



Mitra Bisnis Keluarga
“Family Business Partners”
Indonesia

Five-year Strategic Business Plan
2008-2012

26 April 2008

CONTENT

<i>1</i>	<i>About MBK</i>	<i>1</i>
1.1	Introduction	1
1.2	Vision, Mission and Goals	2
1.3	Legal Basis	2
1.4	International Best Practice and Transparency	2
1.5	MBK's Performance	3
<i>2</i>	<i>Client and Market Analysis</i>	<i>4</i>
2.1	Client Analysis	4
2.2	Market Analysis	5
2.3	Market Penetration	7
<i>3</i>	<i>Competition and Business Environment</i>	<i>8</i>
3.1	Competition	8
3.2	Business Environment	10
<i>4</i>	<i>Institutional Assessment</i>	<i>11</i>
4.1	Credit Programme	11
4.2	Human Resource Development	11
4.3	Board and Management Issues	12
<i>5</i>	<i>Five-Year Strategic Business Plan 2008-2012</i>	<i>15</i>
5.1	Growth Strategy	15
5.2	Five-year Financial Forecast (using <i>Microfin</i>)	16
5.3	External funding requirements	18
5.4	Past and Current Funding Sources	18
<i>APPENDICES</i>		<i>20</i>
A. Organizational Structure, Board Members, and Management Team		20
B. <i>Microfin</i> Projection Results 2008-2012		23

1 About MBK

1.1 Introduction

Mitra Bisnis Keluarga (MBK), or “Family Business Partners”, is a microfinance institution (MFI) regulated by the Ministry of Finance. Using a combination of the *Grameen Bank* and *ASA* methodologies, MBK provided working capital to some 80,000 low-income households through a network of 36 branches in Indonesia (Banten and West Java provinces) in early 2008 in order to raise their family incomes and living standards. The first loan size is US\$100 and the largest \$250. In early 2008, the average outstanding working capital was \$43 per client. MBK is a gender and poverty-focussed programme, targeting the poor and the near poor women of households at the bottom 25 percent of the population by income. For comparison, the proportion of the population living below the official poverty line was 17 percent in 2007 in Indonesia. MBK transformed itself from a foundation – Ganesha Microfinance Foundation, which operated from 2003 to 2006 – to a non-bank financial company (NBFC) in January 2007.

All MBK’s clients are women in rural and peri-urban areas. They are mostly landless and involved in petty trade, preparing and selling food, rearing livestock and growing vegetables. Since its establishment, this institution has managed to more than double its client base every year (table 1 and figure 1). MBK obtained an alpha rating from the premier microfinance rating agency M-CRIL in September 2006 and again in February 2008. It obtained a five-diamond rating from *MIXMarket*, the global information exchange for the microfinance industry of the Consultative Group to Assist the Poor (CGAP) of the World Bank. MBK has been profitable since its second year of operation in 2004, and its operational self-sufficiency reached 113 percent in March 2008.

Even by conservative official estimates, there are 10 million poor households in Indonesia. There are a further 10 million vulnerable self-employed households whose income hovers just above the poverty line. A recent World Bank poverty report estimated that half of the total Indonesian population of 240 million fell below the \$2 dollar (purchasing power parity) poverty line in 2006. Along with other microfinance programmes around the world, MBK believes that the availability of working capital is one of the most effective and direct weapons to overcome poverty. The central assumption, formulated by Nobel price winner Professor Mohamed Yunus, is that the poor have developed survival skills and are prepared to work hard. However, they have more skills and time than they can use. Also, poor people do not receive the full value of their work, because moneylenders, who often charge 10-20 per cent interest per month, take away a significant portion of their income.

MBK’s approach of providing working capital to poor women is particularly well suited to Indonesian conditions. With a total population of 232 million, the labour force consisted of some 110 million earners in 2007 (100 million working and 10 million unemployed). Of these, only 28 million persons had regular jobs. The remaining 72 million persons consisted of self-employed workers (44 m), casual workers in agriculture (6 m) and other sectors (5 m), and unpaid family workers (17 m). Poverty in Indonesia is therefore not primarily a problem of unemployment or low wages for regular employees, but of lower income for the majority of earners who are self-employed. Their major constraint is lack of working capital to combine with their labour to produce higher incomes. This can also attract women who are full-time housewives at present (and therefore outside the labour force) and unpaid family workers, who can productively employ a few hours every day to earn additional income.

1.2 Vision, Mission and Goals

MBK's *mission* is to raise the income and living standards of significant numbers of the poorest households in Indonesia.

MBK's *vision* is to provide access to working capital in an honest, timely and efficient manner to large numbers of low-income households in Indonesia, particularly in rural areas and small towns.

MBK's *medium-term goal* is to double its client based every year, to reach *one million* clients by 2011 and *two million* clients by 2012.

1.3 Legal Basis

PT Mitra Bisnis Keluarga Ventura (MBK) is a non-bank financial company (NBFC), with a venture capital operating license issued by the Ministry of Finance in November 2006. It is in possession of the following legal documents:

1. Articles of Association (<i>'Akte Pendirian Perusahaan'</i>)	:	Number 3 dated 19 September 2006, Public Notary Wati Christiana Indro, S.H. and M.M., Kabupaten Tangerang
2. Registered and certified (<i>'Pengesahan'</i>)	:	Ministry of Justice and Human Rights Ministerial Decree Number W29-00290 HT.01.01-TH.2006, dated 30 October 2006, Provincial Head of Banten
3. Operating License (<i>'Izin Usaha Modal Ventura'</i>)	:	Ministry of Finance Ministerial Decree Number KEP-138/KM.12/2006, dated 28 November 2006, Jakarta
4. Tax Registration (<i>'NPWP'</i>)	:	No. 02.607.798-411.000, Classification 65930 (Venture Capital)

As a non-bank finance company, MBK is not allowed to collect savings from its clients. As a venture capital company, it operates on a profit-sharing basis, taking risks in providing working capital to micro and small businesses without collateral, and sharing in their profits using a pre-agreed profit sharing formula with its clients.

1.4 International Best Practice and Transparency

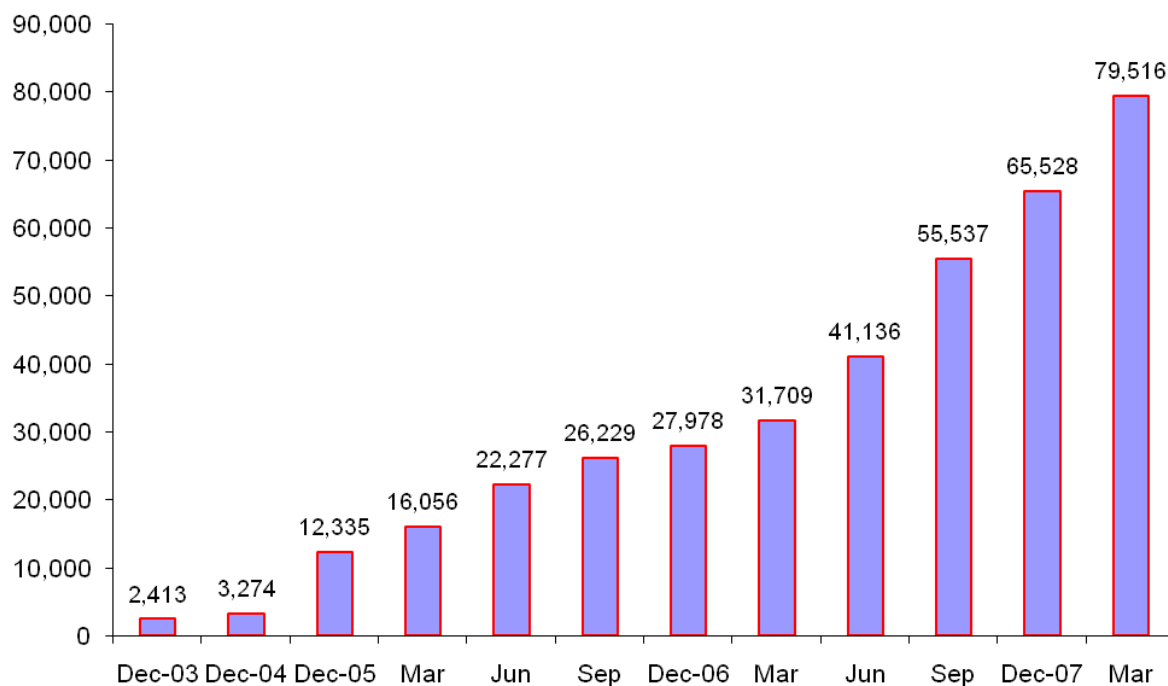
From the outset, MBK has shown commitment to meeting international best practice in operational management, financial management and reporting. With a focused approach, tailor-made staff development, detailed operations manuals, regular field monitoring and supervision, internal and external audits, and computerized portfolio management and accounting systems, MBK wants to ensure that operations grow smoothly, rapidly, transparently and efficiently. In view of its highly transparent procedures and reporting, *MIXMarket*, the global information exchange for the microfinance industry – operated by the Consultative Group to Assist the Poor (CGAP), of the World Bank –, granted five diamonds to this institution in September 2005. Moreover, MBK was featured as five-diamond *MFI of the month* in *MIXMarket* in October 2006.

1.5 MBK's Performance

Table 1. Quarterly Outreach Indicators

	Dec-06	Mar-07	Jun-07	Sep-07	Dec-07	Mar-08
Total clients	27,978	31,709	41,136	55,537	65,528	79,516
Total clients with working capital	27,372	31,058	40,600	55,415	64,548	79,015
Branches	15	20	24	27	31	36
Staff	122	146	189	229	258	295
Client per Field Staff (confirmed)	354	341	361	383	431	419
Total portfolio outstanding (Rp 000s)	9,105,260	10,689,068	15,799,797	24,317,200	25,191,547	31,332,461
Total portfolio outstanding (US\$)	1,007,776	1,171,405	1,753,585	2,660,757	2,679,952	3,400,159
Growth in portfolio (in Rp)	-8%	17%	48%	54%	4%	24%
Average portfolio outstand./client (\$)	36	37	43	48	41	43
Portfolio at Risk (PAR>30)	0.00%	0.01%	0.01%	0.001%	0.001%	0.001%
% Female clients	100%	100%	100%	100%	100%	100%
Operational self-sufficiency	124%	111%	101%	96%	93%	113%

Figure 1. MBK Clients as of 31 March 2008



2 Client and Market Analysis

2.1 Client Analysis

(a) MBK targets women from the 25 percent lowest income strata in rural and semi-urban villages. In the areas where it is currently operating, the borrowers' main characteristics are as follows (*Ganesha Impact Survey, 2005*):

- 42 per cent are illiterate, 20 percent have not completed primary school, and only 32 percent have completed primary school.
- Many are landless labourers, working in rice fields during peak seasons and, for the rest of time, carrying out petty trading, preparing food and snacks at home to sell around the houses, in schools and markets, and rearing chicken, ducks and goats.
- Their families are relatively large, with 3 to 4 children.
- Half live in fragile dwellings with woven bamboo or thin wooden walls and earthen or cement floors, on the periphery of irrigated rice land, and the other half live in modest brick houses.
- Their husbands usually work as agricultural labourers, casual construction workers, petty traders or tricycle drivers.

