

PARTNER FINANCIAL INSTITUTION CRITERIA

Credit Standards	MFI Lending Experience
Credit rating of BB or higher (or equivalent) from at least one international credit rating agency and/or recognized by industry as a key player in microfinance sector (CGAP, IFC, other MDBs and accredited local rating agency)	At least 3 years of lending to MFIs in ADB DMCs
Reputable and sound ownership, management and governance standards (including composition of the board of directors)	Acceptable underwriting and servicing platforms in place
Dedicated approach to the sector	Dedicated MFI teams at both relationship manager as well as risk management levels
Passes detailed ADB due diligence and ADB Investment Committee approval	Robust micro loan portfolio with NPLs of less than 5%

ADB = Asian Development Bank, CGAP = Consultative Group to Assist the Poor, DMC = developing member country, IFC = International Finance Corporation, MDB = multilateral development bank, MFI = microfinance institution, NPL = nonperforming loan.

Source: ADB