



Corporación Andina de Fomento

**VICEPRESIDENCY OF SOCIAL AND ENVIRONMENTAL
DEVELOPMENT**

SME & Microfinance Division

Comparative Analysis of Microfinance Institutions

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Note: *This analysis includes only those institutions that are clients of the SME & Microfinance Division at the Corporación Andina de Fomento (CAF).*

PRESENTATION

Corporación Andina de Fomento (CAF) is pleased to present the sixth edition of an in-depth analysis of the financial performance of its clients, which are financial institutions specialized in providing financial services to micro entrepreneurs active in CAF's shareholder countries. The financial information here presented has been obtained through our clients and updated as of December 2003.

Most of CAF's clients are institutions regulated and supervised by the regulatory entity in their countries of origin, therefore the data contained in this document is public.

The main purposes of this analysis can be summarized as follows:

Disseminate information regarding the performance of the industry in the region

Present the evolution of the industry and identify the best practices or "benchmarking" in order to replicate the most successful cases. Recognize and avoid potential failures.

It is not CAF's purpose to establish a "ranking" of these microfinance institutions, since it fully understands the diverse environments where these entities operate and the differences in the strategic views that they can have, thus agreeing that they are not always comparable. CAF's belief is that the promotion of these results can make possible the better understanding of the sector and could work as a tool to attract funds to the microfinance industry and promote accessibility to financial services.

Alejandro Soriano S.
Principal Executive

INTRODUCTION

Strategy

- The strategy of CAF is to support the micro enterprise initiative through the consolidation of a network of financial intermediaries specialized in offering financial services to the micro entrepreneur. Up to date we have a portfolio of 27 institutions located across the shareholder countries of the Corporation. In this paper, we do not include our client Credifé (Banco del Pichincha), in Ecuador, due the ratios may not be clear enough for our purposes, according the company's features.

Products

- At CAF we designed a set of financial products to serve this sector: i) Loans at different terms; ii) revolving credit lines; iii) capital investments; iv) quasi-capital investments; v) partial guaranties and; vi) advisory services and institutional strengthening. The latter is a very important part of our job, we are aimed at improving the management skills and banking technologies of our clients as means to increase their outreach and profitability. Another substantial part our job arises when we do capital investments, we assume an active role bringing our expertise in the industry and the region to the necessities of the clients. Currently we have capital investments in 7 microfinancial institutions.

Trends

- The data contained in this analysis is comparative and shows the relative size of the microfinance institutions. We believe that continuous growth and consolidation of these institutions as well as good performance indicators will bring other participants to the industry. In 2003, the aggregated portfolio of the 27 microfinance institutions analyzed added up to US\$ 1 billion; average portfolio per entity was US\$ 38.5 MM; average granted loan was US\$ 1,165. Total micro entrepreneurs attended were over one million.

Performance

- In spite of the complex macroeconomic situation in the region, 2003 financial results are little better compared to 2002 results. At the end of 2003, the average profitability measured in terms of ROE is better, 21.1%, as it was in 2002, and in terms of ROA was 4.9% versus 4.3% in 2002.