Implications

- ⇒ The Grameen Bank Replication programme is ideal for reaching MBK's target clients. It is designed for the very poor, who are mostly illiterate and landless. However, they already have survival skills, which can be capitalized with credit.
 - ⇒ To expand rapidly and efficiently, MBK can also learn from other successful programmes in Asia, such as in Bangladesh (ASA and BRAC) India (Share, Bandhan, SKS, Cashpor and BSS), and the Philippines (Lifebank Foundation).
 - ⇒ Use the condition of the house as the primary criterion for selecting poor households, and target mainly those with earthen floors and woven bamboo walls (*rumah bilik*).
- (b) Average per capita income in targeted households is below or in the neighbourhood of the 2006 poverty line of Rp 186,000 per capita per month in Banten and West Java (Central Bureau of Statistics). Adjusted for 10 percent inflation per year, this comes to Rp. 225,000 or Rp. 7,500 per capita per day in 2008 (US 82 cents at the market exchange rate of Rp. 9,150 per dollar).

Implication

- ⇒ Use the official poverty line, adjusted for inflation, as the second criterion for identify poor households.
- (c) Poor households live side-by-side or not too far from non-poor households with relatively higher purchasing power. Non-poor households constitute a ready market for the products and services supplied by MBK's target clients. So far, the limited capital base of the poorest women of just US\$20-30 on average does not allow them to fully exploit this market. By increasing the capital base of the poor, MBK can give them an opportunity to fulfil the market needs of non-poor households. In the process, they can earn more profit, enough to increase their living standards and to repay their loans with interest. Credit can thus play a crucial role in poverty reduction.

Implication

⇒ Provide first small loan of Rp 1.0 million (\$100), to be increased gradually to Rp 2.5 million (\$280) in five years' time. This level of capital will be sufficient to lift them out of absolute poverty, provided they continue to have access to working capital.

(d) The Grameen replication model requires the creation of strong credit discipline and peer pressure in lieu of collateral. Key factors in the successful creation of credit discipline are by now well known and should be applied:

- Compulsory attendance at weekly centre meetings and recording of attendance
- Standard seating and business-like meeting
- Unanimous approval of loan proposals
- Peer pressure and encouragement for loan repayment
- Delayed or reduced subsequent loans if arrears
- Delayed subsequent loans for absences

Implication

⇒ These key factors in creating strong credit discipline among poor women in rural villages should be rigorously applied.

2.2 Market Analysis

1. National-level analysis

(a) Household consumption levels

The 2007 Socio-economic Survey *Susenas* provides the following break-down:

- 18 percent consume less than around Rp. 160,000/capita/month (below official poverty line of Rp. 203,000 adjusted for inflation, poor)
- 14 percent consume Rp 160-200,000/capita/month (neighbourhood of poverty line, moderately poor)
- 26 percent consume Rp 200-300,000/capita/month (vulnerable)
- 42 percent consume more than Rp 300,000/ capita/month (not vulnerable)

Implication

⇒ The potential market for microfinance in Indonesia is 32 percent of the total 56 million households in Indonesia, or 18 million households (10 million very poor households and 8 million moderately poor).

(b) Employment

The total population of Indonesia is 232 million, of which 100 million are earners above age 15, and 10 million unemployed. The 2007 Labour Force survey *Sakernas* provides the following breakdown of employment by status:

- 28 million are regular employees (28%)
- 44 million are self-employed (44%)
- 6 million are casual workers in agriculture (6%)
- 5 million are casual workers in other sectors, mainly construction and trade (5%)
- 17 million are unpaid family workers (17%)

Implication

- ⇒ The large majority of the Indonesian earners, 72 percent, do not have regular jobs. Poverty in Indonesia is therefore not primarily a problem of low wages for regular employees, but of lower income for the majority of earners who are self-employed.

(c) Women

Of the 72 million non-regular employees above:

- 13 million are unpaid women family workers (10 million in agriculture), of which 11 million in rural areas (9 million in agriculture)
- 10 million are self-employed (6 million in rural areas)
- The potential Indonesian market for microcredit is 23 million women (17 million in rural areas)

Implications

- ⇒ It makes sense for MBK to focus on women given their large market size, their employment status (unpaid family workers and self-employed), and the potential for their income to benefit their household members.
- ⇒ There are also women who are outside the labour force as housewives (29 million, of which 15 million are in rural areas), and some of whom may become earners if they have access to working capital.

Conclusions

- In view of the large market size at the bottom 32 percent of the households, MBK's medium-term goal of reaching 2 million low-income clients by 2012 is quite feasible. Credit size of Rp 1.0-2.5 million, without collateral, should be adequate, payable on a weekly basis.
- In the future, MBK should also consider providing working capital to the next income bracket of 26 percent of vulnerable households, of size ranging from Rp 3-10 million without collateral, but using a suitable model adapted from Grameen and ASA.
- MBK should target self-employed women and casually employed women. MBK should also consider recruiting clients from the ranks of women who are outside the labour force at present but who, given the opportunity of working capital, may start a small business and earn an income.

2. District-level analysis

- Rural Tangerang district, the most populated in Banten province, has a population of 3.2 million. BKKBN counts 620,000 households in total, where 167,400 households are moderately poor (27%), and 100,516 households are very poor (16%)¹.
- Rural Bogor district, the second most populated in West Java province after Bandung, has 913,206 households, of which CBS considers 26.5 percent or 242,000 households, as poor.
- To reach one million households, MBK can expand first to other neighbouring districts with high population density in West Java, then open branches in Central and East Java.

¹ The National Family Planning Board (BKKBN) classifies all Indonesian households into five categories according to what they eat, wear and the type of house they live in. Briefly, households in the poorest category (*pra-sejahtera*), eat less than three times a day, rarely eat meat or fish, do not have more than two sets of clothes, and live in houses made of bamboo or wooden walls and earthen or simple cement floors. Those in second lowest category (*sejahtera I*) can eat three times a day, but consume meat or fish once a week only.

3. Sub-district and village level analysis

(a) *Teluk Naga, Rural Tangerang:*

- This sub-district has 24,000 households, of which approximately 6,600 households, or 27 per cent of the total, were classified as poor in 2001 by BKKBN.
- The percentage of poor households in one village in this sub-district, Kebon Cau, was as high as 53 per cent.

(b) *Bogor Rural District:*

Sub-districts Leuwisadeng, Leuwiliang, and Pamijahan contained 54, 50 and 42 percent of poor households according to Central Bureau of Statistics district-level data.

Implications

- ⇒ To improve targeting and operational efficiency, select poorest sub-districts first, then select poorest villages in these sub-districts
- ⇒ Within poorest villages, prioritize poor communities (*kampung*).

2.3 Market Penetration

Unmet demand for financial services is large among the poor. MBK is currently expanding its outreach by over 6,000 clients per month West Java, and could expand faster if not for trained personnel.

Non-poor households can have access to formal bank credit, either from the state-owned BRI or from community banks (BPRs). However the poor women have no such access due to lack of collateral, rural location and low education levels.

Implications

- ⇒ MBK must target poor women in rural and semi-rural areas.
- ⇒ Given that this segment counts 32 million households, even by reaching 2 million such clients in the next few years, MBK's market penetration will be of the order of 6 percent on a national basis.
- ⇒ For operational efficiency, MBK can exploit the available market in selected districts (*kabupaten*) and provide services to all sub-districts (*kecamatan*) in the selected districts. In this intensive, focused approach, MBK's market penetration may reach 10 percent in the selected districts (20,000 households out of 200,000 poor households in Tangerang and Bogor).

3 Competition and Business Environment

3.1 Competition

(a) Commercial Banks

The largest state-owned Indonesian rural bank, *Bank Rakyat Indonesia* (BRI), has a network of some 4,000 branches located in most sub-district towns (*kecamatan*). Each serves some 10,000 savers and 1,000 borrowers on average. The latter are mainly traders (average loan size Rp. 20 million, maximum Rp. 100 million). However, most of their clients are urban traders. Moreover, BRI requires the customers to go to the bank and provide collateral, which automatically excludes poor households. Few other commercial banks operate in sub-district towns, though Bank Danamon (and lately Bank Mandiri) has established a network of 650 small bank units mainly in Java. Their average loan size is also Rp 20 million, going up to Rp 500 million, i.e., they target a different market segment from MBK.

(b) Community Banks (BPR)

Some sub-district towns have one or two community banks or BPR, serving mainly traders who can provide collateral. They charge interest rates of 3.8-4.0 percent, and loan sizes are usually above Rp. 10 million, though some are now experimenting with lower loan sizes of around Rp 3-5 million. Again their market segment is different.

Implications

- ⇒ Formal banking institutions including BRI, some commercial banks and BPRs provide valuable services to the population located in rural areas and small towns, and their expansion should be encouraged and supported. However, they do not cater to the needs of poor households in rural areas, whose loan size requirements are much smaller, of the order of Rp 0.5 to 2 million. Thus they serve different market segments, and do not present a challenge to MBK.
- ⇒ MBK should remain focussed on its original market segment, which is providing working capital in the Rp 1-3 million range.
- ⇒ A segment market segment open to MBK, if and when it develops excess management capacity and human resources, is the Rp 3-10 million market which is under-served at present.
- ⇒ MBK should not consider the Rp10-50 million market because this segment will soon face much competitions from both state and private commercial banks (existing and new ones) going down market.
- ⇒ BPRs serve a different clientele of small and medium-scale traders. MBK does not face direct competition from BPRs, except for the few ones which are entering the micro-scale segment in West and Central Java. MBK will choose its locations so as not to overlap with such BPRs whenever possible.

