,332		<b>0.7%</b>
Debt Secured							
Gross Port : Total Assets	80.6%		88.9%		91.0%		
Liquidity	10.2%		8.9%		9.2%		
Solvency ratio	-		-		-		
Savings	0.0%		0.0%		0.0%		
Debt/equity	4.49		4.86		6.41		
Debt/equity (Sub as Equity) Unau	4.44		4.81		6.28		

FDL NITLAPAN  
Nicaragua

BlueOrchard Data Download - Income Statement

INCOME STATEMENT - Audited	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
Income from banking	12,824,037	78.9%	16,278,187	79.4%	15,810,260	88.1%	-2.9%
Income from investments	-	0.0%	-	0.0%	390,219	2.2%	-
<b>Total Banking Revenue</b>	<b>12,824,037</b>	78.9%	<b>16,278,187</b>	79.4%	<b>16,200,479</b>	90.3%	<b>-0.5%</b>
Interest and fee on Debt	3,644,766	31.0%	4,596,661	30.6%	4,964,954	24.3%	8.0%
Interest on Deposits	-	0.0%	-	0.0%	-	0.0%	-
Loan loss provision	977,764	8.3%	1,388,715	9.2%	6,067,496	29.7%	336.9%
<b>Total Banking Expense</b>	<b>4,622,530</b>	39.4%	<b>5,985,376</b>	39.8%	<b>11,032,449</b>	53.9%	<b>84.3%</b>
<b>Growth</b>	<b>31%</b>		<b>29%</b>		<b>84%</b>		
<b>Gross Margin</b>	<b>8,201,507</b>	50.4%	<b>10,292,810</b>	50.2%	<b>5,168,030</b>	28.8%	<b>-49.8%</b>
Loan recuperation	-	0.0%	-	0.0%	-	0.0%	-
Other operating revenue	892,285	5.5%	1,074,843	5.2%	1,721,602	9.6%	60.2%
<b>Total other operating Rev</b>	<b>892,285</b>	5.5%	<b>1,074,843</b>	5.2%	<b>1,721,602</b>	9.6%	<b>60.2%</b>
Personnel expense	3,926,727	33.4%	5,266,077	35.0%	5,605,446	27.4%	6.4%
Administrative expense	2,824,340	24.1%	3,291,637	21.9%	3,050,388	14.9%	-7.3%
Depreciation/amortization	-	0.0%	-	0.0%	-	0.0%	-
Other operating expense	289,959	2.5%	408,954	2.7%	720,839	3.5%	76.3%
<b>Total operating expense</b>	<b>7,041,026</b>	60.0%	<b>8,966,667</b>	59.6%	<b>9,376,672</b>	45.8%	<b>4.6%</b>
<b>Growth</b>	<b>26%</b>		<b>27%</b>		<b>5%</b>		
<b>Operating Margin</b>	<b>2,052,766</b>	12.6%	<b>2,400,986</b>	11.7%	<b>-2,487,041</b>	-13.9%	<b>-203.6%</b>
Consulting and training	-	0.0%	-	0.0%	-	0.0%	-
Currency gain/deflation	2,545,320	15.7%	3,159,281	15.4%	18,579	0.1%	-99.4%
Donations / Grants	-	0.0%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op rev	-	0.0%	-	0.0%	-	0.0%	-
<b>Non-operating revenue</b>	<b>2,545,320</b>	15.7%	<b>3,159,281</b>	15.4%	<b>18,579</b>	0.1%	<b>-99.4%</b>
Currency loss/inflation	2,305,259	19.6%	2,912,465	19.4%	-	0.0%	-100.0%
Other/Extra-ord non-op exp	76,346	0.7%	81,501	0.5%	53,823	0.3%	-34.0%
<b>Non-operating expense</b>	<b>2,381,605</b>	20.3%	<b>2,993,965</b>	19.9%	<b>53,823</b>	0.3%	<b>-98.2%</b>
Taxes	-	0.0%	-	0.0%	-	0.0%	-
<b>Net Income</b>	<b>2,216,481</b>	13.6%	<b>2,566,302</b>	12.5%	<b>-2,522,285</b>	-14.1%	<b>-198.3%</b>
<b>Growth</b>	<b>-15%</b>		<b>16%</b>		<b>-198%</b>		
<b>Net Income (Ex Donations)</b>	<b>2,216,481</b>		<b>2,566,302</b>		<b>-2,522,285</b>		
Return on Assets	3.6%		3.4%		-3.1%		
ROA net of Donations	3.6%		3.4%		-3.1%		
Return on Equity	20.3%		19.5%		-20.1%		
ROE net of Donations	20.3%		19.5%		-20.1%		
Operational self-sufficiency	112.3%		117.3%		89.5%		
Portfolio yield	25.5%		25.6%		21.5%		
Funding Expense	7.6%		7.7%		7.4%		
Gross margin ratio	17.8%		17.9%		14.1%		
Operating expense ratio	14.0%		14.1%		12.7%		
Net margin ratio	3.9%		3.8%		1.3%		

## 15. Mikrofin, Bosnia Herzegovina

Mikrofin is a credit-only, for profit limited liability company formed under the terms of the 2007 Microfinance Law of the Republika Srpska and regulated by the Banking Agency of Bosnia and Herzegovina. Its only shareholder is its predecessor organization, Mikrofin NGO.

The NGO was founded in 1997 under the World Bank's Local Initiatives Project. Mikrofin officially registered as a not-for-profit Microcredit Organization in 2002 and transformed into a for-profit Microcredit Company in August 2007 to offer a wider range of products to its clients and to increase its capital base in order to attract more funding. Early July 2010, Mikrofin successfully obtained a banking license by acquiring a small bank, IEFK Banka, registered in Banja Luka, Republika Srpska.

Mission and Market Positioning	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio (USD)	145,232,099	165,749,927	156,123,393	126,539,672
% growth in local currency	99.2%	19.0%	-6.7%	-7.1%
# of Borrowers	49,591	57,738	51,146	47,418
# of Savers	-	-	-	-
# Branches	81	85	77	77
# Employees	293	338	325	328
# Loan officers	199	231	200	203

Mikrofin focuses on economically active people with profitable businesses in urban and rural areas. It is the market leader in the sector with an estimated 25% of market share by portfolio volume as of April 2010. It offers individual credit to 47,400 active clients and enjoys a competitive advantage because its microcredit company status allows it to offer loans up to EUR 25,000.

Mikrofin's strategy is to be the pre-eminent provider of microfinance and SME lending in Bosnia and the institution plans, thanks to its new banking license, to roll out new services such as savings, insurance, and credit cards. However, the current economic crisis has affected the entire Bosnian economy as well as Mikrofin. As such, Mikrofin has reduced its portfolio and client growth and will continue to focus on the quality of its loans.

Asset Quality	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio as % of Total Assets	95%	96%	90%	85%
PAR30	0.2%	1.2%	4.0%	5.9%
Restructured Loans	0.0%	0.0%	3.1%	3.6%
Loan loss reserve as % PAR 30	480%	101%	108%	97%

While Mikrofin has historically had excellent portfolio quality indicators, PAR30 increased in 2009 to 4% in December 2009 and to 5.9% in May 2010. Thanks to excellent controls mechanisms and strong and experienced collection teams, Mikrofin still has one of the best portfolio quality indicators of the microfinance sector in Bosnia. The risk coverage ratio for PAR30 is just below the 100% mark, but still at an adequate level.

<b>Financial Performance</b>	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)*
Return on Assets	5.4%	3.5%	0.2%	0.8%
Return on Equity	23.2%	16.0%	1.0%	3.9%
OSS	135%	129%	102%	92%
Portfolio yield	21.2%	19.1%	18.8%	19.3%
Operational Expense Ratio	9.0%	7.5%	7.2%	7.9%

\*Figures for the last twelve months

Mikrofin ended 2009 with a weak 0.2% ROA and 1% ROE, much lower than 2008's performance. Like all other Bosnian MFIs, Mikrofin's performance has been seriously affected by the problems of the Bosnian microfinance sector related to overindebtedness among clients. Since the beginning of the year, Mikrofin has seen a sharp drop in its financial performance due mainly to high loan loss provision expenses. Profitability has been improving in recent months, however.

Mikrofin is already an extremely efficient institution (disciplined cost management, fast loan approval processes and a high percentage of productive assets): despite a slight increase, its operating expense ratio remains below 8% so there is little room to cut costs. Mikrofin will focus therefore on quality credits to reduce provisioning expenses and recovery of bad loans to reach a positive bottom line. The introduction of additional services thanks to the banking license should also help generating additional revenue and improving the profitability level.

<b>Social Performance</b>	Year 2007	Year 2008	Year 2009
	(audited)		
Average loan size (USD)	2,929	2,871	3,053
% borrowers who are:			
- women	32%	31%	31%
- men	68%	69%	69%
- legal entities	0%	0%	0%
- rural	47%	55%	52%
- urban	36%	45%	48%
- semi-urban	17%	0%	0%

As with most MFIs in Bosnia, Mikrofin works with all ethnic groups in the country, and serves in this fashion as a unifying force after the terrible divisions and violence of the country's civil war. Many of its clients are returnees from abroad or from other regions of the country that have no access to regular employment and must rely on running small businesses to make a living. Despite the opportunity to transform into a bank and move upscale, Mikrofin will remain active in micro and small lending activities.