Assets and Deposits Analysis

Year 2003	Date	Total Loan Portfolio	Total Assets	Loan Portfolio / Average Total Assets		Loan Portfolio Growth %		Networth	Total Deposits	Total Active Clients	Average Loan	Total Clients of Deposits	Loan Portfolio / Deposits
		USD miles (1)	USD miles	%		01/02	02/03	USD miles	USD miles (2)	Clients	in USD	of Deposits	%
BancoSol, S.A.	2003	91.880	115.203	85,2%	0,0%	13,2%	16.940	70.593	42.831	2.145	53.600	130,2%	
Caja "Los Andes" S.A.	2003	82.815	99.139	83,5%	22,4%	28,5%	11.788	48.885	49.700	1.544	39.243	169,4%	
FFP Prodem	2003	62.495	78.222	78,9%	31,7%	41,1%	7.147	48.984	25.250	2.475	66.024	127,6%	
FFP FIE, S.A.	2003	40.702	46.249	88,0%	26,5%	17,0%	6.301	20.004	31.397	1.296	20.267	203,5%	
FFP Fassil	2003	7.023	9.053	77,6%	-32,1%	1,7%	1.474	6.475	7.842	896	3.301	108,5%	
Eco Futuro	2003	10.445	11.706	89,2%	-38,8%	56,8%	1.704	7.083	10.113	1.033	410	147,5%	
Bolivia Total		295.361	359.572				45.353	202.024	167.133		182.845		
Average Bolivia		49.227	59.929	83,9%	1,6%	26,4%	7.559	33.671	27.856	1.565	30.474	147,8%	
Financiera Compartir S.A.	2003	18.489	19.689	94,0%	1,0%	51,0%	4.913	5.241	5.507	3.357	n.d.	352,8%	
Fundación WWB Colombia - Cali	2003	37.490	41.092	91,2%	23,8%	68,8%	13.070	-	70.200	534	-	-	
Fundación MM - Bucaramanga	2003	10.236	13.440	76,2%	25,7%	64,9%	3.128	-	38.807	264	-	-	
Fundación MM - Popayán	2003	18.702	20.734	90,2%	22,6%	56,8%	12.453	-	60.140	311	-	-	
Corporación MM - Medellín	2003	6.597	7.935	83,1%	12,5%	47,4%	2.589	-	19.299	342	-	-	
Corporación MM - Bogotá	2003	7.962	9.822	81,1%	44,6%	64,8%	2.525	-	N.D.	332	-	-	
Colombia Total		99.476	112.692				38.679	5.241	193.953	5.140	-		
Average Colombia		16.579	18.782	86,0%	21,7%	59,0%	6.446	5.241	38.791	571	n.d	352,8%	
Corp. Femenina Ecuatoriana	2003	618	1.009	61,2%	50,1%	9,2%	254	-	1.983	312	-	-	
Sociedad Financiera Ecuatorial	2003	22.101	26.116	84,6%	264,5%	212,6%	6.524	2.500	11.195	1.974	80	884,0%	
Banco Solidario S.A.	2003	129.856	181.583	71,5%	47,7%	25,6%	16.991	126.633	96.823	1.341	66.821	102,5%	
Ecuador Total		152.575	208.708				23.769	129.133	110.001	3.627	66.901		
Average Ecuador		50.858	69.569	72,5%	120,8%	82,4%	7.923	64.567	36.667	1.209	33.451	493%	
MIBANCO	2003	113.669	138.677	82,0%	47,4%	25,6%	31.859	70.476	116.895	974	47.879	161,3%	
Caja Municipal de Arequipa	2003	92.864	122.164	76,0%	35,9%	36,2%	19.724	92.905	77.897	1.192	82.577	100,0%	
Caja Municipal de Tacna S.A.	2003	25.058	37.143	67,5%	75,1%	41,5%	5.430	23.443	20.926	1.197	20.538	106,9%	
Caja Municipal de Trujillo	2003	77.254	94.578	81,7%	72,7%	64,2%	13.575	58.053	76.941	1.004	96.165	133,1%	
EDPYME Crear Arequipa	2003	6.550	8.200	79,9%	45,4%	52,5%	1.455	15	7.110	921	-	-	
EDPYME Crear Tacna	2003	4.482	5.207	86,3%	4,7%	22,3%	1.253	84	4.949	908	-	-	
EDPYME Confianza	2003	11.504	7.927	68,9%	62,8%	83,5%	2.094	20	11.048	717	-	-	
EDPYME Nueva Visión	2003	2.706	3.384	80,0%	50,4%	30,2%	1.212	-	2.681	1.009	-	-	
Perú Total		330.520	420.858				76.602	244.996	318.247	7.924	247.159		
Average Perú		41.315	52.607	77,8%	49,3%	44,5%	9.575	61.219	39.781	990	61.790	125,3%	
Bangente S.A.	2003	5.983	10.626	56,3%	-57,9%	95,0%	2.594	1.930	7.558	792	23.042	310,1%	
Venezuela Total		5.983	10.626				2.594	1.930	7.558	792	23.042		
Average Venezuela		5.983	10.626	56,3%	-57,9%	95,0%	2.594	1.930	7.558	792	23.042	310,1%	
Banco Regional S.A.	2003	51.896	92.378	56,2%	-12,2%	61,5%	8.103	61.122	4.730	919	25.782	84,9%	
Paraguay Total		51.896	92.378				8.103	61.122	4.730	919	25.782		
Average Paraguay		51.896	92.378	56,2%	-12,2%	61,5%	8.103	61.122	4.730	919	25.782	84,9%	
Financiera Compartamos S.A.	2003	64.263	93.469	68,8%	68,7%	49,6%	32.011	-	215.267	299	-	-	
Mexico Total		64.263	93.469				32.011	-	215.267	299	-	-	
Average Mexico		64.263	93.469	68,8%	68,7%	49,6%	32.011	-	215.267	299	-	-	
Total General	2003	1.000.074	1.298.302				227.111	644.446	1.016.889	18.700	545.729	155,2%	
Total Average		38.464	49.935	78,5%	34,4%	50,8%	8.735	42.955	41.621	1.147	38.981	208,1%	

Notes:

1. Total Loan Portfolio: Outstanding Loan + Past Due Loans + Loans under legal dispute.
2. Deposits: Deposits of Clients + Deposits of Other Financial Institutions.
 - Edpymes in Peru, Compartamos and the WWB's Institutions in Colombia do not take deposits.
 - Total Average is proportional to the accounts of each country

Comments:

- Average growth of portfolio for the region increased in 50.8% on 2003, higher than the growth of 34.4% on 2002.
- Despite the hard political and macroeconomic situation of Venezuela, Bangente reverted the past years trends.
- 16 out of 26 entities (without counting Credifé in Ecuador) take deposits from the public and use them as a financing mechanism.
- Lowest average loan is granted in Mexico, (US\$ 299) while highest average loan is granted in Bolivia (US\$ 1.565).
- Banco Regional's average loan correspond to its microcredit portfolio.

