

CREDO – Georgia

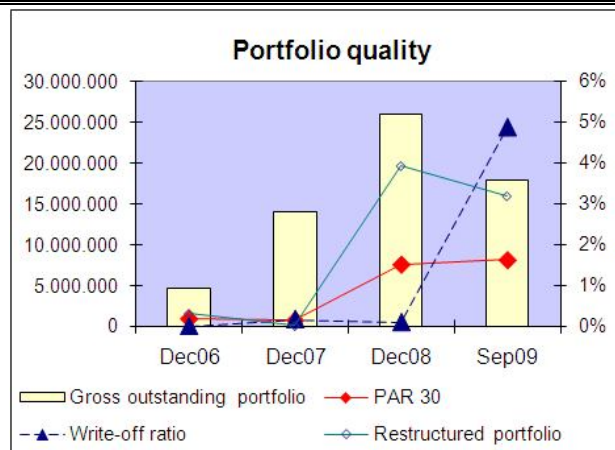
Final Report	BBB+
Outlook: Stable	
3rd rating	Validity: 1 year if no relevant changes in operations or within the operational context will happen. The final rating grade does not consider the political and economic context.
Previous Rating: BBB (June 2007)	

After years of rapid growth, the World Vision project Georgian Entrepreneurs Fund (initiated in 1997) was first registered as a Microfinance Organization in 2005 and then transformed into an LLC in 2007, under a new microfinance law.

The head-office is in Tbilisi and counts on 14 branches. CREDO offers a wide range of credit products in rural and urban areas, for business as well as for consumption purposes. CREDO has been rapidly growing until 2008. As of September 2009, it has an outstanding portfolio of around USD 18m, reaching almost 21,000 clients. 2009 was a year of slowdown and even contraction of activities, as a consequence of the combined effects of the war with Russia and global economic crisis. Portfolio quality, which historically had maintained outstanding levels, was also severely affected. Nevertheless, CREDO reacted by becoming more prudent in clients selection and monitoring and by further focusing on rural areas.

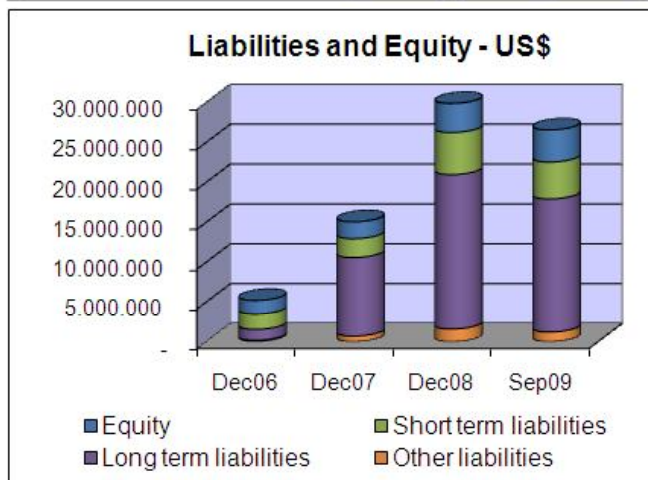
CREDO relies on a sound range of international investors for funding, while the slowdown of activities has reduced pressure on equity.

Legal Form	LLC
Inception year	1997 (Foundation) 2007 (LLC)
Area of intervention	Urban/Rural
Credit methodology	Individual lending



US\$	Sep09
Average disbursed loan size	1,002
Gross outstanding portfolio	17,845,006
Total assets	26,575,456

Number	Dec07	Dec08	Sep09
Active borrowers	12,160	21,737	20,997
Active loans	13,692	24,773	22,081
Branches	11	13	13
Total staff	136	219	241
Loan officers	61	106	109



Financial Indicators	Dec07	Dec08	Sep09
PAR 30	0.1%	1.5%	1.6%
Write-off ratio	0.2%	0.1%	4.9%
Restructured loans	0.0%	3.9%	3.2%
ROE	12.2%	32.1%	21.5%
AROE	4.0%	15.4%	16.6%
Oper. Self-sufficiency (OSS)	111.5%	114.6%	110.2%
Fin. Self-sufficiency (FSS)	105.6%	107.7%	107.7%
Staff productivity (borrow.)	89	99	87
LO productivity (borrow.)	199	205	193
Operating expense ratio	21.5%	19.0%	21.0%
Funding expense ratio	8.5%	10.8%	11.6%
Provision expense ratio	0.2%	3.0%	5.3%
Portfolio yield - cash	30.6%	36.2%	37.1%
Portfolio yield - accrual	34.0%	39.9%	41.2%
Risk coverage ratio	90.2%	139.0%	102.2%
Cost of funds ratio	9.9%	11.7%	11.3%
Debt/Equity ratio	6.1	7.2	5.6

As of September 2009, data are annual where needed

CONTACTS

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