BlueOrchard Data Download - Balance Sheet

BALANCE SHEET - Audited	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>Assets</b>							
Cash and Cash Equiv	3,680,465	2.4%	4,034,041	2.3%	18,771,943	10.8%	365.3%
Cash in reserve	-	-	-	-	-	-	-
Short Term Investments	-	-	-	-	-	-	-
<b>Total Liquidities</b>	<b>3,680,465</b>	2.4%	<b>4,034,041</b>	2.3%	<b>18,771,943</b>	10.8%	<b>365.3%</b>
Gross loan portfolio Short term	13,392,330	8.8%	87,642,651	50.7%	79,334,447	45.5%	-9.5%
Loan loss reserve	-335,203	-0.2%	-1,703,521	-1.0%	-6,531,766	-3.7%	283.4%
Other Current Assets	-998,246	-0.7%	-1,680,244	-1.0%	-1,237,606	-0.7%	-26.3%
<b>Total Current Assets</b>	<b>15,739,347</b>	10.3%	<b>88,292,928</b>	51.1%	<b>90,337,017</b>	51.8%	<b>2.3%</b>
Long term outstanding loans	131,839,769	86.5%	78,107,276	45.2%	76,788,947	44.0%	-1.7%
Property Plant & Equipment Net	3,661,624	2.4%	4,055,863	2.3%	4,469,335	2.6%	10.2%
Long term investments	1,186,559	0.8%	2,384,347	1.4%	2,801,322	1.6%	17.5%
Total other long term assets	18,768	0.0%	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>136,706,721</b>	89.7%	<b>84,547,485</b>	48.9%	<b>84,059,604</b>	48.2%	<b>-0.6%</b>
<b>Total Assets</b>	<b>152,446,067</b>	100.0%	<b>172,840,413</b>	100.0%	<b>174,396,621</b>	100.0%	<b>0.9%</b>
<b>Growth</b>	<b>104%</b>		<b>13%</b>		<b>1%</b>		
<b>Liabilities</b>							
Sight deposits	-	-	-	-	-	-	-
Short Term Term deposits	-	-	-	-	-	-	-
Short Term Compulsory Deposits	-	-	-	-	-	-	-
<b>Savings &amp; deposits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Borrowing short term	1,895,462	1.2%	6,553,681	3.8%	43,578,406	25.0%	564.9%
Short term back to back loans	-	-	-	-	-	-	-
Other short term Liabilities	1,254,703	0.8%	1,813,355	1.0%	2,329,783	1.3%	28.5%
<b>Total Current Liabilities</b>	<b>3,150,165</b>	2.1%	<b>8,367,035</b>	4.8%	<b>45,908,189</b>	26.3%	<b>448.7%</b>
Long term Term Deposits	-	-	-	-	-	-	-
Long term compulsory savings	-	-	-	-	-	-	-
Borrowing long term	116,069,002	76.1%	127,446,174	73.7%	91,554,168	52.5%	-28.2%
Long term back to back loans	-	-	-	-	-	-	-
Subordinated Debt	-	-	-	-	-	-	-
Other long term liabilities	-	-	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>116,069,002</b>	76.1%	<b>127,446,174</b>	73.7%	<b>91,554,168</b>	52.5%	<b>-28.2%</b>
<b>Total Liabilities</b>	<b>119,219,167</b>	78.2%	<b>135,813,209</b>	78.6%	<b>137,462,358</b>	78.8%	<b>1.2%</b>
<b>Growth</b>	<b>117%</b>		<b>14%</b>		<b>1%</b>		
Donations	9,531,340	6.3%	-	-	29,379,361	16.8%	-
Paid in Capital (+ add Paid)	379,092	0.2%	29,095,141	16.8%	-	-	-100.0%
Reserves	1,777,827	1.2%	1,742,072	1.0%	2,071,979	1.2%	18.9%
Retained earnings	15,369,254	10.1%	566,628	0.3%	5,117,885	2.9%	803.2%
Net income for the period	6,169,388	4.0%	5,623,363	3.3%	365,039	0.2%	-93.5%
<b>Total Equity</b>	<b>33,226,900</b>	21.8%	<b>37,027,204</b>	21.4%	<b>36,934,264</b>	21.2%	<b>-0.3%</b>
<b>Growth</b>	<b>67%</b>		<b>11%</b>		<b>0%</b>		
<b>Total Equity &amp; Liabilities</b>	<b>152,446,067</b>	100.0%	<b>172,840,413</b>	100.0%	<b>174,396,621</b>	100.0%	<b>0.9%</b>
Total Net Loan Portfolio	144,896,897		164,046,407		149,591,627		-8.8%
Total Deposits	-		-		-		-
Total Debt (including Sub)	117,964,464		133,999,855		135,132,574		0.8%
Debt Secured							
Gross Port : Total Assets	95.3%		95.9%		89.5%		
Liquidity	2.4%		2.3%		10.8%		
Solvency ratio	-		-		-		
Savings	0.0%		0.0%		0.0%		
Debt/equity	3.59		3.67		3.72		
Debt/equity (Sub as Equity) Unaudit	3.59		3.67		3.72		

BlueOrchard Data Download - Income Statement

	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>INCOME STATEMENT - Audited</b>							
Income from banking	22,396,702	98.6%	29,631,219	98.3%	30,263,680	98.9%	2.1%
Income from investments	56,340	0.2%	6,546	0.0%	68,307	0.2%	943.4%
<b>Total Banking Revenue</b>	<b>22,453,042</b>	<b>98.9%</b>	<b>29,637,765</b>	<b>98.3%</b>	<b>30,331,987</b>	<b>99.2%</b>	<b>2.3%</b>
Interest and fee on Debt	6,426,379	39.5%	9,301,717	40.6%	8,680,132	29.2%	-6.7%
Interest on Deposits	-	0.0%	-	0.0%	-	0.0%	-
Loan loss provision	296,963	1.8%	1,969,014	8.6%	9,489,534	31.9%	381.9%
<b>Total Banking Expense</b>	<b>6,723,341</b>	<b>41.3%</b>	<b>11,270,730</b>	<b>49.2%</b>	<b>18,169,666</b>	<b>61.0%</b>	<b>61.2%</b>
<b>Growth</b>	<b>164%</b>		<b>68%</b>		<b>61%</b>		
<b>Gross Margin</b>	<b>15,729,700</b>	<b>69.3%</b>	<b>18,367,035</b>	<b>60.9%</b>	<b>12,162,321</b>	<b>39.8%</b>	<b>-33.8%</b>
Loan recuperation	64,295	0.3%	29,095	0.1%	138,083	0.5%	374.6%
Other operating revenue	12,991	0.1%	40,006	0.1%	121,190	0.4%	202.9%
<b>Total other operating Rev</b>	<b>77,286</b>	<b>0.3%</b>	<b>69,101</b>	<b>0.2%</b>	<b>259,273</b>	<b>0.8%</b>	<b>275.2%</b>
Personnel expense	5,336,649	32.8%	4,631,219	20.2%	4,852,736	16.3%	4.8%
Administrative expense	3,575,705	22.0%	6,124,527	26.7%	5,950,055	20.0%	-2.8%
Depreciation/amortization	629,731	3.9%	870,672	3.8%	786,632	2.6%	-9.7%
Other operating expense	-	0.0%	-	0.0%	11,752	0.0%	-
<b>Total operating expense</b>	<b>9,542,085</b>	<b>58.7%</b>	<b>11,626,418</b>	<b>50.8%</b>	<b>11,601,175</b>	<b>39.0%</b>	<b>-0.2%</b>
<b>Growth</b>	<b>122%</b>		<b>22%</b>		<b>0%</b>		
<b>Operating Margin</b>	<b>6,264,901</b>	<b>27.6%</b>	<b>6,809,718</b>	<b>22.6%</b>	<b>820,419</b>	<b>2.7%</b>	<b>-88.0%</b>
Consulting and training	-	0.0%	-	0.0%	-	0.0%	-
Currency gain/deflation	182,271	0.8%	440,064	1.5%	-	0.0%	-100.0%
Donations / Grants	-	0.0%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op rev	-	0.0%	-	0.0%	-	0.0%	-
<b>Non-operating revenue</b>	<b>182,271</b>	<b>0.8%</b>	<b>440,064</b>	<b>1.5%</b>	<b>-</b>	<b>0.0%</b>	<b>-100.0%</b>
Currency loss/inflation	-	0.0%	917,224	4.0%	7,345	0.0%	-99.2%
Other/Extra-ord non-op exp	-	0.0%	-	0.0%	-	0.0%	-
<b>Non-operating expense</b>	<b>-</b>	<b>0.0%</b>	<b>917,224</b>	<b>4.0%</b>	<b>7,345</b>	<b>0.0%</b>	<b>-99.2%</b>
Taxes	277,784	1.7%	709,194	3.1%	448,035	1.5%	-36.8%
<b>Net Income</b>	<b>6,169,388</b>	<b>27.2%</b>	<b>5,623,363</b>	<b>18.7%</b>	<b>365,039</b>	<b>1.2%</b>	<b>-93.5%</b>
<b>Growth</b>	<b>15%</b>		<b>-9%</b>		<b>-94%</b>		
<b>Net Income (Ex Donations)</b>	<b>6,169,388</b>		<b>5,623,363</b>		<b>365,039</b>		
Return on Assets	5.4%		3.5%		0.2%		
ROA net of Donations	5.4%		3.5%		0.2%		
Return on Equity	23.2%		16.0%		1.0%		
ROE net of Donations	23.2%		16.0%		1.0%		
Operational self-sufficiency	135.0%		129.5%		102.0%		
Portfolio yield	21.2%		19.1%		18.8%		
Funding Expense	7.5%		7.4%		6.5%		
Gross margin ratio	13.7%		11.7%		12.4%		
Operating expense ratio	9.0%		7.5%		7.2%		
Net margin ratio	4.7%		4.2%		5.1%		

## 16. Partner, Bosnia Herzegovina

Partner was established in 1997 in Tuzla (Federation of Bosnia Herzegovina) by Mercy Corps, as an NGO under the World Bank's Local Initiatives Project. Partner registered as a not-for-profit Microcredit Organization in 2001, acquired BosVita in 2004 and transformed into a Microcredit Foundation in 2008 according to new Bosnian legislation. In June 2009, it acquired the much smaller MCF "AgroFond" (loan portfolio around USD 2.5mm)

The long term plan for Partner is to transform into a bank, and the company has already launched a series of initiatives to prepare for the transformation (teller window operations, life insurance agent, separating sales function from loan approval and collection, strengthening internal control and MIS etc).

Mission and Market Positioning	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio (USD)	122,423,777	131,775,294	97,806,867	70,504,670
% growth in local currency	82.4%	12.2%	-26.5%	-17.4%
# of Borrowers	50,488	63,593	54,572	47,052
# of Savers	-	-	-	-
# Branches	43	49	59	59
# Employees	240	293	296	272
# Loan officers	155	183	160	148

Partner's mission is "to provide financial services to the economically active population with no access to commercial financing sources necessary for the start-up of new and improvement of existing business and improvement of the quality of life." Through its 59 branches and sub offices, Partner covers about 80% of the country, with a slight concentration on the Tuzla province and North-East regions. In 2007, Partner launched on-site cash operations for three branches instead of using banks for disbursements and repayments, providing the institution with a competitive advantage over other MFIs for which cash management is usually done through banks.

The portfolio shrunk 26% during 2009 in local currency terms, and a further 18% between December 09 and May 2010. As with all other MFIs in Bosnia, Partner is directly affected by the current economic crisis in the country, and management expects a further portfolio decrease for the rest of the year. Despite the sharp contraction in lending activities, however, Partner had the second largest outreach of any Bosnian institution by number of clients as of end-May 2010 (with just slightly fewer clients than Mikrofin) and represents approximately 14% market share by volume of loans.