Revenues Analysis

Year		Financial Income	Growth %		Financial Margin /		Financial Income /		Financial Income /	
2003			Financial Income	Financial Income		Average Assets		Total Income		Average Finan. Assets
Date	USD Miles	01/02	02/03	2002	2003	2002	2003	2002	2003	
		(1)			(2)					
BancoSol, S.A.	2003	19.325	-2,4%	0,9%	15,1%	13,9%	89,9%	86,7%	21,0%	19,5%
Caja "Los Andes" S.A.	2003	16.517	5,9%	18,2%	17,5%	15,3%	91,9%	89,9%	23,2%	21,0%
FFP Prodem	2003	12.155	36,2%	18,4%	16,7%	14,3%	67,4%	68,2%	24,8%	21,0%
FFP FIE, S.A.	2003	8.372	17,9%	18,0%	16,0%	15,8%	91,1%	91,0%	22,2%	21,2%
FFP Fassil	2003	1.525	-44,8%	-24,5%	12,4%	12,2%	61,8%	56,2%	20,5%	18,3%
Eco Futuro	2003	1.919	-34,2%	-5,6%	14,5%	15,2%	53,3%	79,0%	22,2%	20,6%
Bolivia Total		59.813								
Average Bolivia		9.969	-3,6%	4,2%	15,4%	14,5%	75,9%	78,5%	22,3%	20,3%
Financiera Compartir S.A.	2003	3.477	-12,1%	34,3%	16,4%	14,8%	93,1%	93,5%	23,2%	22,0%
Fundación WWVB Colombia - Cali	2003	7.275	15,4%	50,5%	15,2%	13,3%	68,5%	71,9%	26,5%	24,1%
Fundación MM - Bucaramanga	2003	2.220	15,4%	62,9%	11,4%	10,2%	57,5%	62,1%	26,9%	26,7%
Fundación MM - Popayán	2003	4.057	35,5%	53,7%	19,4%	18,5%	61,8%	63,2%	26,8%	26,2%
Corporación MM - Medellín	2003	1.326	12,9%	27,4%	12,2%	11,6%	60,5%	64,3%	27,2%	23,7%
Corporación MM - Bogotá	2003	1.706	13,0%	78,7%	13,3%	13,0%	53,9%	61,6%	25,5%	26,4%
Colombia Total		20.061								
Average Colombia		3.343	13,4%	51,3%	14,6%	13,6%	65,9%	69,5%	26,0%	24,8%
Corp. Femenina Ecuatoriana	2003	311	43,2%	2,0%	37,7%	28,7%	80,9%	85,9%	64,7%	52,5%
Sociedad Financiera Ecuatorial	2003	2.448	1244,8%	213,8%	11,9%	9,5%	41,9%	50,9%	14,8%	14,5%
Banco Solidario S.A.	2003	17.864	68,9%	10,0%	5,1%	2,1%	55,2%	43,5%	14,2%	12,1%
Ecuador Total		20.623								
Average Ecuador		6.874	452,3%	75,3%	18,2%	13,4%	59,3%	60,1%	31,2%	26,3%
MIBANCO	2003	46.838	47,0%	37,2%	33,8%	33,0%	99,1%	98,1%	43,6%	42,9%
Caja Municipal de Arequipa	2003	27.802	17,9%	26,8%	21,0%	20,8%	94,6%	95,7%	36,7%	33,4%
Caja Municipal de Tacna S.A.	2003	6.923	21,5%	35,0%	17,2%	15,3%	94,1%	96,6%	32,1%	28,6%
Caja Municipal de Trujillo	2003	19.872	33,2%	65,0%	20,3%	20,7%	92,4%	93,2%	28,1%	28,2%
EDPYME Crear Arequipa	2003	2.391	40,3%	53,1%	28,1%	26,7%	95,7%	91,5%	40,2%	39,9%
EDPYME Crear Tacna	2003	1.517	-13,4%	15,3%	26,2%	25,7%	87,2%	91,2%	33,0%	32,9%
EDPYME Confianza	2003	2.581	43,5%	81,1%	22,2%	21,5%	94,9%	97,7%	40,9%	35,8%
EDPYME Nueva Visión	2003	964	46,7%	48,1%	24,4%	25,6%	97,0%	93,7%	36,5%	38,2%
Perú Total		108.888								
Average Perú		13.611	29,6%	45,2%	24,2%	23,7%	94,4%	94,7%	36,4%	35,0%
Bangente S.A.	2003	2.445	14,5%	21,0%	24,4%	25,3%	66,3%	55,3%	41,6%	33,2%
Venezuela Total		2.445								
Average Venezuela		2.445	14,5%	21,0%	24,4%	25,3%	66,3%	55,3%	41,6%	33,2%
Banco Regional S.A.	2003	8.086	-20,3%	40,5%	8,3%	6,8%	10,2%	7,5%	20,8%	17,8%
Paraguay Total		8.086								
Average Paraguay		8.086	-20,3%	40,5%	8,3%	6,8%	10,2%	7,5%	20,8%	17,8%
Financiera Compartamos S.A.	2003	45.847	60,4%	51,6%	60,8%	55,4%	98,3%	99,1%	73,5%	69,3%
Mexico Total		45.847								
Average Mexico		45.847	60,4%	51,6%	60,8%	55,4%	98,3%	99,1%	73,5%	69,3%
Total	2003	265.762								
Total Average		10.222	65,7%	39,7%	20,1%	18,7%	75,3%	76,4%	31,2%	28,8%

Notes:

- 1) Financial Income:
- 2) Financial Margin: Financial Income - Financial Expenses
 - Total Average is proportional to the accounts of each country

Comments:

- The region shows an increase on financial income growth, reporting 39.7% for the period 02/03 lower of 65.7 for the 01/02 period. The biggest impact of growth was in Colombia.
- Financial Margin/ Average Assets ratio is 18.7% in 2003, where the MFIs of Mexico, Peru and Venezuela showed a higher margin due the interest rates.
- Financial Income/Total Income was in average 76.4% similar ratio than the previous year, despite Bolivia Venezuela and Paraguay showed incentives to generate other additional incomes.
 - Financial Income / Average Financial Assets reported decreasing levels all the countries average.

