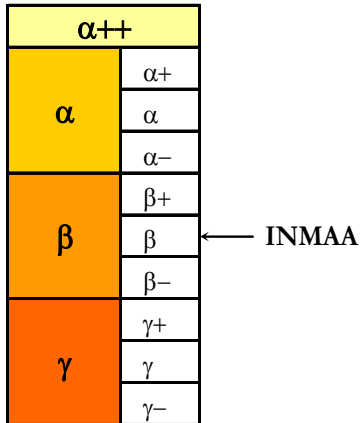


<b>INMAA - First Rating</b>		<b>MOROCCO</b>	
<b>Association</b>		<i>Report as of December 2005</i>	
<b>Contacts</b>		<b>Synopsis</b>	
<b>MicroRate:</b> Craig Kirkwood <a href="mailto:craig@microrate.com">craig@microrate.com</a> Tel: +27 11 803 7117 Fax: +27 11 807 3490  <b>INMAA:</b> Mustapha Ouchrahou <a href="mailto:directeur@inmaa.ma">directeur@inmaa.ma</a>		Initially set up as an Association (effectively an NGO) in 1999, with the support of AMSED (the association which initiated microcredit in Morocco in 1993), INMAA started operations in 2001 with the financial support of USAID, Catholic Relief Services ("CRS") and the Hassan II Fund (a government initiative). The institution is characterised by excellent portfolio quality (it has developed a sound credit methodology) and in 2005 attained financial sustainability for the first time. Going forward, improving profitability will depend on the institution's ability to finance growth. Access to donor funds has been insufficient to meet growth targets and hence access to commercial borrowings has become increasingly urgent. In 2005, INMAA actively slowed growth due to funding constraints. As such the portfolio grew 45.5% (2004: 164.7%) to \$1.3 million. INMAA makes mainly solidarity group loans to around 6,000 active borrowers through its 10 branches.	
<b>PERFORMANCE RATING</b>	<b>β</b>		
<b>RATING OUTLOOK</b>	<b>POSITIVE</b>		
Date of visit	<b>April 2006</b>		
Date of previous rating	n.a.		
Previous rating	n.a.		
 <p>The diagram shows a vertical scale of ratings from α++ at the top to γ- at the bottom. The β rating is highlighted in orange and has an arrow pointing to it from the label 'INMAA'.</p>		<b>Highlights</b>	
		<div style="border: 1px solid black; padding: 5px;"> <p>The rating is contingent on INMAA maintaining sufficient levels of funding such that growth and its competitive position are not jeopardized.</p> </div>	
<b>Main Performance Indicators</b>			
	<b>Dec '04</b>	<b>Dec '05</b>	
Gross Portfolio ('000's)	\$866.5	\$1,260.4	
Number of active borrowers	4,878	6,185	
ROE	(10.3%)	8.1%	
Portfolio Yield	35.7%	39.2%	
Portfolio at Risk	0.2%	0.4%	
Operating Expense Ratio	50.8%	34.0%	
Average Loan Size	\$178	\$204	
Borrowers per staff	174	229	
		<b>POSITIVE</b>	
		<ul style="list-style-type: none"> <li>Reported a net profit for the first time in 2005.</li> <li>Significant improvement in operating efficiency.</li> <li>Good portfolio quality.</li> <li>Good lending methodology.</li> </ul>	
		<b>NEGATIVE</b>	
		<ul style="list-style-type: none"> <li>Growth limited by funding constraints.</li> <li>Weak MIS.</li> <li>Products limited and supply driven.</li> <li>Limited operational structure (neither an Audit Department nor Risk Committees).</li> </ul>	

**Washington Headquarters**  
 3300 Fairfax Drive, Suite 202  
 Arlington, VA 22201 USA  
 Phone: +1 (703) 243-5340  
 Fax: +1 (703) 243-7380

**MicroRate Latin America**  
 Plz. 27 de Noviembre 430, 3B  
 Lima 27 - Perú  
 Phone: +51 (1) 442-5050  
 Fax: +51 (1) 442-5511

**MicroRate Africa**  
 29 Autumn Road, Rivonia,  
 2128, Johannesburg,  
 Republic of South Africa  
 Phone: +27 (11) 803-7117  
 Fax: +27 (11) 807-3490