Asset Quality	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio as % of Total Assets	96%	90%	77%	74%
PAR30	0.6%	1.6%	4.7%	6.0%
Restructured Loans	0.0%	0.0%	2.6%	4.8%
Loan loss reserve as % PAR 30	330%	86%	94%	91%

The sharp deterioration in portfolio quality across the microfinance sector in Bosnia has also impacted Partner, and PAR 30 increased from 1.6% in December 08 to 4.7% in December 2009. After continuing to increase at the beginning of 2010, PAR30 appears to have stabilized now at 6.0% (May 10). Restructured loans have also stabilized at 4.8% after increasing significantly in the first quarter of 2010.

Portfolio at risk is concentrated in large business loans in urban centers, and much less in rural areas where competition is weaker and credit quality is higher. Overall, Partner displays sound risk

management and intends on reinforcing it by strengthening the risk and credit management departments and systematically using the recently created credit bureau. Furthermore it launched a special bad debt collection team in early May 2009.

<b>Financial Performance</b>	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)*
Return on Assets	5.0%	5.3%	-1.2%	-1.4%
Return on Equity	22.3%	25.5%	-5.2%	-5.9%
OSS	132%	136%	94%	90%
Portfolio yield	20.7%	19.3%	19.5%	19.4%
Operational Expense Ratio	8.6%	7.3%	8.3%	8.4%

\*Figures for the last twelve months

Partner posted a losses translating to a -1.2% ROA and -5.2% ROE in 2009. Higher arrears continue to affect Partner's bottom line this year, and the MFI posted year-on-year losses as of May 2010 equal to a -1.4% ROA, mainly due to high provisioning expenses. Partner has countered this by increasing interest rates slightly, and managed to close May 2010 with a monthly profit, its first in 2010. The MFI has excellent productivity, with an average 315 clients per loan officer).

<b>Social Performance</b>	Year 2007	Year 2008	Year 2009
	(audited)		
Average loan size (USD)	2,425	2,072	1,792
% borrowers who are:			
- women	44%	43%	44%
- men	56%	57%	56%
- legal entities	0%	0%	0%
- rural	66%	68%	70%
- urban	34%	32%	30%
- semi-urban	0%	0%	0%

Partner targets a more rural and lower income population than its competitors EKI and Mikrofin, with an average loan size of USD 1,468 (vs. USD 1,698 for EKI, and USD 2,536 for Mikrofin) as of May 2010 by focusing on providing small loans (< EUR 5,000). The average loan size has steadily decreased in 2009/10 despite the reduction in the number of borrowers. Partner is well aware of the risk of social mission drift (more so than other MFIs in Bosnia) and clearly wants to maintain its social mission despite the competition of its peers.

BlueOrchard Data Download - Balance Sheet

BALANCE SHEET - Audited	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>Assets</b>							
Cash and Cash Equiv	3,137,055	2.5%	7,321,361	5.0%	12,116,732	9.5%	65.5%
Cash in reserve	-	-	-	-	-	-	-
Short Term Investments	-	-	-	-	10,055,681	7.9%	-
<b>Total Liquidities</b>	<b>3,137,055</b>	2.5%	<b>7,321,361</b>	5.0%	<b>22,172,413</b>	17.5%	<b>202.8%</b>
Gross loan portfolio Short term	60,574,348	47.4%	7,784,358	5.3%	54,726,895	43.1%	603.0%
Loan loss reserve	-2,468,226	-1.9%	-1,800,215	-1.2%	-4,382,753	-3.5%	143.5%
Other Current Assets	-2,494,963	-2.0%	141,239	0.1%	141,513	0.1%	0.2%
<b>Total Current Assets</b>	<b>58,748,214</b>	45.9%	<b>13,446,744</b>	9.2%	<b>72,658,068</b>	57.3%	<b>440.3%</b>
Long term outstanding loans	61,849,429	48.4%	123,990,935	84.7%	43,079,972	34.0%	-65.3%
Property Plant & Equipment Net	7,259,216	5.7%	8,940,815	6.1%	9,683,886	7.6%	8.3%
Long term investments	-	-	-	-	1,469,891	1.2%	-
Total other long term assets	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>69,108,646</b>	54.1%	<b>132,931,751</b>	90.8%	<b>54,233,750</b>	42.7%	<b>-59.2%</b>
<b>Total Assets</b>	<b>127,856,860</b>	100.0%	<b>146,378,494</b>	100.0%	<b>126,891,817</b>	100.0%	<b>-13.3%</b>
<b>Growth</b>	<b>93%</b>		<b>14%</b>		<b>-13%</b>		
<b>Liabilities</b>							
Sight deposits	-	-	-	-	-	-	-
Short Term Term deposits	-	-	-	-	-	-	-
Short Term Compulsory Deposits	-	-	-	-	-	-	-
<b>Savings &amp; deposits</b>	-	-	-	-	-	-	-
Borrowing short term	20,207,468	15.8%	25,243,730	17.2%	8,612,630	6.8%	-65.9%
Short term back to back loans	-	-	-	-	-	-	-
Other short term Liabilities	761,260	0.6%	941,722	0.6%	597,469	0.5%	-36.6%
<b>Total Current Liabilities</b>	<b>20,968,728</b>	16.4%	<b>26,185,452</b>	17.9%	<b>9,210,099</b>	7.3%	<b>-64.8%</b>
Long term Term Deposits	-	-	-	-	-	-	-
Long term compulsory savings	-	-	-	-	-	-	-
Borrowing long term	81,552,877	63.8%	88,849,399	60.7%	87,620,491	69.1%	-1.4%
Long term back to back loans	-	-	-	-	-	-	-
Subordinated Debt	-	-	-	-	-	-	-
Other long term liabilities	170,257	0.1%	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>81,723,134</b>	63.9%	<b>88,849,399</b>	60.7%	<b>87,620,491</b>	69.1%	<b>-1.4%</b>
<b>Total Liabilities</b>	<b>102,691,862</b>	80.3%	<b>115,034,852</b>	78.6%	<b>96,830,590</b>	76.3%	<b>-15.8%</b>
<b>Growth</b>	<b>115%</b>		<b>12%</b>		<b>-16%</b>		
Donations	-	-	24,142,509	16.5%	31,652,229	24.9%	31.1%
Paid in Capital (+ add Paid)	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-
Retained earnings	20,306,259	15.9%	-	-	-	-	-
Net income for the period	4,858,739	3.8%	7,201,133	4.9%	-1,591,002	-1.3%	-122.1%
<b>Total Equity</b>	<b>25,164,998</b>	19.7%	<b>31,343,642</b>	21.4%	<b>30,061,227</b>	23.7%	<b>-4.1%</b>
<b>Growth</b>	<b>37%</b>		<b>25%</b>		<b>-4%</b>		
<b>Total Equity &amp; Liabilities</b>	<b>127,856,860</b>	100.0%	<b>146,378,494</b>	100.0%	<b>126,891,817</b>	100.0%	<b>-13.3%</b>
Total Net Loan Portfolio	119,955,551		129,975,079		93,424,114		<b>-28.1%</b>
Total Deposits	-		-		-		-
Total Debt (including Sub)	101,760,345		114,093,129		96,233,121		<b>-15.7%</b>
Debt Secured							
Gross Port : Total Assets	95.8%		90.0%		77.1%		
Liquidity	2.5%		5.0%		17.5%		
Solvency ratio	-		-		-		
Savings	0.0%		0.0%		0.0%		
Debt/equity	4.08		3.67		3.22		
Debt/equity (Sub as Equity) Unaudit	4.08		3.67		3.22		

**PARTNER**  
Bosnia Herzegovina

**BlueOrchard Data Download - Income Statement**

<b>INCOME STATEMENT - Audited</b>	<b>Year 2007 USD</b>		<b>Year 2008 USD</b>		<b>Year 2009 USD</b>		<b>Growth 1 Year</b>
Income from banking	18,970,161	98.6%	24,593,750	98.5%	22,347,835	99.3%	-9.1%
Income from investments	-	0.0%	-	0.0%	-	0.0%	-
<b>Total Banking Revenue</b>	<b>18,970,161</b>	98.6%	<b>24,593,750</b>	98.5%	<b>22,347,835</b>	99.3%	<b>-9.1%</b>
Interest and fee on Debt	4,770,603	33.2%	7,416,038	41.8%	6,552,501	27.2%	-11.6%
Interest on Deposits	-	0.0%	-	0.0%	-	0.0%	-
Loan loss provision	1,673,905	11.6%	963,254	5.4%	7,965,852	33.0%	727.0%
<b>Total Banking Expense</b>	<b>6,444,508</b>	44.8%	<b>8,379,292</b>	47.2%	<b>14,518,353</b>	60.2%	<b>73.3%</b>
<b>Growth</b>	<b>125%</b>		<b>30%</b>		<b>73%</b>		
<b>Gross Margin</b>	<b>12,525,653</b>	65.1%	<b>16,214,458</b>	65.0%	<b>7,829,482</b>	34.8%	<b>-51.7%</b>
Loan recuperation	101,473	0.5%	244,188	1.0%	-	0.0%	-100.0%
Other operating revenue	141,085	0.7%	99,967	0.4%	113,573	0.5%	13.6%
<b>Total other operating Rev</b>	<b>242,558</b>	1.3%	<b>344,156</b>	1.4%	<b>113,573</b>	0.5%	<b>-67.0%</b>
Personnel expense	4,931,643	34.3%	5,457,021	30.7%	4,952,337	20.5%	-9.2%
Administrative expense	2,300,187	16.0%	3,003,376	16.9%	3,454,804	14.3%	15.0%
Depreciation/amortization	610,461	4.2%	864,489	4.9%	1,077,658	4.5%	24.7%
Other operating expense	-	0.0%	-	0.0%	51,880	0.2%	-
<b>Total operating expense</b>	<b>7,842,291</b>	54.5%	<b>9,324,885</b>	52.5%	<b>9,536,679</b>	39.6%	<b>2.3%</b>
<b>Growth</b>	<b>55%</b>		<b>19%</b>		<b>2%</b>		
<b>Operating Margin</b>	<b>4,925,920</b>	25.6%	<b>7,233,729</b>	29.0%	<b>-1,593,624</b>	-7.1%	<b>-122.0%</b>
Consulting and training	-	0.0%	-	0.0%	-	0.0%	-
Currency gain/deflation	12,004	0.1%	-	0.0%	1,719	0.0%	-
Donations / Grants	-	0.0%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op rev	14,646	0.1%	26,565	0.1%	49,693	0.2%	87.1%
<b>Non-operating revenue</b>	<b>26,649</b>	0.1%	<b>26,565</b>	0.1%	<b>51,412</b>	0.2%	<b>93.5%</b>
Currency loss/inflation	-	0.0%	5,724	0.0%	-	0.0%	-100.0%
Other/Extra-ord non-op exp	93,831	0.7%	53,438	0.3%	48,790	0.2%	-8.7%
<b>Non-operating expense</b>	<b>93,831</b>	0.7%	<b>59,161</b>	0.3%	<b>48,790</b>	0.2%	<b>-17.5%</b>
Taxes	-	0.0%	-	0.0%	-	0.0%	-
<b>Net Income</b>	<b>4,858,739</b>	25.3%	<b>7,201,133</b>	28.8%	<b>-1,591,002</b>	-7.1%	<b>-122.1%</b>
<b>Growth</b>	<b>-12%</b>		<b>48%</b>		<b>-122%</b>		
<b>Net Income (Ex Donations)</b>	<b>4,858,739</b>		<b>7,201,133</b>		<b>-1,591,002</b>		
Return on Assets	5.0%		5.3%		-1.2%		
ROA net of Donations	5.0%		5.3%		-1.2%		
Return on Equity	22.3%		25.5%		-5.2%		
ROE net of Donations	22.3%		25.5%		-5.2%		
Operational self-sufficiency	132.1%		136.5%		93.6%		
Portfolio yield	20.7%		19.3%		19.5%		
Funding Expense	6.5%		6.9%		6.2%		
Gross margin ratio	14.2%		12.5%		13.2%		
Operating expense ratio	8.6%		7.3%		8.3%		
Net margin ratio	5.7%		5.1%		4.9%		

## 17. ProCredit Bank Georgia

ProCredit Bank Georgia is a full service commercial bank regulated by the Central Bank of Georgia, and fully owned by ProCredit Holding, an international microfinance network based in Frankfurt, Germany.

