

Microfinance Investment Vehicles Disclosure Guidelines

Additional Indicators

2015

The annual Symbiotics MIV Survey is based on the CGAP MIV Disclosure Guidelines. The latest guidelines were developed in 2010, as a result of the collaborative efforts of various stakeholders, including fund managers, rating agencies, investors' associations and industry experts.

After several years of using the current reporting framework and based on the feedback received by survey participants in recent years, Symbiotics decided to create a working group in the course of 2014 in order to discuss potential changes to standardize, simplify and improve the survey's reporting guidelines. All MIV Survey participants were invited to join the working group. Annex 1 includes the participants' names and respective organizations.

The present document provides complementary information (i.e. modifications of some indicators' definitions as well as a list of new indicators) to the official document "Microfinance Investment Vehicles Disclosure Guidelines 2010", available [here](#).

We would like to thank all Working Group participants for their time commitment and inputs to this project which helped improve the CGAP MIV Disclosure Guidelines by developing new sets of relevant financial and ESG indicators to track at the MIV level.

Symbiotics Market Research Team

1. MIV Profile

1.4 Other Investment Considerations

Code	Information	Description/Definition
1.4.15	Vintage Year	The first year that the equity fund made drawdowns from committed capital.
1.4.16	End of the investment period	End of the equity fund's investment period (year).

2. Performance Indicators

2.1 Asset Value

Code	Indicator	Description/Definition	Type of Data ¹	Data as % of ²	Variation ³
2.1.0	Total capital committed	Contractually agreed amount of capital committed by investors to the Equity Fund.	C		
2.1.0.1	"Paid-in" capital	Cumulative amount of capital drawn down until now (from total committed capital).	C	CC	
2.1.2	Microfinance Portfolio ⁴			TA	*
2.1.2.1	Microfinance Portfolio in Microfinance Investees with USD assets > 100m USD	% of MIV's Microfinance Portfolio which is channeled to microfinance investees with asset size of over USD 100 million.	%		
2.1.2.2	Microfinance Portfolio in Microfinance Investees with USD assets >10m USD and < 100M USD	% of MIV's Microfinance Portfolio which is channeled to microfinance investees with asset size between USD 10 million and USD 100 million.	%		
2.1.2.3	Microfinance Portfolio in Microfinance Investees with USD assets <10m USD	% of MIV's Microfinance Portfolio which is channeled to microfinance investees with asset size of less than USD 10 million.	%		
2.1.3	Other Portfolio ⁵		C	TA	*
2.1.3.1	Other Portfolio invested in Agriculture	% of MIV's Other Portfolio which is channeled to organizations involved in agriculture-related activities across its entire value chain (from production to market).	%		

¹ Type of data: C(urrency) = value of the outstanding provision in the fund's currency; N(umber); % (Percentage); T(ext).

² Data in percentage of TA (Total Assets); CC (Committed Capital); MP (Microfinance Portfolio); DMP (Direct Microfinance Portfolio)

³ * Indicates that year-on-year variation, responsible growth rate must be presented.

⁴ No changes from the initial definition in the CGAP MIV Disclosure Guidelines 2010.

⁵ Idem (page 14)

Code	Indicator	Description/Definition	Type of Data ⁶	Data as % of ⁷	Variation ⁸
2.1.3.2	Other Portfolio invested in Housing	% of MIV's Other Portfolio which is channeled to organizations that offer housing products to low-income people. The products which are usually loans enable the renovation or expansion of an existing home, construction of a new home, or basic infrastructure improvements, such as electricity or sanitation.	%		
2.1.3.3	Other Portfolio invested in Energy	% of MIV's Other Portfolio which is channeled to organizations providing sustainable energy financing products to low-income households. Products include those related to energy efficiency, renewable energy and clean technology.	%		
2.1.3.4	Other Portfolio invested in Other Activities	% of MIV's Other Portfolio invested in other activities like education, healthcare, SME financing, fair trade and other market instruments.	%		

