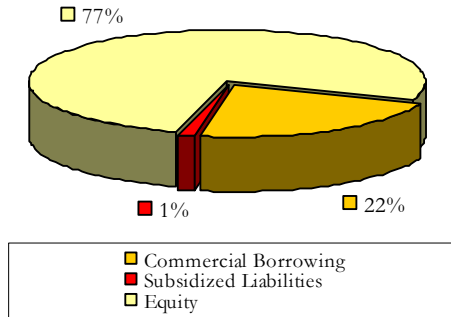


FUNDACION D-MIRO- MISION ALIANZA <i>Non Profit Foundation</i>	6th. Evaluation	ECUADOR <i>December 2006 Report</i>																														
Contacts MicroRate: Maritza Rodriguez maritza@microrate.com Ph. +51(1) 442-5050 www.microrate.com	Summary Description																															
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Sources of Funds

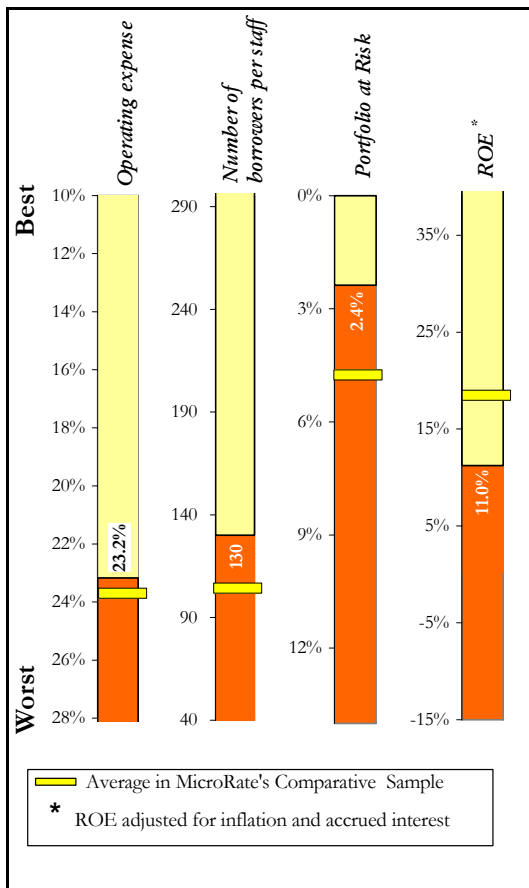


Rating Rationale

The foundation D-MIRO- Mission Alliance performs well, has a solid organizational structure and a strong equity base. However, it needs to continue to improve its operational efficiency to compete with larger microfinance institutions. Having recently reorganized into a legally independent NGO, the institution is poised to capitalize on Ecuador's vast market potential

D-MIRO continues to demonstrate a good microcredit methodology focused on the most impoverished sector of the population.. Despite a slight deterioration, portfolio quality remains excellent, due to emphasis on a strict collection policy and necessary measures taken by management. However, closer monitoring of portfolio quality is needed.

Comparative Performance²



Organizationally, D-MIRO possesses a stable, specialized and highly productive operational team and is in the process of consolidating the administrative platform.. Its recent launch as a non-profit foundation opens many opportunities for development within its chosen niche, In the past, management was concentrated in the hands of the parent NGO in Norway – a factor that at times impeded development. The Norwegian NGO still maintains a dominant weight within the new foundation.

Financially, low leverage resulting from a strong increase in equity yielded moderate profitability despite strong margins. However, credit projections made for upcoming periods will require further commercial debt. This debt will increase financial expenses and consequently lower the operating margin if operating efficiency is not improved. Good liquidity and long term debt structure are additional positive factors in the financial positioning of D-MIRO.

The political environment has become uncertain, due to populist measures taken by the new government that are already having an affect on the financial system and in the future could become a threat to D-MIROs' chosen niche.

² Only the Operating Expenses and ROE were compared to MFIs with average loans greater than US\$500, the remaining ratios are compared to the entire MicroRate Latin American sample of 47 MFIs.