The bank was established in 1999 under the name of Microfinance Bank of Georgia. In September 2003, following a shareholders' decision, it was renamed to ProCredit as part of a group rebranding exercise. ProCredit group is led by the German-based ProCredit Holding AG which acts as a strategic investor (it became the major shareholder in network banks in 2005/6) and, together with IPC, provides intra-group coordination as well as extensive administrative, management and consulting advice. The primary aim of the group is financing SME customers in emerging markets.

<b>Mission and Market Positioning</b>	Year 2007	Year 2008	Year 2009	apr 2010
	(audited)			(unaudited)
Gross Loan Portfolio (USD)	242,855,255	316,242,861	317,467,745	300,970,783
% growth in local currency	21.2%	36.3%	1.5%	-9.8%
# of Borrowers	59,098	57,615	55,004	51,223
# of Savers	248,101	241,474	296,588	312,090
# Branches	42	58	59	58
# Employees	1,484	1,815	1,683	1,775
# Loan officers	265	444	371	378

With its 58-branch network, ProCredit Georgia is one of the largest banks in Georgia. The bank currently covers the main urban and rural areas of Georgia and its core clientele is comprised of individual entrepreneurs and SMEs, engaged mainly in trade, service and agro-business. ProCredit Georgia aims to continue to operate according to its existing business model: expanding service range but retaining focus on the core clientele.

Relatively easy access to long-term funding sources and strong support from its shareholders remain strong advantages for ProCredit Georgia.

<b>Asset Quality</b>	Year 2007	Year 2008	Year 2009	apr 2010
	(audited)			(unaudited)
Gross Loan Portfolio as % of Total Assets	70%	77%	74%	67%
PAR30	2.6%	1.3%	1.8%	2.6%
Restructured Loans	3.8%	3.7%	0.0%	0.9%
Loan loss reserve as % PAR 30	157%	314%	178%	123%

PAR30 remained stable during 2009, and the restructured portfolio was reduced to zero. Portfolio quality has deteriorated slightly in the first months of 2010, though it remains quite strong with PAR30 + restructured loans equal to only 3.5% of portfolio while write-offs loans remain very low at 0.8%.

<b>Financial Performance</b>	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)*
Return on Assets	2.1%	2.2%	2.8%	2.8%
Return on Equity	14.8%	16.1%	20.4%	20.4%
OSS	118%	110%	121%	119%
Portfolio yield	23.1%	21.5%	21.6%	22.0%
Operational Expense Ratio	12.0%	11.0%	10.3%	10.3%

\*Figures for the last twelve months

ProCredit Georgia posted strong financial results for the year 2009 with a net profit of USD 11.78 million, with ROA of 2.8% and ROE of 20%.

<b>Social Performance</b>	Year 2007	Year 2008	Year 2009
	(audited)		
Average loan size (USD)	4,109	5,489	5,772
% borrowers who are:			
- women	27%	20%	12%
- men	73%	28%	36%
- legal entities	0%	52%	52%
- rural	4%	3%	3%
- urban	77%	77%	77%
- semi-urban	20%	20%	20%

Average loan outstanding at PCBG is USD 5,153 which is amongst the highest of BOLD MFI Borrowers. The bank is moving from a micro bank to a SME bank as its initial clientele's grows. Its deposit base continues to grow rapidly which is a very good sign in a country that has a very poor savings culture.

PROCREDIT BANK GEORGIE  
Georgia

BlueOrchard Data Download - Income Statement

INCOME STATEMENT - Audited	Year 2007		Year 2008		Year 2009		Growth 1 Year
	USD		USD		USD		
Income from banking	49,674,009	89.1%	60,103,396	87.8%	68,378,025	90.8%	13.8%
Income from investments	2,611,076	4.7%	2,881,876	4.2%	1,784	0.0%	-99.9%
<b>Total Banking Revenue</b>	<b>52,285,085</b>	93.8%	<b>62,985,272</b>	92.0%	<b>68,379,809</b>	90.8%	<b>8.6%</b>
Interest and fee on Debt	19,056,010	40.0%	12,998,497	22.1%	14,117,962	23.1%	8.6%
Interest on Deposits	-	0.0%	10,982,266	18.7%	13,981,212	22.9%	27.3%
Loan loss provision	2,723,096	5.7%	3,960,926	6.7%	184,910	0.3%	-95.3%
<b>Total Banking Expense</b>	<b>21,779,106</b>	45.7%	<b>27,941,689</b>	47.6%	<b>28,284,083</b>	46.3%	<b>1.2%</b>
<b>Growth</b>	<b>24%</b>		<b>28%</b>		<b>1%</b>		
<b>Gross Margin</b>	<b>30,505,979</b>	54.7%	<b>35,043,583</b>	51.2%	<b>40,095,725</b>	53.2%	<b>14.4%</b>
Loan recuperation	-	0.0%	-	0.0%	-	0.0%	-
Other operating revenue	1,032,725	1.9%	-	0.0%	4,054,343	5.4%	-
<b>Total other operating Rev</b>	<b>1,032,725</b>	1.9%	<b>-</b>	0.0%	<b>4,054,343</b>	5.4%	<b>-</b>
Personnel expense	10,998,741	23.1%	16,239,856	27.7%	17,697,247	29.0%	9.0%
Administrative expense	11,260,541	23.6%	9,541,930	16.2%	11,351,448	18.6%	19.0%
Depreciation/amortization	2,254,877	4.7%	2,777,878	4.7%	3,329,568	5.5%	19.9%
Other operating expense	1,260,541	2.6%	2,231,440	3.8%	390,035	0.6%	-82.5%
<b>Total operating expense</b>	<b>25,774,701</b>	54.1%	<b>30,791,103</b>	52.4%	<b>32,768,298</b>	53.7%	<b>6.4%</b>
<b>Growth</b>	<b>30%</b>		<b>19%</b>		<b>6%</b>		
<b>Operating Margin</b>	<b>5,764,003</b>	10.3%	<b>4,252,480</b>	6.2%	<b>11,381,771</b>	15.1%	<b>167.7%</b>
Consulting and training	-	0.0%	-	0.0%	-	0.0%	-
Currency gain/deflation	2,227,816	4.0%	4,191,764	6.1%	2,903,264	3.9%	-30.7%
Donations / Grants	49,717	0.1%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op rev	150,409	0.3%	1,266,005	1.8%	-	0.0%	-100.0%
<b>Non-operating revenue</b>	<b>2,427,942</b>	4.4%	<b>5,457,770</b>	8.0%	<b>2,903,264</b>	3.9%	<b>-46.8%</b>
Currency loss/inflation	-	0.0%	-	0.0%	347,226	0.6%	-
Other/Extra-ord non-op exp	78,037	0.2%	-	0.0%	-	0.0%	-
<b>Non-operating expense</b>	<b>78,037</b>	0.2%	<b>-</b>	0.0%	<b>347,226</b>	0.6%	<b>-</b>
Taxes	1,691,001	3.6%	1,547,941	2.6%	2,152,922	3.5%	39.1%
<b>Net Income</b>	<b>6,422,907</b>	11.5%	<b>8,162,308</b>	11.9%	<b>11,784,886</b>	15.6%	<b>44.4%</b>
<b>Growth</b>	<b>57%</b>		<b>27%</b>		<b>44%</b>		
<b>Net Income (Ex Donations)</b>	<b>6,373,191</b>		<b>8,162,308</b>		<b>11,784,886</b>		
Return on Assets	2.1%		2.2%		2.8%		
ROA net of Donations	2.1%		2.2%		2.8%		
Return on Equity	14.8%		16.1%		20.4%		
ROE net of Donations	14.7%		16.1%		20.4%		
Operational self-sufficiency	118.0%		109.9%		121.0%		
Portfolio yield	23.1%		21.5%		21.6%		
Funding Expense	7.6%		4.0%		3.9%		
Gross margin ratio	15.6%		17.5%		17.7%		
Operating expense ratio	12.0%		11.0%		10.3%		
Net margin ratio	3.5%		6.5%		7.3%		

## 18. WWB Popayan, Colombia

WWB Popayan, founded 1985, is a Colombian non-profit organization headquartered in the city of Popayan and affiliated to the Women's World Banking (WWB) network.

Mission and Market Positioning	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio (USD)	142,706,843	153,433,095	204,393,758	225,470,848
% growth in local currency	58.9%	19.9%	21.0%	6.6%
# of Borrowers	202,465	242,563	293,079	315,004
# of Savers	-	-	-	-
# Branches	33	36	39	41
# Employees	698	858	1,114	1,324
# Loan officers	350	452	596	710

The principal activity of the foundation is lending to micro and small businesses, and mainly to women. Their outreach is outstanding as they serve more than more than 315,000 borrowers through a network of 41 full branches and points of service. Within the Colombian MFIs, it ranks 1<sup>st</sup> in terms of number of clients, while 3<sup>rd</sup> in terms of total assets, after BancaMia and WWB Cali. Following the path of its main competitors, the MFI has plans to convert into a regulated bank in the medium term (2 years), in order to enhance governance with the entrance of private shareholders and to improve risk management.

The Colombian market used to be regionally segmented, with each of the WWBs agreeing to cover their own specific regions. This changed completely in the past few years and now there is strong competition, not just amongst specialized MFIs, but from the aggressive entrance of downscaling banks. However, WWB Popayan continues to show relatively strong growth, increasing its geographic reach to the northern and southern extremes of the country, mostly in small municipalities in semi-rural areas.