(c) Savings and Loan Cooperatives (*Koperasi Simpan-Pinjam*)

These cooperatives operate in most parts of the country, but their members are often employees of firms, or civil servants. Their loan size is high, around Rp 10 million, and they charge interest rates of 3-4 percent. With a few exceptions, They do no serve low-income households.

Implication

⇒ Different market segment, no immediate challenge from cooperatives to MBK.

(c) Microfinance Institutions (MFIs)

One of the largest Grameen-style MFI by Indonesian standards, YDBP, has recently downsized from 120,000 to around 50,000 clients. The promoters of this MFI, who have recently acquired two commercial banks, may be exiting the microfinance market, and join the small and medium business credit market.

Other MFIs are relatively small and localized. There are a few MFIs serving at most 15,000 members, including (a) Dian Mandiri, operating in urban Tangerang and Bekasi, (b) YMU mainly in West Java, (c) MKEJ one in Malang, (d) POKMAS in North Sumatra (POKMAS), and (e) DINARI in Bali. Others serve less than 7,000 members each, including *Karya Usaha Mandiri* operating in Rural Bogor (one the oldest Grameen replicators, it started operating in the early 1980s), and YAMIDA in East Bogor and Aceh.

ASA International, Grameen Bank and BRAC, three of the largest MFIs in Bangladesh, have recently expressed interest in starting green-field operations in Indonesia. They have not yet obtained the required licenses to operate here as yet.

Implications

- ⇒ The total number of clients served by other MFIs is far smaller than the demand for microcredit. Most MFIs have not grown much in recent years.
- ⇒ The existing MFIs do not pose a challenge to MBK's expansion in the foreseeable future.
- ⇒ International MFIs will not crowd out MBK operations in the near future, however they can attract trained MBK staff by offering above-market incentives. MBK should ensure the competitiveness of its own incentive package, when this happens.

(d) Informal credit sources

Moneylenders serve most rural villages, and commonly charge interest rates of 20-30 per cent per month. As a result, most women from low-income households do not use their services, except for emergency small loans, e.g., to purchase seeds and fertilizer in the planting season.

Though moneylenders will not be threatened by MBK's entry in their area, because MBK targets a different market, some may resent highly efficient operations such as MBK and see them as a commercial threat. So MBK will maintain a dialogue and good relations with moneylenders in the areas it operates.

(e) Conclusion

The market segment targeted by MBK, women from low-income rural households, is only served by a limited number of small MFIs. This provides MBK a unique opportunity to fulfil their credit needs, and to raise their living standards. MBK's target of reaching 2 million clients in five years will not be constrained for lack of market, provided it can:

- Secure enough funds for expansion
- Maintain strict targeting and credit discipline
- Recruit & retain competent branch managers, district supervisors and regional managers
- Increase the capacity of its senior management to scale up and manage growth, and keep up with rapid expansion while preserving programme quality and discipline.

3.2 Business Environment

(a) Legal and Regulatory Environment

MBK is a non-bank financial company (*NBFC*) with a venture capital license. MBK is authorized to provide working capital to micro, small and medium businesses, in addition to other more conventional venture capital activities. MBK's main product (micro working capital) has been approved by the Ministry of Finance. MBK obtained a legal opinion in late 2007 from independent lawyers, confirming that its business model using the venture capital company vehicle is in accordance with Indonesian laws and regulations. There are now three venture capital companies providing working capital to micro-entrepreneurs, one in Bali, one in South Sulawesi and MBK in Java.

There are two main limitations to this legal status:

- Venture capital companies cannot collect savings from their partners or clients.
- Venture capital companies cannot provide conventional interest-bearing loans like banks. They can however provide working capital on a profit-and-loss sharing basis to their venture capital partners (micro-entrepreneurs in this case), but without collateral. They also have to agree on their share of profits generated by the clients.

Implications

- ⇒ Besides generating a surplus from its operations, MBK must rely entirely on commercial funding for its financing needs.
- ⇒ MBK will diligently submit six-monthly reports to BAPEPAM-LK, the regulatory body set up by the Ministry of Finance to supervise capital markets and financing institutions.
- ⇒ MBK will also solicit advice and clearance from the regulators on an on-going basis.

(b) Interest rates

The Central Bank reference SBI rate is expected to remain at 8 percent until the end of 2008, because inflation has picked up due to higher commodity prices. Businesses now borrow at 10-12 percent depending on availability of collateral or guarantee. The rural bank leader BRI charges about 2 percent per month on a declining basis (24% p.a.). In line with falling market interest rates, MBK reduced its lending rate from 30 to 25 percent per year (flat basis) in October 2006.

Implication

- ⇒ MBK will continue to monitor market developments, but expects to maintain its current rate of 25 percent flat for most of the remainder of the projection period.

(c) Natural disasters

Indonesia has experienced a series of natural disasters in recent years ranging from tsunamis, to floods, earthquakes, droughts in some parts and bird flu epidemic. Over 60 percent of MBK clients raise chicken, ducks, and goats, making them very vulnerable to diseases.

Implication

- ⇒ MBK will remain alert to the possibility of natural disasters in its operational areas and prepare contingency plans. MBK will send senior staff to Bangladesh to learn from Grameen Bank and ASA on their disaster preparedness plans tailor-made to handling large numbers of clients unable to pay on time or defaulting altogether.

4 Institutional Assessment

4.1 Credit Programme

(a) Basic Working Capital (WC)

This is MKK's only product at present, offering a maximum of Rp. 1 million for first-time clients and of one-year duration, and bearing 25 percent interest per year (flat basis). Subsequent maximum loan size increases by around 20 annually.

(b) Small Business Capital (SBC)

There is a demand for working capital of Rp 3-10 million, a segment under-served by other players at present, for:

- Regular MBK borrowers who are ready for higher loan without the need to attend weekly meetings.
- Small family businesses and micro-entrepreneurs without collateral.

Implication

- ⇒ Introduce SBC on a pilot basis in 2008 of Rp 3-10 million size.
- ⇒ Invite ASA specialist in Small Entrepreneurial Loan (SEL) to undertake feasibility and pilot the scheme in mid-2008.

4.2 Human Resource Development

(a) Field Staff

According to its *Microfin* projections (see section 5), by 2012 MBK will employ:

- 5,474 loan officers (now 198)
- 1,000 branch managers (now 33)
- 500 area MIS officers (now 33)
- 167 area coordinators (now 6)
- 28 regional managers (now 0)
- 5 provincial managers (now 0)

Implication

- ⇒ Intensify recruitment of field staff (secondary school leavers) and deputy branch managers (university graduates)
- ⇒ Recruit and train large numbers of staff using ASA system, which has a proven track record: (a) on-the-job training, (b) rotation between branches, (c) promotion from within.

(b) Head Office Staff

MBK still relies on the founders to fill the key positions of Chief Executive Officer and Chief Commissioner. The current managers of finance and administration, personnel, MIS and business expansion, mostly promoted from within, are relatively young and with just three to five years of experience.

Implications

- ⇒ By the end of 2012, all senior positions should be filled by Indonesian professionals, while the current CEO will fully move to the Governing Board.
- ⇒ MBK needs to recruit and train for other senior positions including: COO, CFO, and CHO.
- ⇒ Design a recruitment and training strategy for senior positions. This strategy will begin implementation in 2008.
- ⇒ Employ short-term senior and retired consultants to train and transfer operational knowledge to current young MBK managers.

(c) Operational Manual

Version 4 has now been completed and distributed to all branches in Indonesian. This version includes personnel policies and internal audit procedures and check-list.

Implications

- ⇒ Ensure that branch managers, deputy branch managers and loan officers know and understand the content of the operational manual.
- ⇒ Branch Managers must review and discuss the operational manual chapter by chapter with their field officers every Friday (half collection day).

(d) Effective Human Resource Development

Based on CASHPOR's experience, key factors are as follows:

- Recruit staff directly from schools and colleges, so they do not have bad habits
- Implement cost-effective training for maximum of three months
- Fast track to contract status (permanent contract after two years)
- Profit-sharing system
- Career development
- Disciplinary procedure in place

Implications

- ⇒ Implement CASHPOR HRD principles with only minor adaptations
- ⇒ Continue present system (one-week observation, and three-month on the job training including group formation)
- ⇒ Short 1-2 day formal classroom training
- ⇒ Incentive consists of fast-track promotion and higher salary in new positions
- ⇒ Promotion from within wherever possible
- ⇒ Design end-of-year profit-sharing scheme in 2008 and implement system in 2009

4.3 Board and Management Issues

(a) Governing Board

At present, the Board consists of five people: Chief Commissioner, MFI Practitioner, Audit Specialist, Banker, and CEO (ex-officio). Ideally a lawyer should also be included.

(b) Advisory Board

At present, the Advisory Board consists of two practitioners. MBK will strengthen the advisory board as per emerging needs, including enlisting the services of a senior HRD specialist.

As the organization grows, MBK will seek to strengthen both its Boards so that they serve their governance, oversight and advisory functions effectively.

(c) Accounting for MFIs

MBK is implementing best practices in this respect including:

- Appropriate chart of accounts
- Double-entry book-keeping
- Voucher-recorded transactions with original supporting documents
- Financial statements according to international disclosure guidelines
- Centre-focused internal audit
- Computerized branch-level and head office front-office and back-office accounts
- Professional external auditing
- General ledgers for accounting and reporting are kept separately at branch level and administrative level (head office). Trial balance and balance sheets are produced on a monthly basis.

MBK will continue to have its financial statements audited externally on an annual basis.

(d) Cost-effective Supervision and Internal Control System

The present system has the following features:

- Operations manual with job descriptions produced in Indonesian and English.
- Regular quota of planned and surprise centre and branch visits by branch managers and areas supervisors with check-lists and upward reporting already in place. Day-to-day pressure on branch managers means that this is not always implemented regularly.
- Systematic internal controls: the ASA internal control system, relying mainly on Area Supervisors, began implementation in early 2008.

Implications

- ⇒ Ensure that branch managers and area supervisors understand and apply existing internal control system
- ⇒ Thorough follow-up action from head office is required to ensure that internal control systems are implemented in the field. Management must also ensure that recommendations are implemented.
- ⇒ MBK has agreed with ASA to provide two district coordinators to train and strengthen capacity of MBK district coordinators in mid-2008

(e) Computerization

Computerization is needed for:

- Timely and accurate management of information
- Tighter financial control

- Producing quarterly monitoring reports, including ratio and variance analysis, and for necessary adjustments to business plan.