Portfolio Analysis and Provisions

Year														
2003														
Date	Provision USD miles	Growth %			Provision / Total Loan Portfolio			Past Due Portfolio / Total Loan Portfolio			Provision / Past Due Portfolio			
		01/02	02/03		2001	2002	2003	2001	2002	2003	2001	2002	2003	
	(1)				(2)			(3)						
BancoSol, S.A.	2003	6.533	-18,7%	-6,7%	10,8%	8,6%	7,1%	12,7%	8,2%	5,9%	83,8%	104,6%	120,0%	
Caja "Los Andes" S.A.	2003	2.640	-32,4%	-20,8%	9,4%	5,2%	3,2%	6,3%	4,8%	3,4%	149,5%	107,7%	93,0%	
FFP Prodem	2003	1.663	12,4%	-14,1%	5,1%	4,4%	2,7%	6,3%	5,3%	3,4%	81,3%	82,0%	77,8%	
FFP FIE, S.A.	2003	1.844	1,2%	-23,4%	8,7%	6,9%	4,5%	8,2%	6,0%	3,3%	105,5%	115,7%	137,4%	
FFP Fassil	2003	1.214	29,1%	-43,2%	16,3%	30,9%	17,3%	22,7%	37,0%	15,6%	71,8%	83,6%	111,0%	
Eco Futuro	2003	744	-51,0%	-11,9%	15,8%	12,7%	7,1%	18,7%	12,1%	4,9%	94,6%	104,5%	145,9%	
Bolivia Total		14.638												
Average Bolivia		2.440	-9.9%	-20.0%	11.0%	11.4%	7.0%	12.1%	12.2%	6.1%	97.8%	99.7%	114.2%	
Financiera Compartir S.A.	2003	375	-5,7%	18,3%	2,8%	2,6%	2,0%	7,0%	5,1%	0,0%	39,8%	50,7%	n.d.	
Fundación WWB Colombia - Cali	2003	841	-6,4%	14,2%	4,4%	3,3%	2,2%	1,8%	1,0%	0,0%	281,0%	333,8%	n.d.	
Fundación MM - Bucaramanga	2003	25	-14,3%	4,2%	0,6%	0,4%	0,2%	1,0%	0,9%	0,2%	55,8%	43,7%	100,0%	
Fundación MM - Popayán	2003	153	0,0%	45,7%	1,1%	0,9%	0,8%	1,1%	0,9%	0,8%	100,0%	100,0%	100,0%	
Corporación MM - Medellín	2003	132	30,9%	24,5%	2,0%	2,4%	2,0%	2,0%	2,4%	2,0%	100,0%	100,5%	98,3%	
Corporación MM - Bogotá	2003	127	-20,0%	51,2%	3,1%	1,7%	1,8%	2,5%	1,7%	1,8%	127,5%	100,0%	99,8%	
Colombia Total		1.652												
Average Colombia		275	-2.6%	26.4%	2.3%	1.9%	1.5%	2.5%	2.0%	0.8%	117.3%	121.5%	99.5%	
Corp. Femenina Ecuatoriana	2003	43	80,0%	19,4%	5,3%	6,4%	7,0%	8,5%	8,8%	n.d.	62,5%	72,0%	n.d.	
Sociedad Financiera Ecuatorial	2003	837	304,8%	84,1%	6,5%	7,2%	3,8%	0,0%	0,9%	0,3%	n.a.	809,5%	1213,0%	
Banco Solidario S.A.	2003	7.330	22,4%	41,9%	6,0%	5,0%	5,6%	2,4%	4,9%	4,6%	254,3%	101,5%	124,0%	
Ecuador Total		8.210												
Average Ecuador		2.737	135.7%	41.8%	5.9%	6.2%	5.5%	3.6%	4.9%	2.4%	158.4%	327.7%	668.5%	
MIBANCO	2003	5.938	59,5%	46,9%	4,1%	4,5%	5,2%	2,8%	3,0%	3,6%	147,3%	150,0%	145,0%	
Caja Municipal de Arequipa	2003	6.195	8,1%	44,0%	7,9%	6,3%	6,7%	4,6%	3,9%	4,4%	173,2%	161,8%	151,6%	
Caja Municipal de Tacna S.A.	2003	1.042	39,4%	20,1%	6,2%	4,9%	4,2%	4,2%	3,5%	2,6%	147,2%	141,4%	161,4%	
Caja Municipal de Trujillo	2003	3.106	39,3%	46,5%	5,6%	4,5%	4,0%	3,0%	2,8%	2,5%	186,2%	162,5%	159,8%	
EDPYME Crear Arequipa	2003	348	22,9%	38,1%	6,9%	5,9%	5,3%	4,9%	4,9%	4,8%	142,4%	118,8%	109,9%	
EDPYME Crear Tacna	2003	269	13,8%	-26,2%	9,1%	9,9%	6,0%	11,8%	9,5%	4,4%	77,5%	105,0%	136,5%	
EDPYME Confianza	2003	341	54,6%	67,0%	5,0%	4,7%	4,3%	4,3%	4,1%	3,5%	117,0%	115,3%	124,7%	
EDPYME Nueva Visión	2003	141	40,1%	41,4%	5,2%	4,8%	5,2%	4,9%	3,6%	4,4%	105,2%	134,7%	117,5%	
Perú Total		17.381												
Average Perú		2.173	34.7%	34.7%	6.3%	5.7%	5.1%	5.0%	4.4%	3.8%	137.0%	136.2%	138.3%	
Bangente S.A.	2003	443	44,8%	3,7%	4,0%	13,9%	7,4%	2,4%	13,3%	2,9%	169,9%	104,6%	254,6%	
Venezuela Total		443												
Average Venezuela		443	44.8%	3.7%	4.0%	13.9%	7.4%	2.4%	13.3%	2.9%	169.9%	104.6%	254.6%	
Banco Regional S.A.	2003	827	11,7%	35,5%	1,5%	1,9%	1,6%	3,3%	2,9%	1,1%	45,7%	65,2%	148,6%	
Paraguay Total		827												
Average Paraguay		827	11.7%	35.5%	1.5%	1.9%	1.6%	3.3%	2.9%	1.1%	45.7%	65.2%	148.6%	
Financiera Compartamos S.A.	2003	2.529	84,5%	31,4%	4,1%	4,5%	3,9%	0,2%	0,7%	0,5%	1701,3%	684,7%	865,2%	
Mexico Total		2.529												
Average Mexico		2.529	84.5%	31.4%	4.1%	4.5%	3.9%	0.2%	0.7%	0.5%	1701.3%	684.7%	865.2%	
Total	2003	45.680												
Total Average		1.757	28.9%	19.7%	6.0%	6.3%	4.7%	5.6%	5.9%	3.4%	183.8%	163.6%	208.5%	