2.2 Microfinance Portfolio

Code	Indicator	Description/Definition	Type of Data	Data as % of	Variation
2.2.1.3	Direct Microfinance Portfolio in Equity ⁹		C	MP	*
2.2.1.3.1	Direct Microfinance Portfolio in Equity with Majority Ownership	Sum of direct microfinance investments in equity where the MIV has a majority ownership in the investee (over 50% ownership).	C	DMP in Equity	*
2.2.1.3.2	Direct Microfinance Portfolio in Equity with Large Minority Ownership	Sum of direct microfinance investments in equity where the MIV has a large minority ownership in the investee (between 25-50% ownership).	C	DMP in Equity	*
2.2.1.3.3	Direct Microfinance Portfolio in Equity with Small Minority Ownership	Sum of direct microfinance investments in equity where the MIV has a small minority ownership in the investee (under 25% ownership).	C	DMP in Equity	*
2.2.1.3.4	Board representation	Board representation of the MIV in the investees across the MIV's entire direct microfinance portfolio in equity. <i>Calculation: Sum of the number of Board members from the MIV in each investee of the portfolio / Sum of Total number of board members of each investee.</i>	%		

⁶ Type of data: C(urrency) = value of the outstanding provision in the fund's currency; N(umber); % (Percentage); T(ext).

⁷ Data in percentage of TA (Total Assets); MP (Microfinance Portfolio); DMP (Direct Microfinance Portfolio)

⁸ * Indicates that year-on-year variation, responsible growth rate must be presented.

⁹ No changes from the initial definition in the CGAP MIV Disclosure Guidelines 2010.

3. Environmental, Social, and Governance Indicators

3.2 Outreach of the Direct Microfinance Portfolio

Code	Indicator	Description/Definition	Type of Data
3.2.2	Number of active borrowers financed (New formula for Equity Funds)	<p>Number of active borrowers financed by the MIV through its direct microfinance portfolio. Active borrowers refer to individuals who currently have an outstanding loan balance with the microfinance investee or are primarily responsible for repaying any portion of the Gross Loan Portfolio. Individuals who have multiple loans with a microfinance investee should be counted as a single borrower.</p> <p><i>Calculation:</i> Sum of borrowers financed through direct investments made in each microfinance investee being part of the MIV direct portfolio = (Number of active borrowers of microfinance investee 1 * percentage of voting rights of the MIV in microfinance investee 1) + (Number of active borrowers of microfinance investee 2 * percentage of voting rights of the MIV in microfinance investee 2) +...+ (Number of active borrowers of microfinance investee n * percentage of voting rights of the MIV in microfinance investee n).</p>	N

3.2.10 Client Protection

Code	Indicator	Description/Definition	Type of Data
3.2.10.3	Percentage of microfinance investees in the MIV portfolio that have done a client protection assessment	<p>The Client Protection Principles refer to a microfinance industry-wide initiative that encourages investors to ensure that low-income clients are treated fairly and protected from harmful financial products.</p> <p><i>Calculation:</i> Total Number of Microfinance Investees that have done a client protection assessment / N.</p>	%

3.2.11 Other Social Indicators

Code	Indicator	Description/Definition	Type of Data
3.2.11.1	First-mover	Number of microfinance investees for which the MIV was the initial international institutional investor since inception (excluding Development Finance Institutions).	N
3.2.11.2	Percentage of Microfinance Investees providing Mobile Banking facilities	% of Microfinance Investees from the MIV direct microfinance portfolio that make use of mobile banking, either through its incorporation into their business processes or by acting as agents of mobile money providers.	%