MBK now uses KREDITS, a micro-banking and microfinance software produced by Technical Development Solutions, based in Salt Lake City, USA. The Bank-MFI partnership model can also be handled by this system, after customization for MBK.

MBK set up district-based computerization in mid-2006. Data from six to eight branches are entered into three computers by specialized data entry persons at the area level (2 MIS officers plus one MIS team leader). MBK will continue to monitor the implementation of this system and modify as necessary.

(f) Effective Funding Strategy

Timely funding is necessary for rapid expansion. MBK implements the following strategy:

- Estimating funding requirements from the Microfin financial model (produced since 2004 and revised semi-annually).
- Begin sourcing funds at least one year in advance
- Diversify sources of funding
- Building the capacity to pay commercial rates of interest
- Maintain a perfect repayment rate

Implications

- ⇒ Continue updating the *Microfin* financial forecasting model on a six-monthly basis
- ⇒ Train Finance Manager to use and update Microfin and five-year strategic plan
- ⇒ Approach more funding sources on a continuous basis

(g) On-going Impact Assessment

It is important to have an on-going impact assessment system in place, which includes:

- Verification of targeting to minimize leakages to non-poor
- Client workshop for product design
- Implement exit surveys to maximize client retention, and to find out why good clients are leaving
- Annual sample impact survey; annual impact surveys were carried out in 2005 and 2008. External consultants are in the process of preparing findings (expected June 2008).

Implication

- ⇒ Use the forthcoming findings of the 2008 Impact Survey (400 MBK clients and 200 control group) to refine and develop the MBK programme in line with clients' needs and aspirations.

5 Five-Year Strategic Business Plan 2008-2012

5.1 Growth Strategy

MBK's vision, mission, overall goal and specific goals for the five-year period 2008-2012 already appear in section 1. Client and market analysis appear in section 2, while competition and business environment analysis appear in section 3. The institutional assessment appears in section 4. Operational planning is assisted with financial modelling with Microfin, which is now described below. But before doing this, it is important to stress the following features of the MBK operational strategy to meet its vision, mission and goals:

Exclusivity. All members will continue to be women, as representatives of poor households. They are identified using the modified CASHPOR housing index, combined with the simple MBK casual income test. Women from the poorest households are motivated to join the programme.

Credit discipline. Members must attend weekly centre meetings, during which they make their repayments. Subsequent loans are postponed for absences. Meetings are business-like, with standard seating and recording of attendance. Loan proposals are approved unanimously. Members are encouraged (but not obliged) to accept collective responsibility for loan repayment. Even so, this is not a substitute for credit discipline and can only work for a few weeks. In case of non-repayment during a weekly meeting, following the ASA model, the branch manager, accompanied by as many field officers as available, visits the house of the defaulter on the same day to assess her repayment problems, discuss alternatives and find a solution. Subsequent loans are reduced in size if a member experiences arrears. In the final analysis, the field staff need to motivate the defaulter to repay, by stressing the lack of alternatives and the consequences of shutting the door to further MBK loans.

Effective HRD. Loan officers, all women, are recruited directly from school or are recent school leavers, to avoid inheriting bad habits of previous employers. They are mostly senior secondary school leavers, while candidates for branch manager and head office positions are degree or diploma graduates. All new recruits must pass a short arithmetic test before undertaking one week of observation, during which they accompany experienced field officers in the field. After successfully completing six months on-the-job training, they are issued a one-year probationary contract. The starting salary for field officers is above minimum wage for the province, and motorcycles for field work, accommodation and basic necessities are provided free of charge. All field-level and most head office promotions are made from within, i.e., all branch managers are recruited from the ranks of deputy branch managers and loan officers. As many head office positions as possible are filled from within too, from the ranks of branch managers and senior field officers. Finally, disciplinary procedures are clearly laid out in the operational manual. The best work incentive that MBK offers its staff is accelerated promotion and higher salaries which go with their new positions.

Accounting from MFI. A chart of accounts has been prepared, appropriate for MFIs, and financial statements are prepared using the CGAP format. Standard accounting practices include double entry book-keeping, voucher-recorded transactions with original supporting documents, and financial statements in accordance with international disclosure guidelines. Internal audits are centre-focused and examine field as well as administrative procedures. Finally, a public accountant firm undertakes external auditing of MBK's annual financial statements.

5.2 Five-year Financial Forecast (using *Microfin*)

MBK has used the *Microfin* software tool produced by the World Bank-CGAP to develop five-year financial projections since 2004. The detailed assumptions and financial projections for the latest period 2008-2012 appear in Appendix B. Here, the key assumptions are shown first below, before presenting a summary table of key results.

Key Assumptions

Table 2 contains an overview of assumptions used in the forecasting model, including outreach, number of branches, loan size and staffing levels. Starting from 31 branches at the end of 2007, MBK will operate a total of 1,000 branches by 2012, with an average 2,000 clients each. The first working capital size will be \$100 per year, repayable over 50 weeks. Subsequent working capital will increase by around 20 percent per year. The interest rate will be 25 per cent calculated on a flat basis. The compulsory Client Responsibility Fund (CRF) will collect 5 percent of the loan at the time of disbursement, returnable after full payment of working capital. Finally, MBK will gradually increase the loan officer to client ratio from 349 to 400 in the projection period.

The Indonesian and US inflation rates are assumed to be respectively 7 and 3 percent per year throughout the projection period. Commercial banks are assumed to charge 11-12 percent interest rate per annum for loans throughout the forecasting period.

Key Features

1. *Outreach.* MBK's client base will double every year, from around 65,000 at the end of 2007 to 1 million at the end of 2011 and 2 million by the end of 2012, focusing in the rural areas of Java Island, one of the most populated islands in the world. MBK began operating in Banten province (West of Jakarta) in 2003-05 where it faced little competition, either from commercial banks, community banks or other MFIs. In 2006, MBK expanded in the neighbouring district of Bogor, where it faced some competition from smaller MFIs. Now MBK will expand eastwards to cover more districts in West Java in 2008, to Central Java in 2009 and East Java in 2010. The majority of MBK clients will continue to come from the bottom 25 percent of the population.
2. *Outstanding loan portfolio.* With average outstanding loan size rising from \$42 in 2007 to \$97 in 2012, the gross portfolio outstanding will increase from Rp. 25 to 2,239 billion (\$2.7 to 201 million).
3. *Branches.* The number of branches will double every year from 31 in 2007 to reach a total of 1,000 by 2012. Each branch will have around 6-8 staff.
4. *Staff.* By the end of the projection period, the programme will employ 6,974 people in total, of which 25 people will be located in head office, and the rest in branch, district and regional offices.
5. *Efficiency.* The programme will improve efficiency in two ways: (a) increasing the client load from 349 to 400 clients per loan officer; and (b) reducing the operating cost ratio from 35 to 16 percent between 2007 and 2012, due to economies of scale.

6. *Sustainability.* After-tax operating self-sustainability will rise from 93 to 142 percent, while after tax financial self-sustainability will rise from 86 to 134 percent between 2007 and 2012.
7. *Break-even.* The MBK programme already produced a surplus in 2004-2006. In 2007, heavy investment in the new MIS system, recruitment of senior management and accelerated field staff recruitment temporarily result in a break-even. The programme will once generate a healthy surplus starting in financial year 2008.

Table 2. Summary of Financial Projections 2008-2012

	FY07	FY08	FY09	FY10	FY11	FY12
<i>I</i> Overall Targets						
Total clients	65,378	130,011	260,022	520,044	1,040,090	2,080,180
Gross outstanding portfolio (Rp billion)	25.2	70.3	165.0	471.7	1,034.7	2,239.2
(US\$ million)	2.7	7.4	16.6	45.7	96.6	201.2
Total branches	31	62	125	250	500	1,000
Total employees	258	481	977	1,767	3,503	6,974
Clients per loan officer	349	363	355	400	400	400
Operating cost ratio %	35	26	21	20	16	16
Operational sustainability after-tax %	93	114	127	135	139	142
Financial sustainability after-tax %	86	109	122	129	132	134
<i>II</i> Balance Sheet (Rp billion)						
<u>Assets</u>	<u>36.7</u>	<u>78.2</u>	<u>177.8</u>	<u>496.4</u>	<u>1,084.1</u>	<u>2,338.1</u>
<u>Liabilities</u>	<u>27.4</u>	<u>66.3</u>	<u>153.6</u>	<u>435.5</u>	<u>929.0</u>	<u>1,969.6</u>
Client responsibility fund	2.2	5.7	14.1	33.7	75.5	164.8
Commercial loans	22.9	58.4	137.3	399.6	851.2	1,802.5
<u>Equity</u>	<u>9.3</u>	<u>11.9</u>	<u>24.1</u>	<u>60.9</u>	<u>155.1</u>	<u>368.5</u>
Total liabilities and equity	36.7	78.2	177.8	496.4	1,084.1	2,338.1
<i>III</i> Balance Sheet (US\$ million)						
<u>Assets</u>	<u>3.9</u>	<u>8.2</u>	<u>17.9</u>	<u>48.1</u>	<u>101.2</u>	<u>210.1</u>
<u>Liabilities</u>	<u>2.9</u>	<u>6.9</u>	<u>15.5</u>	<u>42.2</u>	<u>86.7</u>	<u>177.0</u>
Client responsibility fund	0.2	0.6	1.4	3.3	7.0	14.8
Commercial loans	2.5	6.1	13.8	38.7	79.4	161.9
<u>Equity</u>	<u>1.0</u>	<u>1.2</u>	<u>2.4</u>	<u>5.9</u>	<u>14.5</u>	<u>33.1</u>
Total liabilities and equity	3.9	8.2	17.9	48.1	101.2	210.1
<i>IV</i> Debt-Equity Ratio	2.5	4.9	5.7	6.6	5.5	4.9

Assumptions:

1. Domestic inflation rate = 7 percent per year each year (2008-2012)
2. Exchange rate in January 2008: US\$1 = 9,200 Indonesian Rupiah
3. US inflation rate = 3 percent per year each year (2008-2012)

5.3 External funding requirements

After taking into account surplus reinvested and the client responsibility fund, MBK will need to raise commercial loans amounting to the following:

2008	Rp	58	billion	(US\$	6.1 million)
2009	Rp	137	billion	(US\$	13.8 million)
2010	Rp	400	billion	(US\$	38.7 million)
2011	Rp	851	billion	(US\$	79.4 million)
2012	Rp	1,802	billion	(US\$	161.9 million)

5.4 Past and Current Funding Sources

(a) *Hivos (Netherlands)*

Hivos, a Dutch NGO, provided a Euro 350,000 contribution in late 2004 (85 percent for on-lending, 15 percent for capacity building). Hivos funds allowed MBK to expand from one to five branches in 2005. Hivos also provided three additional grants to finance a financial consultant and legal fees for transformation (Euro 10,000 each), and technical support from ASA (Euro 20,000).