Notes:

- 1) Provision: include in all cases, general and specific provisions
- 2) Total Loan Portfolio: Outstanding Loan + Past Due Loans + Loans under legal dispute.
- 3) Past Due Loans includes Past Due Loans + Loans under legal dispute
 - Total Average is proportional to the accounts of each country

Comments:

- In 2003 the region presented a relative smaller growth level in average provisions, from 28.9% for the 01/02 period to 19.7% for the 02/03 period.
- Past Due Loans/Average Total Loans decreased in the whole region; from 5.9% in average on 2002 to 3.5% in average on 2003.
- The Provisions/Total Past Due Loan portfolio ratio for the region shows a good level of coverage, and the Provisions/Total Loan Portfolio ratio maintains stable trends.
- We believe the credit risk of the micro business sector in the region continue stable in 2003.

Efficiency Analysis

Year
2003

	Date	Finan. Margin (1)		Financial Margin Growth		Oper. Expenses (2)		Oper. Expenses Growth		Oper. Expenses / FM (1)		Oper. Expenses / Average Total Assets		Oper. Expenses / Average Loan Portfolio	
		USD miles	%	%	USD miles	%	%	%	%	%	%	%	%	%	
		2003	01/02	02/03	2003	01/02	02/03	2002	2003	2002	2003	2002	2003	2002	2003
BancoSol, S.A.	2003	14.977	3,5%	1,9%	12.012	-11,50%	12,60%	72,59%	80,21%	10,98%	11,13%	13,74%	14,14%		
Caja "Los Andes" S.A.	2003	13.016	11,6%	19,5%	10.169	21,60%	30,60%	71,47%	78,12%	17,39%	16,30%	13,84%	14,05%		
FFP Prodem	2003	9.336	52,3%	21,5%	8.853	18,30%	35,70%	84,88%	94,83%	14,19%	13,56%	17,38%	18,86%		
FFP FIE, S.A.	2003	6.499	29,5%	25,8%	4.113	17,70%	21,00%	65,78%	63,28%	10,56%	9,98%	11,35%	11,10%		
FFP Fossil	2003	1.027	-39,2%	-16,5%	1.311	-34,60%	-15,20%	125,66%	127,69%	15,63%	15,60%	19,09%	19,20%		
Eco Futuro	2003	1.446	-33,4%	1,1%	1.666	3,20%	-27,30%	159,74%	115,18%	23,14%	17,54%	27,54%	19,78%		
Bolivia Total		46.301			38.124										
Average Bolivia		7.717	4,05%	8,88%	6.354	2,45%	9,57%	96,69%	93,22%	15,31%	14,02%	17,16%	15,86%		
Financiera Compartir S.A.	2003	2.445	-10,0%	29,2%	2.198	-3,60%	51,40%	76,72%	89,87%	12,57%	13,33%	13,26%	14,14%		
Fundación WWB Colombia - Cali	2003	4.505	20,7%	41,3%	3.498	17,10%	35,00%	81,11%	77,45%	12,33%	10,31%	14,18%	11,57%		
Fundación MM - Bucaramanga	2003	1.139	6,8%	47,0%	1.958	32,70%	54,70%	163,38%	171,95%	18,57%	17,51%	24,95%	23,55%		
Fundación MM - Popayán	2003	3.232	40,5%	45,9%	1.831	16,20%	24,40%	59,18%	50,48%	11,45%	9,33%	13,32%	10,53%		
Corporación MM - Medellín	2003	802	10,7%	33,9%	1.081	24,40%	40,30%	128,66%	134,66%	15,89%	15,58%	20,15%	19,30%		
Corporación MM - Bogotá	2003	1.035	11,4%	95,8%	1.552	28,10%	85,20%	136,95%	149,87%	18,22%	19,44%	22,34%	24,00%		
Colombia Total		13.160			11.908										
Average Colombia		2.193	13,35%	48,82%	1.985	19,15%	48,50%	107,66%	112,38%	14,81%	14,25%	18,03%	17,18%		
Corp. Femenina Ecuatoriana	2003	275	40,7%	-4,2%	343	43,58%	9,58%	109,06%	124,73%	41,16%	35,80%	66,39%	57,94%		