Asset Quality	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio as % of Total Assets	93%	99%	96%	99%
PAR30	1.7%	3.6%	3.6%	3.0%
Restructured Loans	0.0%	0.2%	0.0%	0.0%
Loan loss reserve as % PAR 30	110%	110%	147%	151%

WWB Popayan has experienced deterioration of its portfolio quality, as a consequence of external factors including lower demand, market overindebtedness and economic deceleration, but also because of some weaknesses in controls in new branches opened in the last two years. As a consequence, PAR30 at the end of 2009 was nearly twice the level in 2007. Restructured loans remain negligible as of Dec-09, however. It is important to highlight that the MFI has taken several measures to control delinquency, and have reviewed their credit policies towards a more conservative stand.

Financial Performance	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)*
Return on Assets	10.4%	8.9%	11.2%	12.7%
Return on Equity	31.4%	26.2%	29.2%	31.1%
OSS	145%	143%	151%	158%
Portfolio yield	32.4%	30.6%	33.8%	34.1%
Operational Expense Ratio	10.5%	8.8%	11.2%	12.6%

\*Figures for the last twelve months

Popayan's profitability figures remain impressive, a product in part of a high percentage of productive assets (more than 95%). Since 2007, the MFI's gross margin has shrunk due to a significant increase in their loan loss provision, however. WWB Popayan also faces a higher funding cost than other WWB affiliates because it relies more on international debt than cheaper local funding. On the other hand, in spite of recent expansions in the branch network and number of employees, the MFI has been able to keep operational efficiency within reasonable levels, though not as strong as the remarkable efficiency seen in past years.

<b>Social Performance</b>	Year 2007	Year 2008	Year 2009
	(audited)		
Average loan size (USD)	705	633	697
% borrowers who are:			
- women	67%	66%	67%
- men	33%	34%	33%
- legal entities	0%	0%	0%
- rural	6%	8%	10%
- urban	94%	92%	90%
- semi-urban	0%	0%	0%

As stated in its mission, Popayan has focused mainly in lending to women, and the proportion of female clientele has historically been over 65%. In addition it serves the lower segments of microfinance and has kept its strong mission focus in serving the poorest Colombians, by extending an average loan size of less than 700 USD.

## BlueOrchard Data Download - Balance Sheet

BALANCE SHEET - Audited	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>Assets</b>							
Cash and Cash Equiv	3,106,589	2.0%	2,476,025	1.6%	4,784,134	2.3%	93.2%
Cash in reserve	-	-	-	-	-	-	-
Short Term Investments	5,164,413	3.4%	1,984,700	1.3%	9,552,400	4.5%	381.3%
<b>Total Liquidities</b>	<b>8,271,002</b>	<b>5.4%</b>	<b>4,460,725</b>	<b>2.9%</b>	<b>14,336,534</b>	<b>6.8%</b>	<b>221.4%</b>
Gross loan portfolio Short term	107,030,133	69.9%	107,403,166	69.4%	155,207,510	73.2%	44.5%
Loan loss reserve	-2,614,986	-1.7%	-6,185,141	-4.0%	-10,716,812	-5.1%	73.3%
Other Current Assets	1,793,635	1.2%	17,896	0.0%	417,339	0.2%	2232.0%
<b>Total Current Assets</b>	<b>114,479,783</b>	<b>74.8%</b>	<b>105,696,646</b>	<b>68.3%</b>	<b>159,244,572</b>	<b>75.1%</b>	<b>50.7%</b>
Long term outstanding loans	35,676,711	23.3%	46,029,928	29.8%	49,186,248	23.2%	6.9%
Property Plant & Equipment Net	2,218,779	1.4%	2,560,182	1.7%	2,945,446	1.4%	15.0%
Long term investments	-	-	-	-	-	-	-
Total other long term assets	727,972	0.5%	376,987	0.2%	624,901	0.3%	65.8%
<b>Total Non-Current Assets</b>	<b>38,623,462</b>	<b>25.2%</b>	<b>48,967,098</b>	<b>31.7%</b>	<b>52,756,595</b>	<b>24.9%</b>	<b>7.7%</b>
<b>Total Assets</b>	<b>153,103,245</b>	<b>100.0%</b>	<b>154,663,744</b>	<b>100.0%</b>	<b>212,001,167</b>	<b>100.0%</b>	<b>37.1%</b>
<b>Growth</b>	<b>79%</b>		<b>1%</b>		<b>37%</b>		
<b>Liabilities</b>							
Sight deposits	-	-	-	-	-	-	-
Short Term Term deposits	-	-	-	-	-	-	-
Short Term Compulsory Deposits	-	-	-	-	-	-	-
<b>Savings &amp; deposits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Borrowing short term	19,071,654	12.5%	16,418,198	10.6%	30,134,236	14.2%	83.5%
Short term back to back loans	-	-	-	-	-	-	-
Other short term Liabilities	2,167,810	1.4%	3,110,662	2.0%	5,453,764	2.6%	75.3%
<b>Total Current Liabilities</b>	<b>21,239,463</b>	<b>13.9%</b>	<b>19,528,859</b>	<b>12.6%</b>	<b>35,588,000</b>	<b>16.8%</b>	<b>82.2%</b>
Long term Term Deposits	-	-	-	-	-	-	-
Long term compulsory savings	-	-	-	-	-	-	-
Borrowing long term	83,627,136	54.6%	78,099,390	50.5%	92,980,801	43.9%	19.1%
Long term back to back loans	-	-	-	-	-	-	-
Subordinated Debt	-	-	-	-	-	-	-
Other long term liabilities	672,348	0.4%	340,090	0.2%	-	-	-100.0%
<b>Total Non-Current Liabilities</b>	<b>84,299,484</b>	<b>55.1%</b>	<b>78,439,479</b>	<b>50.7%</b>	<b>92,980,801</b>	<b>43.9%</b>	<b>18.5%</b>
<b>Total Liabilities</b>	<b>105,538,948</b>	<b>68.9%</b>	<b>97,968,339</b>	<b>63.3%</b>	<b>128,568,800</b>	<b>60.6%</b>	<b>31.2%</b>
<b>Growth</b>	<b>96%</b>		<b>-7%</b>		<b>31%</b>		
Donations	334,727	0.2%	300,204	0.2%	330,543	0.2%	10.1%
Paid in Capital (+ add Paid)	6,526,901	4.3%	5,919,945	3.8%	6,635,048	3.1%	12.1%
Reserves	28,285,865	18.5%	36,817,732	23.8%	55,998,708	26.4%	52.1%
Retained earnings	-	-	-	-	-	-	-
Net income for the period	12,416,804	8.1%	13,657,524	8.8%	20,468,068	9.7%	49.9%
<b>Total Equity</b>	<b>47,564,297</b>	<b>31.1%</b>	<b>56,695,405</b>	<b>36.7%</b>	<b>83,432,366</b>	<b>39.4%</b>	<b>47.2%</b>
<b>Growth</b>	<b>51%</b>		<b>19%</b>		<b>47%</b>		
<b>Total Equity &amp; Liabilities</b>	<b>153,103,245</b>	<b>100.0%</b>	<b>154,663,744</b>	<b>100.0%</b>	<b>212,001,167</b>	<b>100.0%</b>	<b>37.1%</b>
Total Net Loan Portfolio	140,091,857		147,247,953		193,676,947		<b>31.5%</b>
Total Deposits	-		-		-		-
Total Debt (including Sub)	102,698,790		94,517,587		123,115,037		<b>30.3%</b>
Debt Secured							
Gross Port : Total Assets	93.2%		99.2%		96.4%		
Liquidity	5.4%		2.9%		6.8%		
Solvency ratio	-		-		-		
Savings	0.0%		0.0%		0.0%		
Debt/equity	2.22		1.73		1.54		
Debt/equity (Sub as Equity) Unaudit	2.22		1.46		1.35		

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	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>INCOME STATEMENT - Audited</b>							
Income from banking	36,205,655	93.0%	45,344,944	97.4%	60,541,606	96.6%	33.5%
Income from investments	-	0.0%	-	0.0%	-	0.0%	-
<b>Total Banking Revenue</b>	<b>36,205,655</b>	93.0%	<b>45,344,944</b>	97.4%	<b>60,541,606</b>	96.6%	<b>33.5%</b>
Interest and fee on Debt	12,030,231	45.7%	14,715,044	44.9%	14,702,527	35.1%	-0.1%
Interest on Deposits	-	0.0%	-	0.0%	-	0.0%	-
Loan loss provision	1,795,961	6.8%	4,776,360	14.6%	6,603,299	15.8%	38.2%
<b>Total Banking Expense</b>	<b>13,826,193</b>	52.5%	<b>19,491,404</b>	59.4%	<b>21,305,826</b>	50.9%	<b>9.3%</b>
<b>Growth</b>	<b>136%</b>		<b>41%</b>		<b>9%</b>		
<b>Gross Margin</b>	<b>22,379,462</b>	57.5%	<b>25,853,540</b>	55.5%	<b>39,235,780</b>	62.6%	<b>51.8%</b>
Loan recuperation	30,941	0.1%	-	0.0%	-	0.0%	-
Other operating revenue	879,549	2.3%	1,159,067	2.5%	1,736,768	2.8%	49.8%
<b>Total other operating Rev</b>	<b>910,490</b>	2.3%	<b>1,159,067</b>	2.5%	<b>1,736,768</b>	2.8%	<b>49.8%</b>
Personnel expense	6,748,510	25.6%	7,135,940	21.8%	11,802,602	28.2%	65.4%
Administrative expense	4,444,370	16.9%	5,325,712	16.2%	7,440,060	17.8%	39.7%
Depreciation/amortization	546,003	2.1%	535,868	1.6%	780,677	1.9%	45.7%
Other operating expense	-	0.0%	-	0.0%	-	0.0%	-
<b>Total operating expense</b>	<b>11,738,884</b>	44.6%	<b>12,997,521</b>	39.6%	<b>20,023,340</b>	47.8%	<b>54.1%</b>
<b>Growth</b>	<b>56%</b>		<b>11%</b>		<b>54%</b>		
<b>Operating Margin</b>	<b>11,551,069</b>	29.7%	<b>14,015,086</b>	30.1%	<b>20,949,208</b>	33.4%	<b>49.5%</b>
Consulting and training	-	0.0%	-	0.0%	-	0.0%	-
Currency gain/deflation	-	0.0%	-	0.0%	-	0.0%	-
Donations / Grants	-	0.0%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op rev	1,800,826	4.6%	51,583	0.1%	383,145	0.6%	642.8%
<b>Non-operating revenue</b>	<b>1,800,826</b>	4.6%	<b>51,583</b>	0.1%	<b>383,145</b>	0.6%	<b>642.8%</b>
Currency loss/inflation	-	0.0%	-	0.0%	160,643	0.4%	-
Other/Extra-ord non-op exp	747,855	2.8%	312,974	1.0%	562,548	1.3%	79.7%
<b>Non-operating expense</b>	<b>747,855</b>	2.8%	<b>312,974</b>	1.0%	<b>723,191</b>	1.7%	<b>131.1%</b>
Taxes	187,236	0.7%	96,242	0.3%	141,095	0.3%	46.6%
<b>Net Income</b>	<b>12,416,804</b>	31.9%	<b>13,657,453</b>	29.3%	<b>20,468,068</b>	32.7%	<b>49.9%</b>
<b>Growth</b>	<b>213%</b>		<b>10%</b>		<b>50%</b>		
<b>Net Income (Ex Donations)</b>	<b>12,416,804</b>		<b>13,657,453</b>		<b>20,468,068</b>		
Return on Assets	10.4%		8.9%		11.2%		
ROA net of Donations	10.4%		8.9%		11.2%		
Return on Equity	31.4%		26.2%		29.2%		
ROE net of Donations	31.4%		26.2%		29.2%		
Operational self-sufficiency	145.1%		142.6%		150.7%		
Portfolio yield	32.4%		30.6%		33.8%		
Funding Expense	15.5%		14.9%		13.5%		
Gross margin ratio	16.9%		15.7%		20.3%		
Operating expense ratio	10.5%		8.8%		11.2%		
Net margin ratio	6.4%		6.9%		9.1%		