(b) *Cordaid (Netherlands)*

Cordaid, a Dutch NGO, provided Euro 400,000 in commercial loan in May 2006, payable over four years, with one year grace period. This amount allowed MBK to expand from 5 to 15 branches in 2006. MBK will now collaborate with Cordaid to provide loan guarantees to locally based banks starting in 2008.

(c) *Unitus Inc.*

Unitus, an MFI ‘Accelerator’ based in Seattle, USA, as part of a three-year partnership agreement signed in December 2006, provided a grant of \$170,000 for: a new MIS system (\$110,000), senior management expansion and staff training (\$40,000), and legal transformation (\$20,000). Unitus also provided technical support to arrange capital for expansion (see below).

(d) *Dignity Fund (DF)*

This San Francisco-based social investor provided \$750,000 in commercial loan starting in April 2007 for loan portfolio, a collaboration initiated by Unitus Inc.

(e) *Micro-Credit Enterprise (MCE)*

This San Francisco-based social investor, provided \$900,000 in commercial loan starting in April 2007, also in collaboration with Unitus Inc.

(f) *Bank Finconesia*

This Indonesian bank provided MBK with a \$660,000 commercial loan in October 2007.

(g) Bank Danamon

This large Indonesian commercial bank provided a US\$2.2 million loan to MBK in February 2008, backed by a 50 percent guarantee provided by Grameen Foundation USA. MBK will enter into a long-term relationship with this bank for its funding needs in 2009 and beyond.

(h) Funding under negotiation

MBK is currently negotiating additional commercial loans with the following parties:

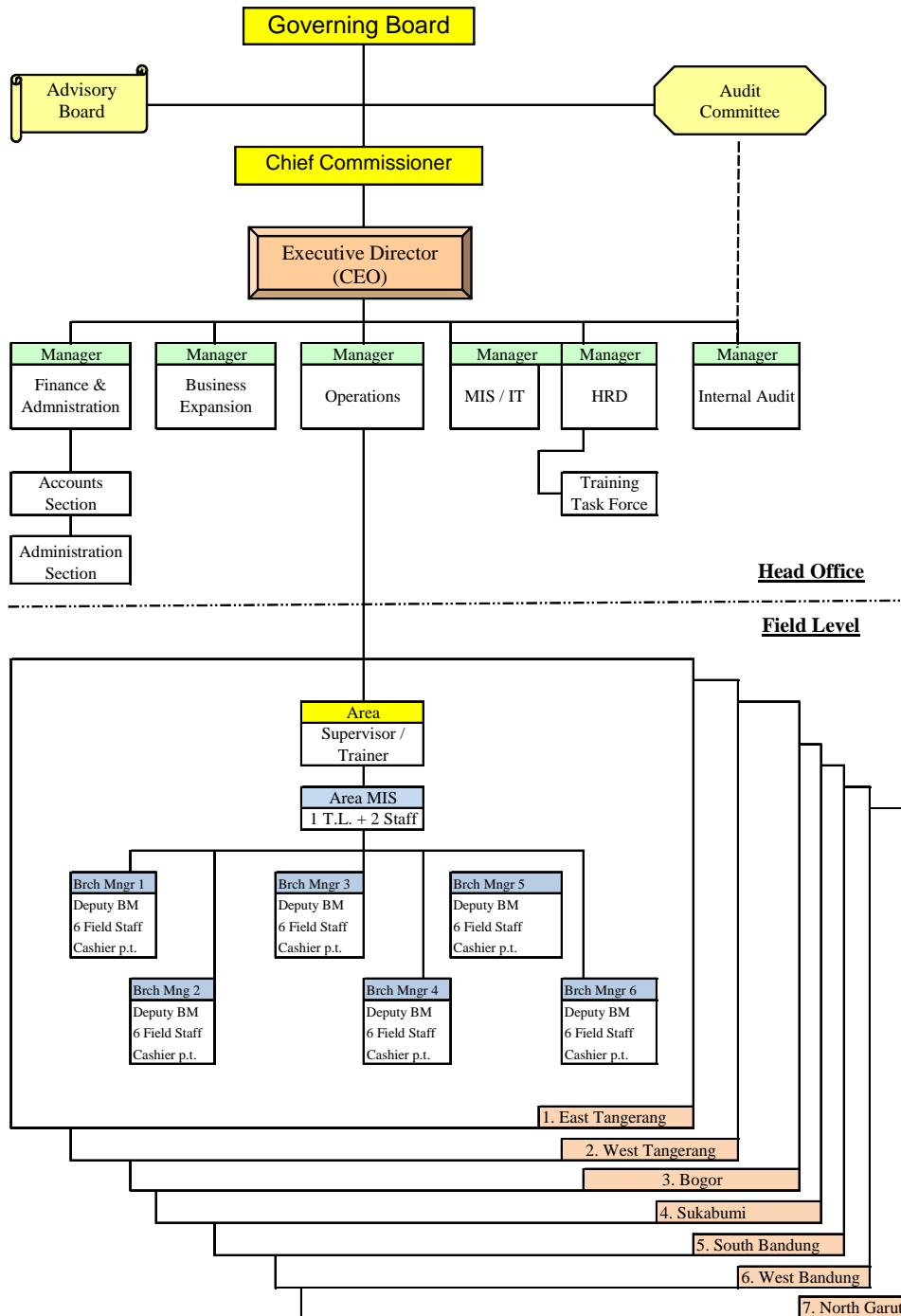
- Oikocredit (Netherlands)
- Triodos Bank (Netherlands)
- Blue Orchard (Switzerland)
- Deutsche Bank (Washington)
- Minlam (Washington)
- Developing World Markets (Washington/Netherlands)

APPENDICES

A. Organizational Structure, Board Members, and Management Team

Organization chart

Mitra Bisnis Keluarga
Organization Chart, April 2008



Governing Board



Chair and Founder: *Dr. Shafiq Dhanani*

D.Phil. in Development Economics, Oxford University. Previously staff and consultant in international development organizations (UNIDO, FAO, WFP, ILO, World Bank, ADB) in Africa and Asia. Some 15 years of consulting experience in Indonesia in various Government Departments. Founder and Chairman, Ganesha Microfinance Foundation.



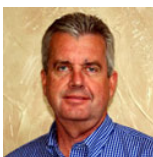
Board Member: *Ms. Helen Todd, Founding Chair, Moris Rasik Foundation, Timor Leste*

Researcher in microfinance and author of *Women at the Centre: Grameen Bank Borrowers After one Decade*, Boulder, Colorado, Westview Press, 1996, and editor of *Cloning Grameen Bank: Replicating a Poverty Reduction Model in India, Nepal and Vietnam*, IT Publications, London, 1996.



Board Member (Chair, Audit Committee): *Mr. Benny Kosinda*

Masters in Agricultural Economics, University of New England, Australia. Retired Senior Project Officer in charge of supervising agricultural projects and rural banks, Asian Development Bank, Manila. Experience in World Bank, GTZ and IFC offices and projects based in Indonesia, as well as auditor and internal auditor, including with Price Waterhouse.



Board Member: *Mr. Clair Jenkins, Vice Chair, Unitus Inc.*

Bachelor in business management and marketing, Brigham Young University, USA. Seattle-based Unitus Inc. is an organization working with MFIs to rapidly expand access to microfinance services around the world. Clair is the Chair of the Selection Committee in Unitus.

Board Member: *Mr. Abidin Siregar, Founder & Director, PT Artha Nusa Sembada.*



Master of International Affairs, Columbia University, New York, U.S.A. Controlling shareholder of 28 community banks known as Bank Perkreditan Rakyat (“BPR”), located across Indonesia.



Board Member (ex-officio CEO): *Dr. Elizabeth Sweeting*

Ph.D. in Education, Sussex University. Previously education consultant for international and national development organizations (World Bank, ADB, British Council) in Africa and Asia. Some 15 years of consulting experience in Indonesian Ministry of Education. Co-founder and Treasurer, Ganesha Microfinance Foundation.

Advisory Committee

	<p>Chair, Advisory Committee Professor David Gibbons Founder and Chair, Cashpor Group of Companies, India Author of the <i>Grameen Reader</i>, Dhaka: Grameen Bank, 1994</p>
	<p>Member Ms. Hasti Tarekat Founding Member, POKMAS Foundation, Medan, North Sumatra</p>

Management Team



President Director (CEO) and Co-Founder

Dr. Elizabeth Sweeting (Liz)

Ph.D. in Education, Sussex University, UK.

Founder Board Member, Ganesha Microfinance Foundation



Manager, Operations

Ms. Nani Wahyuningsih (Nani)

Degree in Accountancy, University of Tasikmalaya, West Java.

Joined MBK in May 2006 as Manager, Internal Audit.

Previous experience as Auditor for public accountant firm, specializing in auditing several community banks in Java on behalf of the Indonesian Central Bank '*Bank Indonesia*'.



Manager, Business Development

Ms. Susanti Gandaatmaja (Santi)

Junior Degree in Economics, Borobudur University.

Joined MBK in April 2003 as field officer, then promoted to Deputy Branch Manager, Branch Manager and District Coordinator, before assuming post of Manager, Business Expansion.



Manager, Internal Audit

Ms. Dahlya Desyany (Lily)

Degree in Information Management, Bina Nusantara University.

Joined MBK in October 2004 as Deputy Branch Manager, then promoted to branch manager and district coordinator.

Previous experience in book-keeping in private firm.



Manager, MIS and IT

Mr. Iman Rahman

Masters in Information Technology, Institut Teknologi Bandung (ITB). Joined MBK in April 2006.

Three years' experience in systems analysis prior to joining MBK.



