

INSTITUTIONAL RATING**METEMAMEN**

Ethiopia / November 2017

RATING GRADE**β****PERSPECTIVE****Stable****ANALYST TEAM**

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ANNEX I: MICROFINANCE INSTITUTIONAL RATING GRADE DEFINITION

Institutional Rating	A Microfinance Institutional Rating provides an opinion about the long-term institutional sustainability and its creditworthiness through a risk and performance comprehensive assessment.
$\alpha+$ α	<ul style="list-style-type: none"> » Financial institutions with high long-term sustainability and high creditworthiness. » Excelent performance. Low or well managed short- and medium-term risk.
$\alpha-$ $\beta+$	<ul style="list-style-type: none"> » Financial institutions with good long-term sustainability and good creditworthiness. » Good performance. Moderate or well managed short-term risk.
β $\beta-$	<ul style="list-style-type: none"> » Financial institutions with moderate long-term sustainability and moderate creditworthiness. » Fair performance. Moderate to medium-high risk.
$\gamma+$ γ	<ul style="list-style-type: none"> » Financial institutions with low long-term sustainability and insufficient creditworthiness. » Weak or poor performance. High to very high risk.
Sub-rating: Financial Profile	MicroRate rates the institution's creditworthines through an opinion on its financial strength and its ability to repay its financial obligations.
Rating Outlook	Expected direction of the rating trend over the 12 months following the rating
Positive	The rating is expected to improve.
Stable	The rating is expected to remain unchanged.
Negative	The rating is expected to deteriorate.
Uncertain	Due to the uncertainty of factors beyond hte institution's control, a rating outlook can't be determined.

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