## 19. Xac Bank, Mongolia

XacBank is a full service commercial bank, operating under the Banking Law of Mongolia and is regulated by the National Bank of Mongolia. It was established as a commercial bank in October 2001 and obtained its banking license in December 2001. The Bank is also a member of the Mercy Corps Network of MFIs.

XacBank was created after the merger of two local NBFIs (Golden Fund for Development and Govin Ekeel), leading institutions in the local micro and SME lending industry. As of October 2009, Shareholders of the bank, indirectly via TenGer Financial Group LLC, included: EIT LLC<sup>1</sup> 25%, MercyCorps 15.7%, BlueOrchard Private Equity Fund 14.5%, IFC 11.8%, EBRD 11.1%, Triodos 7.5%, and other remaining shareholders owning not more than 4% each which includes NGOs and local companies / individuals.

Mission and Market Positioning	Year 2007	Year 2008	Year 2009	apr 2010
	(audited)			(unaudited)
Gross Loan Portfolio (USD)	87,160,322	118,968,652	138,746,690	162,742,450
% growth in local currency	67.5%	48.5%	31.1%	22.9%
# of Borrowers	54,270	54,973	73,121	69,251
# of Savers	103,288	113,789	135,336	149,486
# Branches	68	74	75	80
# Employees	801	955	979	1,001
# Loan officers	233	290	316	305

XacBank's mission is "to contribute to the socio-economic development of the country while creating a fair value for its shareholders. This will be achieved by providing inclusive, value adding, and reliable financial services to all people and entities of Mongolia through establishing a leading financial institution that is equally concerned about Planet, People, and Profit. The Bank will embrace premium customer service, dedicated and talented employees, corporate social responsibility, efficient usage of ICT and innovation, and effective partnerships at all levels."

XacBank targets individual clients with an even mix between urban and rural areas. The bank is currently one of the leading providers of microfinance services in Mongolia together with Khan Bank, the largest bank in Mongolia. XacBank is also working to strengthen its SME lending operations as it aims to capture more of this market. Currently XacBank is the fourth largest bank in Mongolia by total assets.

Asset Quality	Year 2007	Year 2008	Year 2009	apr 2010
	(audited)			(unaudited)
Gross Loan Portfolio as % of Total Assets	71%	73%	62%	66%
PAR30	0.7%	1.7%	2.7%	2.7%
Restructured Loans	0.1%	0.1%	5.3%	2.8%
Loan loss reserve as % PAR 30	101%	67%	59%	63%

Effects of the global financial crisis on the local economy have led to some deterioration of XacBank's portfolio quality and PaR30 reached a peak at 3.5% in October 2009, declining to 2.7% by year-end. Portfolio deterioration has been experienced throughout Mongolia over the last two years due to economic overheating (particularly in the property sector), inflationary pressures that reduced the disposable income of the bank's borrowers and depreciation of the local currency against the USD which negatively affected the performance of the USD loan portfolio. Over the long term Mongolia's economy should receive a boost from the large scale mining project due to come online in 2013.

<sup>1</sup> Group of employees set up a special purpose company called Employee Investment Trust (EIT) which is owned by the employees, capitalized with the shares that they currently hold in the Bank and the Group. BlueOrchard Investments Sarl is part of the EIT group.

Although Xacbank actively restructured loans during 2009, write-offs for the year were minimal, at 0.1%. The bank actively monitors its portfolio mix, and sets maximum exposure by product, branch and industry. The Risk Management Department monitors that such targets are respected. Additional measures were taken to reverse XacBank's asset quality deterioration by further strengthening credit procedures.

XacBank's loans/deposits ratio remains very high at 160% in April 2009 due to insufficient deposits to cover the lending operations. However long-term borrowing is supported by a solid mix of development agencies and MIVs and the Bank's liquidity ratio is strong. CAR ratios remain strong with a core capital ratio of 13% (vs a 6% regulatory limit) and a risk weighted capital ratio of 17% (vs a 12% regulatory limit) as of December 2009.

<b>Financial Performance</b>	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)*
Return on Assets	2.5%	1.7%	0.9%	1.6%
Return on Equity	24.0%	17.5%	9.5%	16.6%
OSS	119%	113%	112%	112%
Portfolio yield	22.4%	21.6%	21.1%	21.9%
Operational Expense Ratio	10.2%	9.5%	8.8%	8.3%

\*Figures for the last twelve months

Profitability levels remain solid although the pressures from loan impairments and declining net interest margins from increased funding costs reduced ROA and ROE somewhat in 2009. Lending growth was limited at the beginning of 2009, although it resumed in the second half of the year. While XacBank's efficiency is lower than its peers due to focus on labor-intensive lending and significant outreach, it is still among the best in the microfinance sector on a global basis.

<b>Social Performance</b>	Year 2007	Year 2008	Year 2009
	(audited)		
Average loan size (USD)	1,606	2,164	1,897
% borrowers who are:			
- women	46%	46%	39%
- men	54%	39%	45%
- legal entities	0%	16%	16%
- rural	44%	45%	43%
- urban	47%	46%	49%
- semi-urban	9%	9%	8%

The Bank's primary target market remains the low income segment of the population, vulnerable groups, marginalized citizens, under-served and those living in remote areas. XacBank covers essentially all the major areas of Mongolia and has a natural geographic diversification in both rural and urban areas. To be noted also is Xac Bank's involvement in supporting the nomadic Mongolian population through its herder loan product in order to also ease the transition of livestock herders to living in urban centres.

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BALANCE SHEET - Audited	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>Assets</b>							
Cash and Cash Equiv	4,730,249	3.9%	5,886,998	3.6%	6,243,531	2.8%	6.1%
Cash in reserve	-	-	11,303,886	6.9%	33,160,083	14.8%	193.4%
Short Term Investments	21,889,334	17.8%	14,057,291	8.6%	32,796,336	14.7%	133.3%
<b>Total Liquidities</b>	<b>26,619,583</b>	<b>21.7%</b>	<b>31,248,175</b>	<b>19.1%</b>	<b>72,199,950</b>	<b>32.3%</b>	<b>131.1%</b>
Gross loan portfolio Short term	53,014,725	43.2%	68,443,929	41.9%	69,330,288	31.0%	1.3%
Loan loss reserve	-593,031	-0.5%	-1,327,373	-0.8%	-2,209,027	-1.0%	66.4%
Other Current Assets	1,294,796	1.1%	3,219,657	2.0%	2,640,727	1.2%	-18.0%
<b>Total Current Assets</b>	<b>80,336,072</b>	<b>65.5%</b>	<b>101,584,387</b>	<b>62.1%</b>	<b>141,961,938</b>	<b>63.5%</b>	<b>39.7%</b>
Long term outstanding loans	34,145,598	27.8%	50,524,723	30.9%	69,416,402	31.0%	37.4%
Property Plant & Equipment Net	7,788,174	6.3%	9,797,866	6.0%	10,336,840	4.6%	5.5%
Long term investments	-	-	-	-	-	-	-
Total other long term assets	422,753	0.3%	1,591,187	1.0%	1,989,871	0.9%	25.1%
<b>Total Non-Current Assets</b>	<b>42,356,524</b>	<b>34.5%</b>	<b>61,913,776</b>	<b>37.9%</b>	<b>81,743,113</b>	<b>36.5%</b>	<b>32.0%</b>
<b>Total Assets</b>	<b>122,692,596</b>	<b>100.0%</b>	<b>163,498,163</b>	<b>100.0%</b>	<b>223,705,051</b>	<b>100.0%</b>	<b>36.8%</b>
<b>Growth</b>	<b>61%</b>		<b>33%</b>		<b>37%</b>		
<b>Liabilities</b>							
Sight deposits	24,092,084	19.6%	23,371,619	14.3%	27,664,052	12.4%	18.4%
Short Term Term deposits	42,640,471	34.8%	41,291,399	25.3%	59,650,026	26.7%	44.5%
Short Term Compulsory Deposits	-	-	-	-	-	-	-
<b>Savings &amp; deposits</b>	<b>66,732,555</b>	<b>54.4%</b>	<b>64,663,018</b>	<b>39.5%</b>	<b>87,314,078</b>	<b>39.0%</b>	<b>35.0%</b>
Borrowing short term	-	-	-	-	19,584,943	8.8%	-
Short term back to back loans	-	-	-	-	-	-	-
Other short term Liabilities	493,045	0.4%	2,216,618	1.4%	1,226,782	0.5%	-44.7%
<b>Total Current Liabilities</b>	<b>67,225,601</b>	<b>54.8%</b>	<b>66,879,636</b>	<b>40.9%</b>	<b>108,125,803</b>	<b>48.3%</b>	<b>61.7%</b>
Long term Term Deposits	-	-	-	-	16,744,755	7.5%	-
Long term compulsory savings	-	-	-	-	-	-	-
Borrowing long term	44,012,601	35.9%	76,327,016	46.7%	71,667,133	32.0%	-6.1%
Long term back to back loans	-	-	-	-	-	-	-
Subordinated Debt	-	-	2,914,395	1.8%	6,163,009	2.8%	111.5%
Other long term liabilities	138,247	0.1%	163,169	0.1%	404,010	0.2%	147.6%
<b>Total Non-Current Liabilities</b>	<b>44,150,848</b>	<b>36.0%</b>	<b>79,404,579</b>	<b>48.6%</b>	<b>94,978,907</b>	<b>42.5%</b>	<b>19.6%</b>
<b>Total Liabilities</b>	<b>111,376,448</b>	<b>90.8%</b>	<b>146,284,215</b>	<b>89.5%</b>	<b>203,104,710</b>	<b>90.8%</b>	<b>38.8%</b>
<b>Growth</b>	<b>66%</b>		<b>31%</b>		<b>39%</b>		
Donations	-	-	-	-	-	-	-
Paid in Capital (+ add Paid)	6,880,027	5.6%	10,646,818	6.5%	12,966,961	5.8%	21.8%
Reserves	1,962,360	1.6%	4,076,862	2.5%	5,841,531	2.6%	43.3%
Retained earnings	50	0.0%	46	0.0%	-	-	-100.0%
Net income for the period	2,473,712	2.0%	2,490,222	1.5%	1,791,850	0.8%	-28.0%
<b>Total Equity</b>	<b>11,316,148</b>	<b>9.2%</b>	<b>17,213,947</b>	<b>10.5%</b>	<b>20,600,341</b>	<b>9.2%</b>	<b>19.7%</b>
<b>Growth</b>	<b>21%</b>		<b>52%</b>		<b>20%</b>		
<b>Total Equity &amp; Liabilities</b>	<b>122,692,596</b>	<b>100.0%</b>	<b>163,498,163</b>	<b>100.0%</b>	<b>223,705,051</b>	<b>100.0%</b>	<b>36.8%</b>
Total Net Loan Portfolio	86,567,292		117,641,278		136,537,662		<b>16.1%</b>
Total Deposits	66,732,555		64,663,018		104,058,834		<b>60.9%</b>
Total Debt (including Sub)	44,012,601		79,241,410		97,415,085		<b>22.9%</b>
Debt Secured							
Gross Port : Total Assets	71.0%		72.8%		62.0%		
Liquidity	21.7%		19.1%		32.3%		
Solvency ratio	0.40		0.48		0.83		
Savings	54.4%		39.5%		39.0%		
Debt/equity	9.84		8.50		9.86		
Debt/equity (Sub as Equity) Unaudit	8.25		6.80		-		