Manager, Human Resources Development

Ms. Hanni Widiastuty (Hanni)

Higher Diploma (III) in Occupational Health, University of Indonesia.

Joined MBK in October 2004 as Deputy Branch Manager, became branch manager, and then district coordinator.

B. *Microfin* Projection Results 2008-2012

Summary Output Report	FY06	FY07	Year 1 FY08	Year 2 FY09	Year 3 FY10	Year 4 FY11	Year 5 FY12
Summary Output Report							
Explanation:	This sheet provides a concise presentation of all financial statements and ratios generated by the model. The sheet can be printed as a useful summary of the plan for presentation to others.						
Balance Sheet							
ASSETS *							
Cash in Bank and Near Cash	3,314,700	1,557,773	1,524,001	3,550,476	9,546,111	20,595,999	44,175,721
Net Portfolio Outstanding	9,014,207	24,939,632	69,589,238	163,283,951	466,691,361	1,022,920,459	2,213,014,229
Short-term Inv. & other curr ass	1,897,834	7,272,018	1,307,544	603,726	603,726	603,726	603,726
Net Fixed Assets	917,998	2,925,043	5,795,072	10,341,056	19,517,221	39,999,221	80,326,794
Long-term Invest. & other LT assets	21,563	15,812	14,231	12,650	11,068	9,487	7,906
TOTAL ASSETS	15,166,302	36,710,277	78,230,086	177,791,859	496,369,488	1,084,128,893	2,338,128,376
LIABILITIES *							
Savings deposits	862,995	2,159,095	5,678,038	14,130,608	33,711,726	75,535,796	164,847,803
Concessional Loans	6,450,255	1,927,444	1,782,855	1,782,855	1,782,855	1,782,855	1,782,855
Commercial Loans		22,928,106	58,399,004	137,287,686	399,554,662	851,246,343	1,802,516,547
Other liabilities	201,416	444,247	444,247	444,247	444,247	444,247	444,247
TOTAL LIABILITIES	7,514,666	27,458,891	66,304,144	153,645,396	435,493,490	929,009,241	1,969,591,452
EQUITY *							
Accum. Donated equity, prev. periods	0	0	656,063	656,063	656,063	656,063	656,063
Donated equity, current period	0	656,063	0	0	0	0	0
Shareholder equity	7,618,769	9,116,946	9,116,946	9,116,946	9,116,946	9,116,946	9,116,946
Dividend payments	0	0	0	0	0	0	0
Accumulated net surplus	32,867	-521,633	2,152,924	14,373,444	51,102,979	145,346,633	358,763,905
TOTAL EQUITY	7,651,636	9,251,376	11,925,932	24,146,452	60,875,987	155,119,641	368,536,913
TOTAL LIABILITIES AND EQUITY	15,166,302	36,710,267	78,230,076	177,791,848	496,369,477	1,084,128,882	2,338,128,365
Balance sheet verification	0	11	11	11	11	11	11
Income Statement							
Total Financial Income	3,812,186	7,288,742	22,139,542	56,748,175	141,829,833	333,092,010	724,504,252
Total Financial Costs	314,542	1,652,947	5,443,519	12,128,920	27,303,070	64,890,678	137,722,609
Gross Financial Margin	3,497,644	5,635,795	16,696,022	44,619,255	114,526,763	268,201,332	586,781,643
Provision for loan losses	237,484	177,724	451,054	1,257,974	5,076,262	14,720,801	31,816,033
Net Financial Margin	3,260,160	5,458,071	16,244,969	43,361,281	109,450,502	253,480,530	554,965,610
Program Operating Exp	1,762,434	4,392,992	10,727,254	23,605,511	54,346,123	116,037,159	247,104,562
Administrative Operating Exp	745,857	1,586,848	1,721,920	2,322,885	2,658,614	2,834,580	3,004,230
Amount of taxes paid	193,022	32,731	1,121,238	5,212,366	15,716,229	40,365,137	91,439,545
Net income from operations (after tax)	558,846	-554,500	2,674,556	12,220,520	36,729,535	94,243,654	213,417,272
Grant Income	0	656,063	0	0	0	0	0
Excess of Income over Expenses	558,846	101,563	2,674,556	12,220,520	36,729,535	94,243,654	213,417,272
Adjustments to Operating Margin			891,412	2,146,346	5,118,377	13,026,733	29,855,966
Cashflow Projections							
Cash flow from Operations (a)			4,212,709	15,506,046	45,921,310	117,429,216	262,745,104
Total Other Sources (b)			149,865,261	310,061,799	786,362,606	1,686,866,411	3,614,106,897
Total Other Uses (c)			154,111,742	323,541,371	826,288,281	1,793,245,739	3,853,272,280
Net change in equity (d)			0	0	0	0	0
Plus grant income (e)			0	0	0	0	0
Ending Balance			1,524,001	3,550,476	9,546,111	20,595,999	44,175,721
Financing Sources							
NOTE: Sources labeled "not identified" are those programmed by the "default financing" option on Fin.							

Summary Output Report			Year 1	Year 2	Year 3	Year 4	Year 5
	FY06	FY07	FY08	FY09	FY10	FY11	FY12
New Unrestricted Grants -- Identified			0	0	0	0	0
New Unrestricted Grants -- Not Identified			0	0	0	0	0
New restricted grants for operations			0	0	0	0	0
New restricted grants for portfolio			0	0	0	0	0
New restricted grants for other assets			0	0	0	0	0
Unrestricted loans -- Identified			28,678,071	19,592,357	15,049,500	15,049,500	15,049,500
Unrestricted loans -- Not Identified			0	89,530,196	357,505,162	809,196,843	1,760,467,046
Restricted loans for PORTFOLIO			0	0	0	0	0
Restricted loans for OTHER ASSETS			0	0	0	0	0
Equity Investments (Unrestricted)			9,116,946	9,116,946	9,116,946	9,116,946	9,116,946

Ratio Analysis

Portfolio Quality							
Loan Loss Reserve Ratio	1.0%	1.0%	1.0%	1.0%	1.1%	1.1%	1.2%
Loan Write-off Ratio	0.0%	0.1%	0.0%	0.2%	0.6%	1.1%	1.1%
Profitability							
Adj. After-tax Return on Total Assets *	-3.1%	-5.4%	3.0%	7.5%	9.6%	10.6%	11.1%
Solvency							
Equity Multiplier *	1.98	3.97	6.56	7.36	8.15	6.99	6.34
Efficiency & Productivity							
Operating Cost Ratio *	49.1%	34.9%	25.8%	21.0%	19.9%	16.2%	15.7%
Borrowers per Field Officer *	301	349	363	355	400	400	400
Overhead percentage *	29.7%	26.5%	13.8%	9.0%	4.7%	2.4%	1.2%
Field Officer as % of total staff" *	81.6%	72.9%	68.5%	73.8%	72.7%	73.4%	73.9%
Growth and Outreach							
Total Loan Portfolio *	9,105,260	25,191,547	70,292,207	164,988,567	471,726,257	1,034,662,189	2,239,165,891
Overall growth in portfolio	7	177%	179%	135%	186%	119%	116%
Number of active loans *	27,978	65,528	130,011	260,022	520,044	1,040,090	2,080,180
Overall growth in loans		134%	98%	100%	100%	100%	100%
Client dropout rate			13%	13%	13%	13%	13%
Total Voluntary Savings Deposits *	862,995	2,159,095	0	0	0	0	0
Number of voluntary depositors *			0	0	0	0	0

Financial Statements in Constant Currency

Note: This financial information is stated in terms of constant FY08 Rp. 000s

Inflation rate, FY06

Balance Sheet

ASSETS *

Cash in Bank and Near Cash	0	1,557,773	1,424,300	3,101,123	7,792,470	15,712,589	31,496,679
Net Portfolio Outstanding	0	24,939,632	65,036,671	142,618,527	380,959,167	780,381,120	1,577,848,560
Short-term Inv. & other curr ass	0	7,272,018	1,222,004	527,318	492,820	460,580	430,448
Net Fixed Assets	0	2,925,043	5,415,955	9,032,279	15,931,866	30,515,214	57,271,894
Long-term Invest. & other LT assets	0	15,812	13,300	11,049	9,035	7,238	5,637
TOTAL ASSETS	0	36,710,277	73,112,230	155,290,295	405,185,359	827,076,741	1,667,053,218

LIABILITIES *

Savings deposits	0	2,159,095	5,306,578	12,342,221	27,518,810	57,625,897	117,534,206
Concessional Loans	0	1,927,444	1,666,220	1,557,215	1,455,341	1,360,132	1,271,151
Commercial Loans	0	22,928,106	54,578,508	119,912,382	326,155,623	649,411,759	1,285,169,386
Other liabilities	0	444,247	415,184	388,022	362,638	338,914	316,742
TOTAL LIABILITIES	0	27,458,891	61,966,490	134,199,839	355,492,411	708,736,702	1,404,291,484

EQUITY *

Accum. Donated equity, prev. periods	0	0	613,143	573,030	535,542	500,507	467,763
Donated equity, current period	0	656,063	0	0	0	0	0