Sociedad Financiera Ecuatorial	2003	1.628	1035,7%	156,0%	2.769	297,25%	173,35%	159,28%	170,09%	18,99%	16,11%	22,48%	18,98%		
Banco Solidario S.A.	2003	3.518	184,5%	-48,9%	22.202	58,25%	40,20%	230,11%	631,10%	11,71%	13,07%	18,26%	19,03%		
Ecuador Total		5.421			25.314										
Average Ecuador		1.807	420,30%	34,30%	8.438	133,03%	74,38%	166,15%	308,64%	23,95%	21,66%	35,71%	31,99%		
MIBANCO	2003	40.359	49,9%	38,0%	24.991	43,10%	33,20%	64,15%	61,92%	21,88%	20,41%	25,10%	24,14%		
Caja Municipal de Arequipa	2003	22.854	30,0%	32,5%	9.981	27,70%	19,70%	48,37%	43,67%	10,16%	9,09%	14,34%	12,23%		
Caja Municipal de Tacna S.A.	2003	5.000	21,5%	35,3%	2.867	39,70%	29,90%	59,73%	57,34%	10,25%	8,80%	16,10%	13,23%		
Caja Municipal de Trujillo	2003	16.323	52,9%	64,0%	8.773	44,00%	36,20%	64,72%	53,74%	13,12%	11,14%	17,60%	13,94%		
EDPYME Crear Arequipa	2003	1.837	42,4%	47,2%	1.085	29,70%	37,40%	63,23%	59,07%	17,79%	15,80%	22,14%	19,76%		
EDPYME Crear Tacna	2003	1.231	-3,7%	13,5%	846	14,30%	-1,60%	79,22%	68,71%	20,78%	17,68%	24,42%	20,43%		
EDPYME Confianza	2003	1.909	29,1%	77,7%	1.198	50,90%	69,20%	65,94%	62,76%	14,66%	13,51%	45,23%	41,22%		
EDPYME Nueva Visión	2003	771	35,7%	46,9%	499	13,10%	21,10%	78,53%	64,74%	19,18%	16,55%	24,22%	20,58%		
Perú Total		90.285			50.240										
Average Perú		11.286	32,23%	44,38%	6.280	32,69%	30,64%	65,49%	58,99%	15,95%	14,12%	23,64%	20,69%		
Bangente S.A.	2003	1.985	4,2%	48,0%	2.542	-29,50%	28,50%	147,52%	128,09%	36,04%	32,43%	54,62%	59,38%		
Venezuela Total		1.985			2.542										
Average Venezuela		1.985	4,20%	48,00%	2.542	-29,50%	28,50%	147,52%	128,09%	36,04%	32,43%	54,62%	59,38%		
Banco Regional S.A.	2003	5.178	-15,7%	46,6%	100.912	165,90%	94,40%	107,72%	75,60%	122,32%	132,11%	187,22%	221,97%		
Paraguay Total		5.178			100.912										
Average Paraguay		5.178	-15,70%	46,60%	100.912	165,90%	94,40%	107,72%	75,60%	122,32%	132,11%	187,22%	221,97%		
Financiera Compartamos S.A.	2003	39.970	58,1%	54,4%	17.834	50,30%	45,60%	47,31%	44,62%	28,74%	24,73%	37,48%	34,31%		
Mexico Total		39.970			17.834										
Average Mexico		39.970	58,10%	54,40%	17.834	50,30%	45,60%	47,31%	44,62%	28,74%	24,73%	37,48%	34,31%		
Total	2003	202.299			246.875										
Total Average		7.781	64,2%	36,7%	9.495	37,6%	37,9%	98,1%	110,8%	21,8%	20,6%	30,3%	29,8%		

Notes:

- 1) Financial Margin: Financial Income - Financial Expenses.
- 2) Operating Expenses include: Operating Expenses - Administrative Expenses except extraordinary expenses and taxes.

Comments:

- The average financial margin growth was 36.7%, lower than the previous period ½, because of interest rates decrease in some countries.
- The operating expenses growth is proportional to the financial margin, related of the institutions growth.
- The ratio of operating expenses / average total assets drop in almost all countries, but Paraguay. Besides that, there are some financial institutions with increased ratio.
- The period 2003 was in general less expensive according to the portfolio, than on 2002.