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	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>INCOME STATEMENT - Audited</b>							
Income from banking	15,590,779	88.2%	22,248,711	88.2%	27,150,289	92.5%	22.0%
Income from investments	521,678	3.0%	937,329	3.7%	1,463,377	5.0%	56.1%
<b>Total Banking Revenue</b>	<b>16,112,457</b>	91.2%	<b>23,186,039</b>	91.9%	<b>28,613,666</b>	97.5%	<b>23.4%</b>
Interest and fee on Debt	7,470,503	50.3%	11,474,172	52.0%	14,763,478	54.2%	28.7%
Interest on Deposits	-	0.0%	-	0.0%	-	0.0%	-
Loan loss provision	291,095	2.0%	851,718	3.9%	1,147,915	4.2%	34.8%
<b>Total Banking Expense</b>	<b>7,761,598</b>	52.3%	<b>12,325,890</b>	55.8%	<b>15,911,393</b>	58.4%	<b>29.1%</b>
<b>Growth</b>	<b>37%</b>		<b>59%</b>		<b>29%</b>		
<b>Gross Margin</b>	<b>8,350,859</b>	47.3%	<b>10,860,149</b>	43.0%	<b>12,702,273</b>	43.3%	<b>17.0%</b>
Loan recuperation	-	0.0%	-	0.0%	-	0.0%	-
Other operating revenue	1,498,324	8.5%	1,959,380	7.8%	505,833	1.7%	-74.2%
<b>Total other operating Rev</b>	<b>1,498,324</b>	8.5%	<b>1,959,380</b>	7.8%	<b>505,833</b>	1.7%	<b>-74.2%</b>
Personnel expense	3,332,079	22.5%	4,640,841	21.0%	5,004,139	18.4%	7.8%
Administrative expense	3,060,940	20.6%	3,807,248	17.2%	4,561,450	16.7%	19.8%
Depreciation/amortization	625,583	4.2%	790,594	3.6%	1,239,297	4.5%	56.8%
Other operating expense	59,110	0.4%	507,956	2.3%	533,299	2.0%	5.0%
<b>Total operating expense</b>	<b>7,077,713</b>	47.7%	<b>9,746,640</b>	44.2%	<b>11,338,185</b>	41.6%	<b>16.3%</b>
<b>Growth</b>	<b>21%</b>		<b>38%</b>		<b>16%</b>		
<b>Operating Margin</b>	<b>2,771,470</b>	15.7%	<b>3,072,889</b>	12.2%	<b>1,869,921</b>	6.4%	<b>-39.1%</b>
Consulting and training	-	0.0%	-	0.0%	-	0.0%	-
Currency gain/deflation	-	0.0%	-	0.0%	-	0.0%	-
Donations / Grants	59,110	0.3%	93,098	0.4%	224,250	0.8%	140.9%
Other/Extra-ord non-op rev	-	0.0%	-	0.0%	-	0.0%	-
<b>Non-operating revenue</b>	<b>59,110</b>	0.3%	<b>93,098</b>	0.4%	<b>224,250</b>	0.8%	<b>140.9%</b>
Currency loss/inflation	-	0.0%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op exp	-	0.0%	-	0.0%	-	0.0%	-
<b>Non-operating expense</b>	<b>-</b>	0.0%	<b>-</b>	0.0%	<b>-</b>	0.0%	<b>-</b>
Taxes	356,869	2.4%	675,765	3.1%	302,322	1.1%	-55.3%
<b>Net Income</b>	<b>2,473,712</b>	14.0%	<b>2,490,222</b>	9.9%	<b>1,791,850</b>	6.1%	<b>-28.0%</b>
<b>Growth</b>	<b>62%</b>		<b>1%</b>		<b>-28%</b>		
<b>Net Income (Ex Donations)</b>	<b>2,414,601</b>		<b>2,397,124</b>		<b>1,567,599</b>		
Return on Assets	2.5%		1.7%		0.9%		
ROA net of Donations	2.4%		1.7%		0.8%		
Return on Equity	24.0%		17.5%		9.5%		
ROE net of Donations	23.4%		16.8%		8.3%		
Operational self-sufficiency	113.4%		111.7%		0.0%		
Portfolio yield	22.4%		21.6%		21.1%		
Funding Expense	8.4%		9.0%		8.5%		
Gross margin ratio	13.9%		12.6%		12.5%		
Operating expense ratio	10.2%		9.5%		8.8%		
Net margin ratio	3.8%		3.1%		3.7%		

## 20. ZAO Finca, Russia

Finca Closed Joint-Stock Company (CJSC) or ZAO Finca was incorporated in September 2005 in the city of Samara as a non-banking credit institution (NBCI). It is a wholly-owned subsidiary of Finca International Inc. which has its headquarters in Washington, DC. Finca International ultimately plans to transform the institution into a bank.

The MFI is the product of a merger and transformation of Finca Samara, Finca Tomsk and Finca Novosibirsk, three non-resident, not-for-profit branches of Finca International that were registered in 1999, 2000 and 2003, respectively.

Mission and Market Positioning	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio (USD)	37,450,095	34,454,504	18,588,647	18,047,632
% growth in local currency	82.1%	10.1%	-44.4%	-1.8%
# of Borrowers	10,813	12,217	8,560	8,111
# of Savers	-	-	-	-
# Branches	7	9	8	8
# Employees	245	288	198	189
# Loan officers	107	118	72	80

ZAO Finca's mission is to provide loan capital to lower income micro- and small- entrepreneurs in the Russian regions. The loans are made to entrepreneurs who would otherwise usually be unable to access credit through the traditional financial sector. These loans help them to grow and develop their businesses and thereby raise their household income and standard of living.

As of December 2009, ZAO Finca served 8,560 clients in more than 40 cities, towns and villages in the Russian regions. The company's Russian headquarters is in the city of Samara in the Samara oblast, which is located 1,000 km southeast of Moscow on the Volga River.

The sharp economic slowdown in Russia reduced demand for credit among Finca's clients, and total portfolio decreased by 44% over 2009 and by 2% during the first 5 months of the year 2010.

Asset Quality	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)
Gross Loan Portfolio as % of Total Assets	85%	91%	78%	75%
PAR30	1.0%	1.7%	2.9%	1.5%
Restructured Loans	0.1%	0.2%	1.2%	0.9%
Loan loss reserve as % PAR 30	167%	130%	94%	132%

During 2009 delinquency in the loan portfolio increased in line with the worsening macroeconomic environment in Russia (rising unemployment, lower salaries and lower turnover), though portfolio quality remains superior to the industry average. PAR 30 as of December 2009 was at 2.9% and restructured loans 1.2%, while write-offs reached a very high 7%. Part of the increase in the PAR30 figure in 2009 is due to the fact that the portfolio has decreased, thus making the portfolio at risk a larger proportion of a smaller portfolio of loans. Portfolio quality has stabilized and improved somewhat in 2010 and as of May 2010, PAR30 is at 1.5%, reprogrammed loans at 0.9% and write offs at 2.6%.

A significant amount of cash of USD 4 million (17.3%) is kept on the MFI's balance sheet, partly in USD, to provide a buffer against potential devaluation of the local currency.

<b>Financial Performance</b>	Year 2007	Year 2008	Year 2009	may 2010
	(audited)			(unaudited)*
Return on Assets	0.9%	0.2%	-4.3%	-3.3%
Return on Equity	4.8%	1.2%	-28.8%	-22.2%
OSS	110%	107%	85%	89%
Portfolio yield	30.9%	35.3%	30.6%	34.8%
Operational Expense Ratio	19.1%	19.5%	21.3%	26.8%

\*Figures for the last twelve months

Due to heavy loan loss reserves and lower interest income due both to higher delinquency and a shrinking loan portfolio, Zao Finca closed its books in 2009 with a negative ROA of 4.3% and negative ROE of 28.8%. In 2010 financial results remain under pressure with the institution reporting a net losses through May 2009 due to loan loss provision expenses. Operational expenses are under control despite the slowdown of activity, however: 15% of the back office staff has been laid off since December 2009 in order to reduce operating costs. Net income for year-end 2010 is expected to be breakeven thanks to increased disbursements during the last quarter of the year, higher recoveries and the effect of higher interest rates introduced during the first quarter.

