## **Product Map**

Froduct Ma							Areas of analysis															
Product	Definition	Benefit for financial institution (FI)	Benefit for Investors	Output	Target user	Perspective	Type of analysis	Client level investigation	On-site mission days	Cost	Risk of default	Country context	Governance, Management	Financial performance	Operations	Portfolio quality	Responsible practices	Client protection	Risk of mission drift	Social perf. management		Outreach: poor, excluded
Credit Rating	Opinion on risk management capacity and short-term creditworthiness, in order to meet the financial obligations	- Compliance with regulation - International recognition - Attract investors	- Second opinion on creditworthiness - Monitoring - Compliance with regulation	Grade used by banking authority + outlook + analysis	***	<i>6</i> -5	α		0-2	\$\$	<b>√</b>	✓	<b>✓</b>	✓	<b>✓</b>	✓						
Standard Social Rating	Opinion on the capacity of an FI to put its mission into practice and	- Transparency - Attract social investors	- Identify social investee - Second opinion	Grade + analysis + USSPM validation +	*	GS.	α		4-5	\$\$		_					./-	✓	_	✓ <b>✓</b>		/ v
Comprehensive Social Rating	achieve social goals	- Improve - Compare best practices	- Monitoring - Help to improve	effort to certification	** G	<i>6</i> -5	Σ	EE	8	\$\$\$							•	✓ ✓	•		,	✓
Institutional Rating	Opinion on the long-term financial sustainability through an evaluation of internal processes, risk management framework and financial performance	- Transparency -Attract investors -Improve -Compare best practice	- Identify partner - Second opinion - Monitoring - Help to improve	Grade + analysis	**	<i>6</i> 5	α		5	\$\$		<	✓ ✓	✓	✓ ✓	✓						
Client protection certification	Recognition of adequate implementation of the Client Protection Principles in the Fl operations, products, client treatment	- Demonstrate client protection - Attract investors - Improve	- Identify social investee - Demonstrate client protection - Improve	Certificate and/or gap analysis	** * **	GS GS	α	E	5	\$\$		✓										
Client protection Pre - Certification	Detailed gap analysis to fill the gaps in order to fully comply with the Client Protection Certification norms	- Same team as for certification - Lower cost of pre- certification + certification	- Help preparing for Certification - Improve	Detailed gap analysis	* ** *	65 65	α		4	\$\$		✓						<b>*</b>				
SPI4	Analysis of the status of implementation of the USSPM	- Attract investors - Improve	- Inform the social due diligence - Improve	Scores by area + detailed gap analysis	** **	65 65	α		4	\$\$		✓					✓	✓		<		
Social action guide	Development of a participatory action plan to improve the social	- Internal improvement	- Help to improve the	-Improvement priorities and best practices	٠	GS			1	\$												
Social action plan	performance management and client protection practices	- Compare best practice	SPM of the FI	-Action guide + recommended actions & workplan	**	GS.	α		3	\$\$		<b>✓</b>					<b>√</b>	<b>✓</b>	<b>√</b>	✓	( )	<b>/</b>

	Definition					Me	thoc	olog	ЭУ	Areas of analysis												
Product		Benefit for financial institution (FI)	Benefit for Investors	Output	Target user	Perspective	Type of analysis	Client level investigation	On-site mission days	Cost	Risk of default	Country context	Management Management	Financial performance		Portion duality Responsible practices	Client protection	Risk of mission drift	Social perf. management	Social responsibility	Outreach: poor, excluded	Client outcome
Client outcome	Use of the unexploited potential of data collected by the financial institution to obtain indicators of the change in client lives	-Understand the change in clients lives results; -Get familiar with an outcome measure methodology.	-Understand the change in clients lives results; -Promote the development of investee outcome measurement systems	Indicators of change in clients lives, description of the methodology used, training	** **	GS GS	α		3	\$\$		✓										<b>√</b>
Truelift	Recognition of pro-poor mission, outreach to the poor, meeting poor's needs and tracking their progress over time	- Demonstrate pro-poor results - Attract social investors - Improve	- Identify pro-poor investees - Demonstrate pro-poor results - Improve	Truelift certificate + Detailed gap analysis	* **	GS GS	α Σ		5	\$\$		✓				<b>✓</b>	~	<b>✓</b>	<b>√</b> ✓	<b>✓</b>	√ √	✓ ✓
Institutional Diagnostic	Detailed analysis of the operations and policies compared to international best practices	- Internal improvement - Compare best practice	- Help to improve FI management systems and operations	Detailed gap analysis + guidelines	* *	GS GS	α		5-6	\$\$			✓ ✓	V		/ /	<b>✓</b>					
Social Diagnostic	Detailed analysis of Social Performance Management (SPM) systems compared to best practices	- Internal improvement - Compare best practice	- Help to improve the SPM of the FI	Detailed gap analysis + guidelines	**	GS GS	α		5-6	\$\$		✓				<b>✓</b>	✓ ✓		<b>√ √</b>	<b>✓</b>		
Services for regulators	Expertise in risk management, client protection and responsible finance international best practices to strengthen regulation and supervision	Incorporate applicable international best practices in the local regulation; strengthen the supervision	-Higer stability of the financial system -FI's compliance to the regulation	Studies, training, compliance verification services	**	GS GS	α		3-9	\$\$	<b>√</b>	✓	✓	✓ <b>·</b>		/ /	~		~	<b>✓</b>	<b>√</b>	
Loan portfolio audit	Opinion on reliability of reported portfolio quality (MIS), loan loss provision adequacy and exposure to credit risk	- Validate portfolio quality - Improvement of risk management	- Validate FI portfolio quality - Identify challenges, correct systems	Detailed analysis + guidelines	* **	<i>G</i> -5^	α	EE	8-9	\$\$\$		✓	✓	v		/						
Country Screening & Deal Sourcing	Opinion on Country legal, business, fiscal, macro-economic environment for microfinance investments. Deal sourcing is an option	-Increased funding opportunities	- Identify Country investment opportunities - Second opinion	Detailed analysis + emerging Fls profiles	**	<i>&amp;</i>	α		3	\$\$		✓ ✓ ✓										
Due Diligence	Opinion on the appropriateness of an investment based on the FI economic and financial sustainability	-Increased funding opportunities	- Support investment decision - Second opinion	Detailed analysis + investment analysis	**	<i>G</i> -5^	α		4	\$\$		✓	✓	✓ <b>∨</b>	,							

Financial Institution (FI) includes: NGO, Non Banking Financial Institutions, Bank, Credit Union, Village bank, APEX institution.

MFR is accredited by SPTF-CERISE to conduct the Client Protection Certification under the new SPTF-CERISE methodology

MFR is licensed to carry out: credit rating (Ecuador and Bolivia), Client protection certifications, SPI4 & SPI4-ALINUS, Truelift, PPI certification.

Country context: legal and regulatory environment, political economic and financial context, competitive environment.

www.mf-rating.com info@mf-rating.com Target user

♦ Investor

♦ ♦ Social investor

♦ ♦ ♦ Regulator

♣ Developing FI

📤 📤 Mature Fl

📤 📤 Regulated FI

Type of analysis

α: qualitative

Σ: qualtitative

<u>Perspective</u>

*6*-

Short term Medium-long term 65 65

Client level investigation E Focus group

EE | Survey + focus group