Profitability Analysis

Year		Net Income		Growth %		ROE		ROA		Networth / Assets
2003		USD Thousands								
Date	2003	01/02	02/03	2002	2003	2002	2003	2002	2003	2003
				(1)	(1)	(2)	(2)	(3)	(3)	(3)
BancoSol, S.A.	2003	2.252	308,1%	790,5%	1,80%	14,43%	0,26%	2,08%	14,70%	
Caja "Los Andes" S.A.	2003	1.827	43,9%	55,7%	18,38%	19,73%	1,88%	2,15%	11,89%	
FFP Prodem	2003	812	943,5%	69,4%	8,99%	12,21%	1,05%	1,24%	9,14%	
FFP FIE, S.A.	2003	1.281	175,2%	13,3%	24,45%	22,67%	3,51%	3,11%	13,62%	
FFP Fassil	2003	34	42,2%	104,5%	-56,62%	2,50%	-7,58%	0,40%	16,28%	
Eco Futuro	2003	-65	12,2%	89,9%	-32,05%	-3,81%	-6,29%	-0,68%	14,56%	
Bolivia Total		6.141								
Average Bolivia		1.023	254,18%	187,22%	-5,84%	11,29%	-1,20%	1,39%	13,36%	
Financiera Compartir S.A.	2003	263	-15,0%	-32,6%	8,95%	5,50%	3,36%	1,59%	93,75%	
Fundación WWB Colombia - Cali	2003	3.000	18,6%	46,6%	26,15%	26,70%	9,75%	8,86%	31,81%	
Fundación MM - Bucaramanga	2003	347	-30,5%	4,2%	15,21%	12,19%	4,88%	3,10%	23,27%	
Fundación MM - Popayán	2003	3.283	27,2%	67,6%	27,70%	31,26%	17,13%	18,78%	60,06%	
Corporación MM - Medellín	2003	355	34,5%	-17,6%	22,46%	14,74%	8,69%	5,12%	32,63%	
Corporación MM - Bogotá	2003	428	47,6%	-14,3%	34,31%	19,87%	10,96%	5,37%	25,71%	
Colombia Total		7.676								
Average Colombia		1.279	13,73%	8,98%	22,46%	18,38%	9,13%	7,14%	44,54%	
Corp. Femenina Ecuatoriana	2003	-41	47,1%	-264,0%	8,58%	-13,95%	3,29%	-4,28%	25,17%	
Sociedad Financiera Ecuatorial	2003	667	294,1%	304,2%	6,43%	14,20%	3,09%	3,88%	24,98%	
Banco Solidario S.A.	2003	3.355	149,1%	11,6%	25,14%	22,40%	2,22%	1,98%	9,36%	
Ecuador Total		3.981								
Average Ecuador		1.327	163,44%	17,27%	13,38%	7,55%	2,87%	0,53%	19,84%	
MIBANCO	2003	7.245	67,3%	36,1%	26,33%	26,11%	6,15%	5,92%	22,97%	
Caja Municipal de Arequipa	2003	7.404	73,1%	21,8%	52,48%	42,79%	7,41%	6,75%	16,15%	
Caja Municipal de Tacna S.A.	2003	1.430	6,6%	47,0%	27,30%	29,96%	4,52%	4,39%	14,62%	
Caja Municipal de Trujillo	2003	5.050	51,7%	114,5%	31,11%	45,16%	4,79%	6,41%	14,35%	
EDPYME Crear Arequipa	2003	404	91,7%	59,9%	29,16%	32,49%	5,68%	5,88%	9900,00%	
EDPYME Crear Tacna	2003	299	-10,9%	247,3%	9,24%	26,69%	2,08%	6,26%	24,05%	
EDPYME Confianza	2003	322	7,5%	65,0%	21,06%	20,30%	4,04%	3,63%	18,21%	
EDPYME Nueva Visión	2003	159	223,2%	167,0%	6,61%	14,14%	2,76%	5,26%	35,83%	
Perú Total		22.313								
Average Perú		2.789	63,78%	94,83%	25,41%	29,70%	4,68%	5,56%	1255,77%	
Bangente S.A.	2003	549	-1113,3%	403,8%	-10,43%	24,98%	-3,29%	7,01%	24,41%	
Venezuela Total		549								
Average Venezuela		549	-1113,30%	403,80%	-10,43%	24,98%	-3,29%	7,01%	24,41%	
Banco Regional S.A.	2003	2.017	-13,9%	57,1%	26,44%	27,50%	3,02%	2,64%	8,77%	
Paraguay Total		2.017								
Average Paraguay		2.017	-13,90%	57,10%	26,44%	27,50%	3,02%	2,64%	8,77%	
Financiera Compartamos S.A.	2003	14.317	82,9%	79,5%	56,32%	58,38%	18,72%	19,85%	34,25%	
Mexico Total		14.317								
Average Mexico		14.317	82,90%	79,50%	56,32%	58,38%	18,72%	19,85%	34,25%	
Total	2003	56.994								
Total Average		2.192	60,1%	97,2%	16,0%	21,1%	4,3%	4,9%	404,6%	

Notes:

- 1) ROE: Net Income over Average Net worth
- 2) ROA: Net Income over Average Assets
- 3) Without weighing by assets of risk

Comments:

- High profitability levels were the common factor to most institutions. Average ROE (21.1%) is better than 2002, 16.0%. Average ROA increased from 4.3% in 2002 to 4.9% in 2003.
- Increasing levels of profitability are due to good financial margins and growing portfolios, which positively affected total net incomes.
- The Capital/Assets Average is 24.5%. In Mexico and Colombia, we find the biggest ratios because most of the IMF's are not yet regulated. In Ecuador, is the lowest ratio.

