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Risk Management Problems of Microfinance Institutions

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ABSTRACT

The article presents a study of the status and trends of microfinance development in Russia as a specific kind of transformation of the financial system in the direction of expanding the range of banking services beyond the boundaries of banking proposals, revealed methodological tools for monitoring the provision of microfinance services in the Russian regions, taking into account budgetary support of this relatively new segment of the modern Russian financial system. A special place in the study is given to the issues of financial and non-financial risks non-financial Russian organizations. Proven that microfinance is currently widespread, allowing access to loan funds for small and medium businesses and the public. The methodological foundations, principles and methods of microfinance. Opened on topical issues of financial and non-financial risks of microfinance organizations, as well as main directions of improvement of mechanisms to reduce the financial risks of microfinance organizations. The study basically allow you not only to get a General idea of the degree of saturation of the Russian microfinance services, but also be used in practice as a tool condition monitoring not only the development of microfinance services, but also the development of microfinance business in the Russian regions.

Keywords: Microfinance Institutions, Financial Risks, Non-financial Risks, Risk Management, Microfinance, Microfinance Processes

JEL Classifications: G21, O21

1. INTRODUCTION

The credit system and credit market of modern Russia are represented by different types of organizations (banks, non-bank credit institutions), which together form the banking system, as well as active participants in the credit market, operating in the fast growing market lending, particularly credit cooperatives, leasing companies and Microfinance Institutions (MFIs). Microfinance is becoming more common in the Russian market, expanding access to loans that category of business and the population that does not meet the requirements of banks to borrowers.

Microfinance can be defined as the provision of legitimate small businesses and individuals who have limited access to traditional banking services, financial and supplementing those social services aimed in terms of macroeconomic effect on the smoothing of

social tension in society, improving living standards, employment, development of entrepreneurship (Churchill and Frankiewicz, 2006).

Despite the fact that the Russian market of microfinance services is relatively recent, and there is a whole range of unresolved methodological and legal issues, it has good prospects for development in Russia. The main reasons are:

- High effectiveness of microfinance tool in expanding access to external financing to small businesses;
- High and really existing demand for similar services;
- High efficiency and financial sustainability of the organizations working in this segment;
- Active processes of formation of uniform performance standards. Microfinance business is subject to risks similar to the usual traditional banking business, although it should be noted that this type of business is still some specifics.

In recent years, an increasing number of organizations that provide financial services to low-income households. The microfinance market tendencies to diversify the services provided. Non-governmental organizations (NGOs) in many countries found themselves in the new conditions associated with the transformation of some NGOs in whole or in part regulated financial institutions (Vasiliev, 2012). There were specialized microfinance banks and commercial banks introduced in microfinance. It should be noted also such a thing as an increase in specialized cooperatives and rural banks. In some segments of the world appear microfinance non-financial organizations, such as, for example, telecommunications companies (Zaernjuk et al. 2014). In such a situation, the risk, as an integral part of financial intermediation, is a major problem associated with the need to control this type of system risks. The bulk of the organizations providing microfinance services do not pay adequate attention to financial risks. It is obvious that in the present conditions, characterized by economic and financial crisis of the system, both in our country and around the world, the existing system of research and evaluation of financial and non-financial risks of MFIs is becoming increasingly important.

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The purpose of this paper is a theoretical and methodological analysis of the current system of financial and non-financial risks of MFIs and development of proposals to minimize them.

2. METHODOLOGY

The main methodological provisions of the research methodology and evaluation of microfinance entities microfinance activities are the following:

- Subjects average, small businesses, and groups of the poor, is experiencing an acute need for loans, as well as in a variety of financial services;
- A service of the poor and the business must be carried out only financially independent organization;
- The need to create an atmosphere of interest in the formation of micro permanent local financial institutions (Center for Microfinance. University of Zurich 2011);
- Microfinance should be a basic tool for ensuring improved living standards and well-being;
- The state should not be a direct source of funding and shall safeguard the development of programs to support small and medium-sized enterprises;
- The need for low interest rates to facilitate access of small and medium-sized businesses to finance;
- Activities of MFIs should be based on information and financial transparency;
- The need for professional staff and organizational process technology financing MFIs and others.

The methodology of research of financial and non-financial risks of MFIs were based on the following basic principles of lending and microfinance.