Summary Output Report	FY06	FY07	Year 1 FY08	Year 2 FY09	Year 3 FY10	Year 4 FY11	Year 5 FY12
Shareholder equity	0	9,116,946	8,520,510	7,963,093	7,442,143	6,955,274	6,500,256
Dividend payments	0	0	0	0	0	0	0
Accumulated net surplus	0	-521,633	2,012,078	12,554,322	41,715,253	110,884,250	255,793,706
TOTAL EQUITY	0	9,251,376	11,145,731	21,090,446	49,692,939	118,340,031	262,761,726
TOTAL LIABILITIES AND EQUITY	0	36,710,267	73,112,220	155,290,286	405,185,350	827,076,733	1,667,053,210
Income Statement							
Total Financial Income	0	7,288,742	20,691,161	49,566,054	115,775,392	254,114,300	516,561,519
Total Financial Costs	0	1,652,947	5,087,401	10,593,868	22,287,438	49,504,788	98,194,317
Gross Financial Margin	0	5,635,795	15,603,759	38,972,185	93,487,954	204,609,512	418,367,202
Provision for loan losses	0	177,724	421,545	1,098,763	4,143,742	11,230,429	22,684,392
Net Financial Margin	0	5,458,071	15,182,214	37,873,422	89,344,212	193,379,083	395,682,810
Program Operating Exp	0	4,392,992	10,025,471	20,617,967	44,362,625	88,524,193	176,182,138
Administrative Operating Exp	0	1,586,848	1,609,271	2,028,898	2,170,221	2,162,488	2,141,975
Amount of taxes paid	0	32,731	1,047,886	4,552,682	12,829,125	30,794,370	65,195,132
Net income from operations (after tax)	0	-554,500	2,499,585	10,673,875	29,982,242	71,898,032	152,163,566
Grant Income	0	656,063	0	0	0	0	0
Excess of Income over Expenses	0	101,563	2,499,585	10,673,875	29,982,242	71,898,032	152,163,566
Adjustments to Operating Margin	0	0	833,095	1,874,702	4,178,121	9,938,032	21,286,891
Fin. Statements in Constant Ext. Currency							
NOTE: This section expresses the financial statements in constant values in an external currency							
Name of external currency (plural)	9.200						
Current exchange rate (= 1.0 Rp. 000s)	9.200						
Balance Sheet							
NOTE: All figures are expressed in							
ASSETS *							
Cash in Bank and Near Cash			154,815	337,079	847,008	1,707,890	3,423,552
Net Portfolio Outstanding			7,069,203	15,502,014	41,408,605	84,824,035	171,505,278
Short-term Inv. & other curr ass			132,826	57,317	53,567	50,063	46,788
Net Fixed Assets			588,691	981,769	1,731,725	3,316,871	6,225,206
Long-term Invest. & other LT assets			1,446	1,201	982	787	613
TOTAL ASSETS			7,946,982	16,879,380	44,041,887	89,899,646	181,201,437
LIABILITIES *							
Savings deposits			576,802	1,341,546	2,991,175	6,263,684	12,775,457
Concessional Loans			181,111	169,262	158,189	147,840	138,169
Commercial Loans			5,932,447	13,033,955	35,451,698	70,588,235	139,692,325
Other liabilities			45,129	42,176	39,417	36,838	34,428
TOTAL LIABILITIES			6,735,488	14,586,939	38,640,479	77,036,598	152,640,379
EQUITY *							
Accum. Donated equity, prev. periods			66,646	62,286	58,211	54,403	50,844
Donated equity, current period			0	0	0	0	0
Shareholder equity			926,142	865,554	808,929	756,008	706,550
Dividend payments			0	0	0	0	0
Accumulated net surplus			218,704	1,364,600	4,534,267	12,052,636	27,803,664
TOTAL EQUITY			1,211,492	2,292,440	5,401,406	12,863,047	28,561,057
TOTAL LIABILITIES AND EQUITY			7,946,980	16,879,379	44,041,886	89,899,645	181,201,436
Income Statement							
Total Financial Income			2,249,039	5,387,615	12,584,282	27,621,120	56,147,991
Total Financial Costs			552,978	1,151,507	2,422,548	5,380,955	10,673,295
Gross Financial Margin			1,696,061	4,236,107	10,161,734	22,240,164	45,474,696
Provision for loan losses			45,820	119,431	450,407	1,220,699	2,465,695

Summary Output Report	FY06	FY07	Year 1 FY08	Year 2 FY09	Year 3 FY10	Year 4 FY11	Year 5 FY12
Net Financial Margin			1,650,241	4,116,676	9,711,327	21,019,466	43,009,001
Program Operating Exp			1,089,725	2,241,083	4,822,024	9,622,195	19,150,232
Administrative Operating Exp			174,921	220,532	235,894	235,053	232,823
Amount of taxes paid			113,901	494,857	1,394,470	3,347,214	7,086,427
Net income from operations (after taxes)			271,694	1,160,204	3,258,939	7,815,004	16,539,518
Grant Income			0	0	0	0	0
Excess of Income over Expenses			271,694	1,160,204	3,258,939	7,815,004	16,539,518
Adjustments to Operating Margin			90,554	203,772	454,144	1,080,221	2,313,792
Financial Statements in External Currency							
NOTE: This section expresses the financial statements in current values (I.e., inflated) in an external c							
Annual inflation rate of external currency							
Value input:			3.0%				
Value used:			3.0%	3.0%	3.0%	3.0%	3.0%
			1.030	1.061	1.093	1.126	1.159
Balance Sheet							
ASSETS *							
Cash in Bank and Near Cash			159,460	357,607	925,548	1,922,245	3,968,835
Net Portfolio Outstanding			7,281,279	16,446,086	45,248,301	95,470,198	198,821,623
Short-term Inv. & other curr ass			136,811	60,808	58,535	56,346	54,240
Net Fixed Assets			606,352	1,041,559	1,892,302	3,733,168	7,216,720
Long-term Invest. & other LT assets			1,489	1,274	1,073	885	710
TOTAL ASSETS			8,185,391	17,907,334	48,125,759	101,182,843	210,062,128
LIABILITIES *							
Savings deposits			594,106	1,423,246	3,268,538	7,049,832	14,810,256
Concessional Loans			186,544	179,571	172,858	166,396	160,175
Commercial Loans			6,110,420	13,827,722	38,739,028	79,447,680	161,941,690
Other liabilities			46,483	44,745	43,072	41,462	39,912
TOTAL LIABILITIES			6,937,553	15,475,284	42,223,495	86,705,370	176,952,034
EQUITY *							
Accum. Donated equity, prev. periods			68,645	66,079	63,609	61,231	58,942
Donated equity, current period			0	0	0	0	0
Shareholder equity			953,927	918,266	883,938	850,894	819,085
Dividend payments			0	0	0	0	0
Accumulated net surplus			225,265	1,447,704	4,954,716	13,565,348	32,232,067
TOTAL EQUITY			1,247,837	2,432,049	5,902,263	14,477,473	33,110,093
TOTAL LIABILITIES AND EQUITY			8,185,390	17,907,333	48,125,758	101,182,842	210,062,127
Income Statement							
Total Financial Income			2,316,510	5,715,720	13,751,184	31,087,813	65,090,911
Total Financial Costs			569,568	1,221,634	2,647,183	6,056,312	12,373,275
Gross Financial Margin			1,746,943	4,494,086	11,104,001	25,031,501	52,717,636
Provision for loan losses			47,195	126,704	492,172	1,373,907	2,858,416
Net Financial Margin			1,699,748	4,367,382	10,611,830	23,657,594	49,859,220
Program Operating Exp			1,122,417	2,377,565	5,269,156	10,829,865	22,200,368
Administrative Operating Exp			180,168	233,963	257,767	264,554	269,906
Amount of taxes paid			117,318	524,994	1,523,775	3,767,319	8,215,112
Net income from operations (after taxes)			279,845	1,230,860	3,561,131	8,795,855	19,173,834
Grant Income			0	0	0	0	0
Excess of Income over Expenses			279,845	1,230,860	3,561,131	8,795,855	19,173,834
Adjustments to Operating Margin			93,270	216,182	496,255	1,215,798	2,682,320
END OF INFORMATION FOR THIS SHEET							

Financial Statements	Year 1 FY08	Year 2 FY09	Year 3 FY10	Year 4 FY11	Year 5 FY12	Sheet 1 File name: МБК Microfin 26Apr08.xls
Balance Sheet						
Initial Balance verification						
ASSETS *						
Current Assets						
Cash in Bank and Near Cash	1,524,001	3,550,476	9,546,111	20,595,999	44,175,721	
Gross Portfolio Outstanding	70,292,207	164,988,567	471,726,257	1,034,662,189	2,239,165,891	
(Less: Loan Loss Reserve)	-702,968	-1,704,616	-5,034,896	-11,741,730	-26,151,662	
Net Portfolio Outstanding	69,589,238	163,283,951	466,691,361	1,022,920,459	2,213,014,229	
Short-term Investments	703,818	0	0	0	0	
Savings reserves	0	0	0	0	0	
Other Current Assets	603,726	603,726	603,726	603,726	603,726	
Sub-total, Current Assets	72,420,784	167,438,153	476,841,199	1,044,120,184	2,257,793,676	
Fixed Assets						
Land	0	0	0	0	0	
Buildings (gross)	1,064,495	1,064,495	1,064,495	1,064,495	1,064,495	
Furniture and Equipment (gross)	6,438,543	12,823,259	25,125,308	52,457,935	110,295,725	
(Accumulated Depreciation)	-1,707,966	-3,546,697	-6,672,582	-13,523,208	-31,033,426	
Net Fixed Assets	5,795,072	10,341,056	19,517,221	39,999,221	80,326,794	
Other Long-Term Assets						
Long-term Investments	0	0	0	0	0	
Other long-term assets (net)	14,231	12,650	11,068	9,487	7,906	
Sub-total, Long-term Assets	5,809,303	10,353,706	19,528,289	40,008,709	80,334,700	
TOTAL ASSETS	78,230,086	177,791,859	496,369,488	1,084,128,893	2,338,128,376	
LIABILITIES *						
Current Liabilities						
Accrued/(Pre-paid) expenses	135,958	135,958	135,958	135,958	135,958	
Savings deposits	5,678,038	14,130,608	33,711,726	75,535,796	164,847,803	
Short-term Concessional Loans	0	0	0	0	0	
Short-term Commercial Loans	10,641,514	95,238,186	357,505,162	809,196,843	1,760,467,046	
Other Current Liabilities	308,289	308,289	308,289	308,289	308,289	
Sub-total, Current Liabilities	16,763,799	109,813,041	391,661,135	885,176,886	1,925,759,097	
Long-term Liabilities						
Long-term Concessional Loans	1,782,855	1,782,855	1,782,855	1,782,855	1,782,855	
Long-term Commercial Loans	47,757,490	42,049,500	42,049,500	42,049,500	42,049,500	
Other long-term Liabilities	0	0	0	0	0	
Sub-total, Long-term liabilities	49,540,345	43,832,355	43,832,355	43,832,355	43,832,355	
TOTAL LIABILITIES	66,304,144	153,645,396	435,493,490	929,009,241	1,969,591,452	
EQUITY *						
Accum. Donated equity, prev. period	656,063	656,063	656,063	656,063	656,063	
Donated equity, current period	0	0	0	0	0	
Shareholder equity	9,116,946	9,116,946	9,116,946	9,116,946	9,116,946	
Dividend payments	0	0	0	0	0	
Accum. Net Surplus (Deficit), prev. p	-521,633	2,152,924	14,373,444	51,102,979	145,346,633	
Net Surplus (Deficit), current period	2,674,556	12,220,520	36,729,535	94,243,654	213,417,272	
TOTAL EQUITY	11,925,932	24,146,452	60,875,987	155,119,641	368,536,913	
TOTAL LIABILITIES AND EQUITY	78,230,076	177,791,848	496,369,477	1,084,128,882	2,338,128,365	
Analysis						
Equity Multiplier	6.56	7.36	8.15	6.99	6.34	