CAF Exposure

Year
2003

	Amount USD miles	Type of Operation	Exposure /	Total Loan	Past Due P. - Prov./	
			Networth Client %	Portfolio USD Thousands	Networth %	
					2002	2003
BancoSol, S.A.	3.500	Línea de Crédito	20,7%	91.880	-2,1%	-6,4%
Caja "Los Andes" S.A.	4.200	Part.Acc, LDC, Fort.Inst.	35,6%	82.815	-3,4%	1,7%
FFP Prodem	500	Préstamo Subord. y Fort. Inst.	7,0%	62.485	6,7%	6,6%
FFP FIE, S.A.	3.000	Part.Acc, LDC, Fort.Inst.	47,6%	40.702	-6,3%	-8,0%
FFP Fassil	500	Participación Accionaria	33,9%	7.023	32,8%	-8,2%
Eco Futuro	500	Part. Acc. y Fort. Inst.	29,3%	10.445	-2,1%	-13,7%
Bolivia Total	12.200		174,2%	295.361		
Average Bolivia	1.743		24,9%	49.227	4,3%	-4,7%
Financiera Compartir S.A	400	Part. Acc. y Fort. Inst.	8,1%	18.489	6,8%	-7,6%
Fundación WWVB Colombia - Cali	500	Línea de Crédito y Fort. Inst	3,8%	37.490	-5,6%	-6,4%
Fundación MM - Bucaramanga	500	Línea de Crédito y Fort. Inst	16,0%	10.236	1,2%	0,0%
Fundación MM - Popayán	500	Línea de Crédito y Fort. Inst	4,0%	18.702	0,0%	0,0%
Corporación MM - Medellín	500	Línea de Crédito y Fort. Inst	19,3%	6.597	0,0%	0,1%
Corporación MM - Bogotá	500	Línea de Crédito y Fort. Inst	19,8%	7.962	0,0%	0,0%
Colombia Total	2.900		71,1%	99.476		
Average Colombia	483		11,8%	16.579	0,4%	-2,3%
Credife / Banco del Pichincha	500	Línea de Crédito	53,7%	1.180	0,0%	0,0%
Corp. Femenina Ecuatoriana	150	Préstamo y Fort. Inst	59,1%	618	4,2%	-16,9%
Sociedad Financiera Ecuatorial	500	Línea de Crédito	7,7%	22.101	-11,6%	-12,8%
Banco Solidario S.A.	3.000	Part. Acc., LDC, Fort. Inst.	17,7%	129.856	-0,6%	-8,4%
Ecuador Total	4.150		138,0%	153.755		
Average Ecuador	1.038		34,5%	38.439	-2,0%	-9,5%
MIBANCO	4.875	Part. Acc., LDC, Garantía, Fort. Inst	15,3%	113.669	-5,9%	-5,8%
Caja Municipal de Arequipa	500	Línea de Crédito y Fort. Inst	2,5%	92.864	-11,4%	-10,7%
Caja Municipal de Tacna S.A.	500	Línea de Crédito y Fort. Inst	9,2%	25.058	-6,4%	-7,3%
Caja Municipal de Trujillo	500	Línea de Crédito	3,7%	77.254	-9,6%	-8,8%
EDPYME Crear Arequipa	500	Línea de Crédito y Fort. Inst	34,4%	6.550	21,3%	21,7%
EDPYME Crear Tacna	400	Línea de Crédito y Fort. Inst	31,9%	4.492	-1,8%	-5,8%
EDPYME Confianza	300	Línea de Crédito	14,3%	7.927	-2,6%	-3,2%
EDPYME Nueva Visión	300	Línea de Crédito y Fort. Inst	24,7%	2.706	-2,6%	-1,7%
Perú Total	7.875		136,1%	330.520		
Average Perú	984		17,0%	41.315	-2,4%	-2,7%
Bangente S.A	500	Part. Acc. y Fort. Inst.	19,3%	5.983	-0,9%	-10,4%
Venezuela Total	500		19,3%	5.983		
Average Venezuela	500		19,3%	5.983	-0,9%	-10,4%
Banco Regional	500	Línea de Crédito	6,2%	51.896	6,0%	-3,3%
Paraguay Total	500		6,2%	51.896		
Average Paraguay	500		6,2%	51.896	6,0%	-3,3%
Financiera Compartamos S.A.	1.500	Línea de Crédito	4,7%	64.263	-8,9%	-7,0%
Mexico Total	1.500		4,7%	64.263		
Average Mexico	1.500		4,7%	64.263	-8,9%	-7,0%
Total	29.625			1.001.254		
Total Average	1.033		19,2%	38.923	0,3%	-4,5%

Comments:

Notes:

- Data for average loans are based on company reports and own calculations.

- CAF's exposure to microfinance institutions rose up to US\$ 29.6 MM in 2003. Commitments include the following financial products: 1) Revolving Credit Lines; 2) Subordinated Loans; 3) Capital Investments; 4) Partial Guaranties; and 5) Advisory Services and Institutional Strengthening.

- We can see a major concentration of CAF's funds in Bolivia and Peru; this is due to higher development levels of the microfinance industry and its regulation in these countries.

- Average Past Due Portfolio – Provisions / Net Worth is better than the last 3 years.

Exchanges Rate

	1998	1999	2000	2001	2002	2003
	Dic.-98	Dic.-99	Dic.-00	Dic.-01	Dic.-02	Dic.-03
Bolivia						
Year End (Bs/USD)	5,64	5,98	6,38	6,83	7,45	7,76
Colombia						
Year End (P/USD)	1.542,10	1.873,80	2.229,00	2.291,00	2.864,79	2.778,21
Ecuador*						
Year End (S/USD)	6.825,00	20.243,00	25.000,00	1,00	1,00	1,00
Perú						
Year End (NS/USD)	3,13	3,51	3,53	3,44	3,58	3,47
Venezuela						
Year End (Bs/USD)	564,50	648,25	699,00	758,00	1.327,97	1.598,00
Paraguay						
Year End (G/USD)	2.840,60	3.317,40	3.550,00	4.635,00	7.000,00	5.996,00
México						
Year End (\$/USD)	9,90	9,49	9,62	9,14	10,38	11,23

* Since 2001, Ecuador changed its currency to the United States Dollar

Source: Economics Studies Division, CAF.



Corporación Andina de Fomento