<b>Social Performance</b>	Year 2007	Year 2008	Year 2009
	(audited)		
Average loan size (USD)	3,463	2,820	2,172
% borrowers who are:			
- women	74%	70%	66%
- men	26%	30%	34%
- legal entities	0%	0%	0%
- rural	11%	0%	1%
- urban	61%	71%	73%
- semi-urban	28%	29%	26%

Zao Finca's average loan outstanding stood at USD 2,126 at the end of 2009 which is relatively low for Russia where GDP per capita equals approximately USD 7,500 (not PPP-adjusted). This shows the continuous commitment of the institution to serve the lower income micro- and small entrepreneurs in the Russian regions. The share of individual loans is decreasing in line with the lower demand for such products during the current economic crisis and group loans now constitute around 32% of the total number of loans outstanding.

BlueOrchard Data Download - Balance Sheet

BALANCE SHEET - Audited	Year 2007 USD		Year 2008 USD		Year 2009 USD		Growth 1 Year
<b>Assets</b>							
Cash and Cash Equiv	5,961,302	13.5%	1,128,823	3.0%	1,125,474	4.7%	-0.3%
Cash in reserve	-	-	-	-	-	-	-
Short Term Investments	-	-	1,000,000	2.6%	3,249,512	13.5%	225.0%
<b>Total Liquidities</b>	<b>5,961,302</b>	13.5%	<b>2,128,823</b>	5.6%	<b>4,374,986</b>	18.2%	<b>105.5%</b>
Gross loan portfolio Short term	31,992,279	72.5%	28,264,281	74.7%	16,624,817	69.3%	-41.2%
Loan loss reserve	-605,850	-1.4%	-771,137	-2.0%	-505,915	-2.1%	-34.4%
Other Current Assets	<u>548,360</u>	1.2%	<u>1,087,353</u>	2.9%	<u>471,314</u>	2.0%	-56.7%
<b>Total Current Assets</b>	<b>37,896,091</b>	85.9%	<b>30,709,320</b>	81.2%	<b>20,965,202</b>	87.4%	<b>-31.7%</b>
Long term outstanding loans	5,457,816	12.4%	6,190,223	16.4%	1,963,829	8.2%	-68.3%
Property Plant & Equipment Net	398,140	0.9%	356,249	0.9%	247,571	1.0%	-30.5%
Long term investments	-	-	-	-	-	-	-
Total other long term assets	363,243	0.8%	565,314	1.5%	806,006	3.4%	42.6%
<b>Total Non-Current Assets</b>	<b>6,219,199</b>	14.1%	<b>7,111,786</b>	18.8%	<b>3,017,406</b>	12.6%	<b>-57.6%</b>
<b>Total Assets</b>	<b>44,115,290</b>	100.0%	<b>37,821,106</b>	100.0%	<b>23,982,609</b>	100.0%	<b>-36.6%</b>
<b>Growth</b>	<b>79%</b>		<b>-14%</b>		<b>-37%</b>		
<b>Liabilities</b>							
Sight deposits	-	-	-	-	-	-	-
Short Term Term deposits	-	-	-	-	-	-	-
Short Term Compulsory Deposits	-	-	-	-	-	-	-
<b>Savings &amp; deposits</b>	-	-	-	-	-	-	-
Borrowing short term	4,394,621	10.0%	8,501,411	22.5%	5,228,419	21.8%	-38.5%
Short term back to back loans	-	-	-	-	-	-	-
Other short term Liabilities	<u>2,000,294</u>	4.5%	<u>1,904,992</u>	5.0%	<u>655,358</u>	2.7%	-65.6%
<b>Total Current Liabilities</b>	<b>6,394,915</b>	14.5%	<b>10,406,403</b>	27.5%	<b>5,883,778</b>	24.5%	<b>-43.5%</b>
Long term Term Deposits	-	-	-	-	-	-	-
Long term compulsory savings	-	-	-	-	-	-	-
Borrowing long term	31,143,361	70.6%	21,938,317	58.0%	10,463,207	43.6%	-52.3%
Long term back to back loans	-	-	-	-	-	-	-
Subordinated Debt	-	-	-	-	3,335,706	13.9%	-
Other long term liabilities	<u>84,197</u>	0.2%	<u>64,922</u>	0.2%	<u>461,218</u>	1.9%	610.4%
<b>Total Non-Current Liabilities</b>	<b>31,227,558</b>	70.8%	<b>22,003,239</b>	58.2%	<b>14,260,131</b>	59.5%	<b>-35.2%</b>
<b>Total Liabilities</b>	<b>37,622,473</b>	85.3%	<b>32,409,642</b>	85.7%	<b>20,143,909</b>	84.0%	<b>-37.8%</b>
<b>Growth</b>	<b>105%</b>		<b>-14%</b>		<b>-38%</b>		
Donations	-	-	-	-	-	-	-
Paid in Capital (+ add Paid)	4,738,321	10.7%	4,738,321	12.5%	4,737,790	19.8%	0.0%
Reserves	-	-	-209,487	-0.6%	-451,772	-1.9%	115.7%
Retained earnings	903,494	2.0%	882,631	2.3%	-447,318	-1.9%	-150.7%
Net income for the period	<u>851,000</u>	1.9%	-	-	-	-	-
<b>Total Equity</b>	<b>6,492,815</b>	14.7%	<b>5,411,465</b>	14.3%	<b>3,838,699</b>	16.0%	<b>-29.1%</b>
<b>Growth</b>	<b>4%</b>		<b>-17%</b>		<b>-29%</b>		
<b>Total Equity &amp; Liabilities</b>	<b>44,115,288</b>	100.0%	<b>37,821,107</b>	100.0%	<b>23,982,609</b>	100.0%	<b>-36.6%</b>
Total Net Loan Portfolio	36,844,245		33,683,367		18,082,731		<b>-46.3%</b>
Total Deposits	-		-		-		-
Total Debt (including Sub)	35,537,982		30,439,728		19,027,332		<b>-37.5%</b>
Debt Secured							
Gross Port : Total Assets	84.9%		91.1%		77.5%		
Liquidity	13.5%		5.6%		18.2%		
Solvency ratio	-		-		-		
Savings	0.0%		0.0%		0.0%		
Debt/equity	5.79		5.99		5.25		
Debt/equity (Sub as Equity) Unaudit	5.69		2.97		2.38		

ZAO FINCA  
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	Year 2007		Year 2008		Year 2009		Growth
INCOME STATEMENT - Audited	USD		USD		USD		1 Year
Income from banking	8,740,609	96.0%	12,680,352	99.0%	8,109,674	96.4%	-36.0%
Income from investments	97,593	1.1%	109,223	0.9%	298,887	3.6%	173.6%
<b>Total Banking Revenue</b>	<b>8,838,202</b>	97.0%	<b>12,789,575</b>	99.8%	<b>8,408,562</b>	100.0%	<b>-34.3%</b>
Interest and fee on Debt	2,569,989	30.4%	4,092,580	33.8%	2,863,597	29.1%	-30.0%
Interest on Deposits	-	0.0%	-	0.0%	-	0.0%	-
Loan loss provision	475,102	5.6%	1,023,253	8.4%	1,322,151	13.4%	29.2%
<b>Total Banking Expense</b>	<b>3,045,091</b>	36.0%	<b>5,115,833</b>	42.2%	<b>4,185,747</b>	42.5%	<b>-18.2%</b>
<b>Growth</b>	<b>160%</b>		<b>68%</b>		<b>-18%</b>		
<b>Gross Margin</b>	<b>5,793,111</b>	63.6%	<b>7,673,742</b>	59.9%	<b>4,222,814</b>	50.2%	<b>-45.0%</b>
Loan recuperation	-	0.0%	-	0.0%	-	0.0%	-
Other operating revenue	15,378	0.2%	17,351	0.1%	-	0.0%	-100.0%
<b>Total other operating Rev</b>	<b>15,378</b>	0.2%	<b>17,351</b>	0.1%	<b>-</b>	0.0%	<b>-100.0%</b>
Personnel expense	2,895,085	34.2%	3,847,363	31.7%	2,856,376	29.0%	-25.8%
Administrative expense	2,254,315	26.7%	2,999,382	24.7%	2,683,308	27.2%	-10.5%
Depreciation/amortization	57,747	0.7%	133,810	1.1%	113,877	1.2%	-14.9%
Other operating expense	204,862	2.4%	22,584	0.2%	-	0.0%	-100.0%
<b>Total operating expense</b>	<b>5,412,009</b>	64.0%	<b>7,003,139</b>	57.8%	<b>5,653,561</b>	57.4%	<b>-19.3%</b>
<b>Growth</b>	<b>33%</b>		<b>29%</b>		<b>-19%</b>		
<b>Operating Margin</b>	<b>396,480</b>	4.4%	<b>687,954</b>	5.4%	<b>-1,430,746</b>	-17.0%	<b>-308.0%</b>
Consulting and training	-	0.0%	-	0.0%	-	0.0%	-
Currency gain/deflation	255,708	2.8%	-	0.0%	-	0.0%	-
Donations / Grants	-	0.0%	-	0.0%	-	0.0%	-
Other/Extra-ord non-op rev	-	0.0%	6,645	0.1%	-	0.0%	-100.0%
<b>Non-operating revenue</b>	<b>255,708</b>	2.8%	<b>6,645</b>	0.1%	<b>-</b>	0.0%	<b>-100.0%</b>
Currency loss/inflation	-	0.0%	493,270	4.1%	124,355	1.3%	-74.8%
Other/Extra-ord non-op exp	-	0.0%	-	0.0%	8,535	0.1%	-
<b>Non-operating expense</b>	<b>-</b>	0.0%	<b>493,270</b>	4.1%	<b>132,890</b>	1.3%	<b>-73.1%</b>
Taxes	346,073	4.1%	132,719	1.1%	-233,787	-2.4%	-276.2%
<b>Net Income</b>	<b>306,115</b>	3.4%	<b>68,610</b>	0.5%	<b>-1,329,850</b>	-15.8%	<b>-2038.3%</b>
<b>Growth</b>	<b>-81%</b>		<b>-78%</b>		<b>-2038%</b>		
<b>Net Income (Ex Donations)</b>	<b>306,115</b>		<b>68,610</b>		<b>-1,329,850</b>		
Return on Assets	0.9%		0.2%		-4.3%		
ROA net of Donations	0.9%		0.2%		-4.3%		
Return on Equity	4.8%		1.2%		-28.8%		
ROE net of Donations	4.8%		1.2%		-28.8%		
Operational self-sufficiency	110.0%		106.8%		85.5%		
Portfolio yield	30.9%		35.3%		30.6%		
Funding Expense	9.6%		12.4%		11.6%		
Gross margin ratio	21.2%		22.9%		19.0%		
Operating expense ratio	19.1%		19.5%		21.3%		
Net margin ratio	2.1%		3.4%		-2.3%		