Financial Statements	Year 1	Year 2	Year 3	Year 4	Year 5	Sheet 1
Cashflow Projections	FY08	FY09	FY10	FY11	FY12	File name: MDR MICRUMI Z0Apr08.xls
Net income from operations	2,674,556	12,220,520	36,729,535	94,243,654	213,417,272	
Non-cash operating items						
+ Depreciation and amortization	1,087,099	2,027,552	4,115,513	8,464,761	17,511,799	
+ Loan loss provisions	451,054	1,257,974	5,076,262	14,720,801	31,816,033	
+ Indexing expense of Loans Payab	0	0	0	0	0	
- Indexing Income	0	0	0	0	0	
Cash flow from Operations (a)	4,212,709	15,506,046	45,921,310	117,429,216	262,745,104	
Plus other sources						
Loan repayments received	82,006,540	217,833,565	504,514,512	1,193,350,660	2,573,524,687	
Net increase in borrowed funds	41,426,726	83,071,846	262,266,976	451,691,681	951,270,203	
Net increase in savings deposits	3,518,943	8,452,570	19,581,118	41,824,070	89,312,007	
Net decrease in other assets	0	0	0	0	0	
Net decrease in short-term invest.	22,913,052	703,818	0	0	0	
Net decrease in long-term invest.	0	0	0	0	0	
Net increase in accrued/(pre-paid) ex	0	0	0	0	0	
Net decrease in other current assets	0	0	0	0	0	
Net increase in other current liabilities	0	0	0	0	0	
Net increase in other long-term liab.	0	0	0	0	0	
Total Other Sources (b)	149,865,261	310,061,799	786,362,606	1,686,866,411	3,614,106,897	
Minus other uses						
Loan disbursements	127,107,200	312,786,252	812,998,184	1,764,300,558	3,795,434,490	
Net decrease in borrowed funds	6,100,416	4,183,164	0	0	0	
Net decrease in savings deposits	0	0	0	0	0	
Net increase in other assets	3,955,547	6,571,955	13,290,096	28,945,180	57,837,790	
Net increase in short-term investment	16,660,578	0	0	0	0	
Net increase in long-term investment	0	0	0	0	0	
Net decrease in accrued/(pre-paid) e	0	0	0	0	0	
Net increase in other current assets	288,000	0	0	0	0	
Net decrease in other current liabilities	0	0	0	0	0	
Net decrease in other long-term liab.	0	0	0	0	0	
Total Other Uses (c)	154,111,742	323,541,371	826,288,281	1,793,245,739	3,853,272,280	
Changes in equity position						
Plus: Stock issued	0	0	0	0	0	
Minus: Dividend payments	0	0	0	0	0	
Net change in equity (d)	0	0	0	0	0	
Plus grant income (e)	0	0	0	0	0	
Net Cash Flow (a + b - c + d + e)	-33,771	2,026,475	5,995,635	11,049,888	23,579,722	
Beginning Cash Balance	1,557,773	1,524,001	3,550,476	9,546,111	20,595,999	
Ending Balance	1,524,001	3,550,476	9,546,111	20,595,999	44,175,721	

Financial Statements	Year 1 FY08	Year 2 FY09	Year 3 FY10	Year 4 FY11	Year 5 FY12	5 YEAR TOTAL
Income Statement	Income Statement					
Financial Income						
Interest on loans	21,870,557	56,745,242	141,829,833	333,092,010	724,504,252	1,278,041,894
Commissions and fees incl. penalties	0	0	0	0	0	0
Indexing income on loans	0	0	0	0	0	0
Other Earned Income	0	0	0	0	0	0
Income on Investments	268,985	2,933	0	0	0	271,918
Total Financial Income	22,139,542	56,748,175	141,829,833	333,092,010	724,504,252	1,278,313,812
Financial Costs						
Interest and fees on borrowed funds	5,443,519	12,128,920	27,303,070	64,890,678	137,722,609	247,488,797
Interest paid on savings deposits	0	0	0	0	0	0
Indexing expense of deposits	0	0	0	0	0	0
Total Financial Costs	5,443,519	12,128,920	27,303,070	64,890,678	137,722,609	247,488,797
Gross Financial Margin	16,696,022	44,619,255	114,526,763	268,201,332	586,781,643	1,030,825,015
Provision for loan losses	451,054	1,257,974	5,076,262	14,720,801	31,816,033	53,322,123
Net Financial Margin	16,244,969	43,361,281	109,450,502	253,480,530	554,965,610	977,502,892
Operating Costs						
Program (Branch-level)	10,727,254	23,605,511	54,346,123	116,037,159	247,104,562	451,820,609
Salaries and benefits	7,203,082	15,988,154	37,471,175	79,979,292	170,517,375	311,159,078
Other operational expenses	2,636,904	5,805,968	12,992,731	27,832,597	59,302,873	108,571,073
Depreciation	887,268	1,811,388	3,882,216	8,225,270	17,284,315	32,090,457
Administration (Head Office)	1,721,920	2,322,885	2,658,614	2,834,580	3,004,230	12,542,230
Salaries and benefits	1,118,163	1,674,521	1,962,862	2,100,263	2,247,281	9,103,089
Other operational expenses	403,926	432,201	462,455	494,827	529,465	2,322,873
Depreciation and amortization	199,832	216,163	233,297	239,491	227,485	1,116,267
Total Operating Costs	12,449,174	25,928,395	57,004,737	118,871,739	250,108,793	464,362,838
Net Income from Operations (before taxes)	3,795,795	17,432,886	52,445,765	134,608,791	304,856,818	513,140,054
Amount of taxes paid	1,121,238	5,212,366	15,716,229	40,365,137	91,439,545	153,854,516
Net income from operations (after taxes)	2,674,556	12,220,520	36,729,535	94,243,654	213,417,272	359,285,538
Income from grants for Loan Fund Capital	0	0	0	0	0	0
Income from grants for Fixed Assets	0	0	0	0	0	0
Income from grants for Operations	0	0	0	0	0	0
Income from unrestricted grants	0	0	0	0	0	0
Excess of Income over Expenses	2,674,556	12,220,520	36,729,535	94,243,654	213,417,272	359,285,538
Adjustments to Income Statement						
Net income from operations (after taxes)	2,674,556	12,220,520	36,729,535	94,243,654	213,417,272	359,285,538
Adjustments to Operating Margin	891,412	2,146,346	5,118,377	13,026,733	29,855,966	51,038,835
Subsidized cost of funds adjustment	496,912	1,405,939	3,179,292	7,274,383	15,164,509	27,521,036
Inflation adjustment of equity	394,499	740,407	1,939,086	5,752,350	14,691,457	23,517,798
In-kind subsidies	0	0	0	0	0	0
Adjusted Return from Oper, after-tax	1,783,145	10,074,174	31,611,158	81,216,921	183,561,307	308,246,703
Income Statement Analysis						
Choice of denominator for ratios						
Total Assets	72,420,784	167,438,153	476,841,199	1,044,120,184	2,257,793,676	
Average Total Assets	59,162,011	134,390,069	328,711,945	765,214,564	1,659,336,386	589,362,995
Gross Return on Average Total Assets	37.4%	42.2%	43.1%	43.5%	43.7%	43.4%
- Financing Costs *	9.2%	9.0%	8.3%	8.5%	8.3%	8.4%
= Gross Financial Margin	28.2%	33.2%	34.8%	35.0%	35.4%	35.0%
- Loan Loss Provisions *	0.8%	0.9%	1.5%	1.9%	1.9%	1.8%
= Net Financial Margin	27.5%	32.3%	33.3%	33.1%	33.4%	33.2%
- Operating Costs *	21.0%	19.3%	17.3%	15.5%	15.1%	15.8%
- Taxes Paid	1.9%	3.9%	4.8%	5.3%	5.5%	5.2%
= Operating Margin, after-tax (ROA) *	4.5%	9.1%	11.2%	12.3%	12.9%	12.2%
- Adjustments to Operations	1.5%	1.6%	1.6%	1.7%	1.8%	1.7%
= Net Margin, after-tax (Adjusted ROA)	3.0%	7.5%	9.6%	10.6%	11.1%	10.5%
Operational Sustainability after-tax *	114%	127%	135%	139%	142%	139%

Ratio Analysis

Portfolio Quality

Portfolio at Risk > 30 days	0.0%	0.0%	0.0%	0.0%	0.0%
Loan Loss Reserve Ratio	1.0%	1.0%	1.1%	1.1%	1.2%
Loan Write-off Ratio	0.0%	0.2%	0.6%	1.1%	1.1%

Profitability

Adj. After-tax Return on Total Assets *	3.0%	7.5%	9.6%	10.6%	11.1%
---	------	------	------	-------	-------

Solvency

Equity Multiplier *	6.56	7.36	8.15	6.99	6.34
---------------------	------	------	------	------	------

Efficiency & Productivity

Yield on Portfolio (annualized) *	45.3%	45.9%	49.5%	45.4%	45.4%
Operating Cost Ratio *	25.8%	21.0%	19.9%	16.2%	15.7%
Borrowers per Field Officer *	363	355	400	400	400
Portfolio per Field Officer	196,347	225,394	362,587	397,794	430,526

Growth and Outreach

Lending

Total Loan Portfolio *	70,292,207	164,988,567	471,726,257	1,034,662,189	2,239,165,891
Overall growth in portfolio	179.0%	134.7%	185.9%	119.3%	116.4%
Number of active loans *	130,011	260,022	520,044	1,040,090	2,080,180
Overall growth in loans	98.4%	100.0%	100.0%	100.0%	100.0%
Client dropout rate	13%	13%	13%	13%	13%

Voluntary Savings

Total Voluntary Savings Deposits *	0	0	0	0	0
Percent change in savings deposits	0.0%	0.0%	0.0%	0.0%	0.0%
Number of voluntary depositors *	0	0	0	0	0
Percent change in depositors	0.0%	0.0%	0.0%	0.0%	0.0%