3.3 Governance

Code	Indicator	Description/Definition	Type of Data
3.3.6	Technical Assistance Costs	Annual costs incurred for Technical Assistance by the MIV (in accounting currency).	C
3.3.7	Disclosure of the Annual percentage rate (APR) in an MIV- microfinance investee relationship	Has the MIV expressed the yearly cost of funds lent to the microfinance investee as a single percentage number over the term of a loan?	Yes/No
3.3.8	Use of the Shareholder agreement for good governance	A shareholder agreement is an arrangement among a company's shareholders describing how the company should be operated and the shareholders' rights and obligations. It also includes information on the regulation of the shareholders' relationship, the management of the company, ownership of shares and privileges and protection of shareholders. In microfinance, shareholders' agreements have provisions targeted at protecting minority shareholders. Examples of minority shareholding protection provisions include the Right of First Refusal which enables existing investors to acquire shares before a third party buys them. <i>Calculation: Number of outstanding microfinance investee in the MIV portfolio that have protective provisions for minority shareholders in their shareholder agreement.</i>	N
3.3.9	Board members' commitment to social goals	In how many Social Performance Management committees (if any) setup at the microfinance investee level does the board appointee from the MIV is a member of?	N

4. Country Exposure

Code	Indicator	Description/Definition	Type of Data	Data as % of	Variation *
4.	Country breakdown of MIV's investees	Country distribution of microfinance portfolio.	C	DMP	

5. Other indicators

Code	Indicator	Description/Definition	Type of Data	Data as % of	Variation
5.1	Carried interest	% of carried interest as indicated in the MIV's term sheet. Carried interest is the share of profits paid to the fund manager.	%		
5.2	Hurdle rate	Minimum annual return required to pay a carried interest, expressed in %.	%		
5.3	Valuation of Microfinance Investees	This valuation multiples indicate how much shareholders are paying for the net assets of a microfinance investee.	N		
5.3.1	Average Price to Book Value (P/BV) of Microfinance Investees in Eastern Europe & Central Asia (ECA)	This valuation multiples indicate how much shareholders are paying for the net assets of a microfinance investee.	N		
5.3.2	Average Price to Book Value (P/BV) of Microfinance Investees in Latin America & Caribbean (LAC)	This valuation multiples indicate how much shareholders are paying for the net assets of a microfinance investee.	N		
5.3.3	Average Price to Book Value (P/BV) of Microfinance Investees in East Asia & Pacific (EAP)	This valuation multiples indicate how much shareholders are paying for the net assets of a microfinance investee.	N		
5.3.4	Average Price to Book Value (P/BV) of Microfinance Investees in South Asia (SA)	This valuation multiples indicate how much shareholders are paying for the net assets of a microfinance investee.	N		
5.3.5	Average Price to Book Value (P/BV) of Microfinance Investees in Middle East & North Africa (MENA)	This valuation multiples indicate how much shareholders are paying for the net assets of a microfinance investee.	N		
5.3.6	Average Price to Book Value (P/BV) of Microfinance Investees in Sub-Saharan Africa (SSA)	This valuation multiples indicate how much shareholders are paying for the net assets of a microfinance investee.	N		

Annex 1: List of Organization/Individuals who participated in the Symbiotics MIV Survey Working Group

Organization	Name
Alterfin	Audrey Timmermans
Bamboo Finance	Ximena Escobar de Nogales
Creation Investments	Patrick Fisher
Developing World Markets	Shedd Glassmeyer
Equator Capital Partners	Leslie Davis
GAWA Capital	Luca Torre
Grassroots Capital Management/Caspian Advisors	Anna Kanze
Innpact	Christophe Chabaud Christelle Champetter David Gorjon
Invest in Visions GmbH	Pascal Schmidt Edda Schröder
Luxembourg Microfinance and Development Fund	Kaspar Wansleben
Microvest	Rob Hamilton David Wedick Thomas Hofer William Jacobsen
Symbiotics	Marina P. Holmegaard Ramkumar Narayanan
Triodos Investment Management	Frank Streppel Ellen Willems
Women's World Banking	Julie Slama
Working Capital for Community Needs	Carlos Ibarra

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