The main principles of lending in microfinance are:

- The principle that the proposed services of interest to budding entrepreneurs;
- The principle motivation of clients to the mandatory return of loans (Basel Committee on Banking Supervision 2010);
- Implementation of the principle of simplified operations to reduce costs;
- The principle of charging the full cost of payments;
- The principle of determining the skills and abilities of the borrower to repay the loan;
- Ensure compliance with the principle of the type of loan lending targets et al. (Toolkit, 2010).

Carried out in an article based on a study methodological position that risk is an integral part of financial intermediation. But risk management continues to be an unresolved problem of the microfinance sector. The bulk of the organizations do not pay adequate attention to the risks, both financial and non-financial (Vasilyev, 2011).

2.1. Types of Financial Risks

Meanwhile, the impact of risk on the MFI is a versatile character, which implies the need for different approaches to management, including in the context of financial uncertainty (Granaturov, 2002). Conventionally, the control circuit non-financial risk includes the following types:

- Risk aversion;
- Reduction of risk;
- Risk-sharing;
- Risk-taking.

The method of risk aversion is the most conservative way to conduct the company's non-financial risk management of the environment. Using this method, the organization shall refrain from any action that may lead to negative consequences. Application of this method may be justified in the event that the organization is not possible to reduce the occurrence of negative events and their consequences.

The method of reducing risk - are actions aimed at reducing the likelihood of adverse effects. When you use this method, elimination of non-financial risks of the company is required to take a large number of current operational decisions. One form of this method is to change the source of the risk itself.

Separation methods (dissipation) leads to the risk of reducing the level of risk through the involvement of partners, joint ventures, and various industry associations, the exchange of shares in the capital, attracting a new shareholder, who is able to devote resources to the joint management of risk. Restructuring of the company is a special case of this method, it is carried out in order to isolate the most risky activities of the organization in separate independent units and thus they are localized risks. Another special focus of this method is risk insurance.

The method of risk-taking is the absence of any specific action that would aim to reduce the probability and consequences of risk events. This method is applicable when the execution of actions to minimize the impact of risk on the company, significantly exceed the cost implications of adverse events.

By the time the procedure of risk management is the original form (i.e., the likelihood and potential damage to a certain level), and after the event on the impact of risk is a residual form (i.e., the likelihood and potential damage brought to the desired value) (Toolkit, 2010).

3. RESULTS

The dynamic growth of microfinance services market inevitably leads to a change in the risk profile of financial institutions. Not all MFIs are aware of the importance of credit risk management by increasing the volume of lending (Credit Unions, 2000). At the same time there is a change of financial products and services models of service delivery, and technologies. These processes lead to the emergence of new financial risks that must be managed systematically, because in the future the importance of risk management will be further enhanced, and microfinance market becomes more competitive.

Risks Microfinance can be defined as the possibility of implementing events or permanent trends that may lead to future losses or loss of revenue microfinance organization, as well as the possibility of deviation from the original social mission. It should be noted an important difference microfinance credit institution of a traditional bank, which is that a change in the social role may be in the background and do not fall or loss of income (Belotserkovskii, 2003).

Financial risks can lead to unexpected changes in income, the amount and structure of assets and liabilities, which could affect the result on the profitability and efficiency (Karachevsky, 1984).

Identify and work with potential risks need to develop effective measures to reduce the risks and concluded within acceptable limits. Thus, risk management - an activity of an economic entity aimed at identifying possible financial risks and minimizing financial losses (Lapusta, 2004).

In accordance with Russian legislation in the microfinance market can operate MFIs, registered in the form of a foundation, independent non-profit organizations, institutions (except budgetary institutions), non-profit partnership, business entity or partnership engaged in microfinance activities and included in the state register of microfinance organizations in order provided for by Federal law (Law, 2013).

Russian MFIs face certain financial risks, which can be classified as follows (Krivoruchko, 2012).

3.1. The Risk of the Loan Portfolio

This type of risk is inherent in all organizations involved in lending. In "Methodology basic evaluation of the effectiveness

of microfinance programs" (<http://rmcenter.ru/>) defines risk as the portfolio ratio, calculated by dividing the sum of all loans outstanding that have one or more late payments on the principal amount of 30-120 days, the total loan portfolio, stripped of restructured loans (i.e., in the denominator of this ratio is the entire unpaid balance of loans without interest, but renegotiated loans are not included here). This formula can be represented as follows:

$$P = C/n,$$

where P is calculated by the ratio (PAR);

C the sum of all loans outstanding that have one or more late payments on the principal amount (from 30 to 120 days);

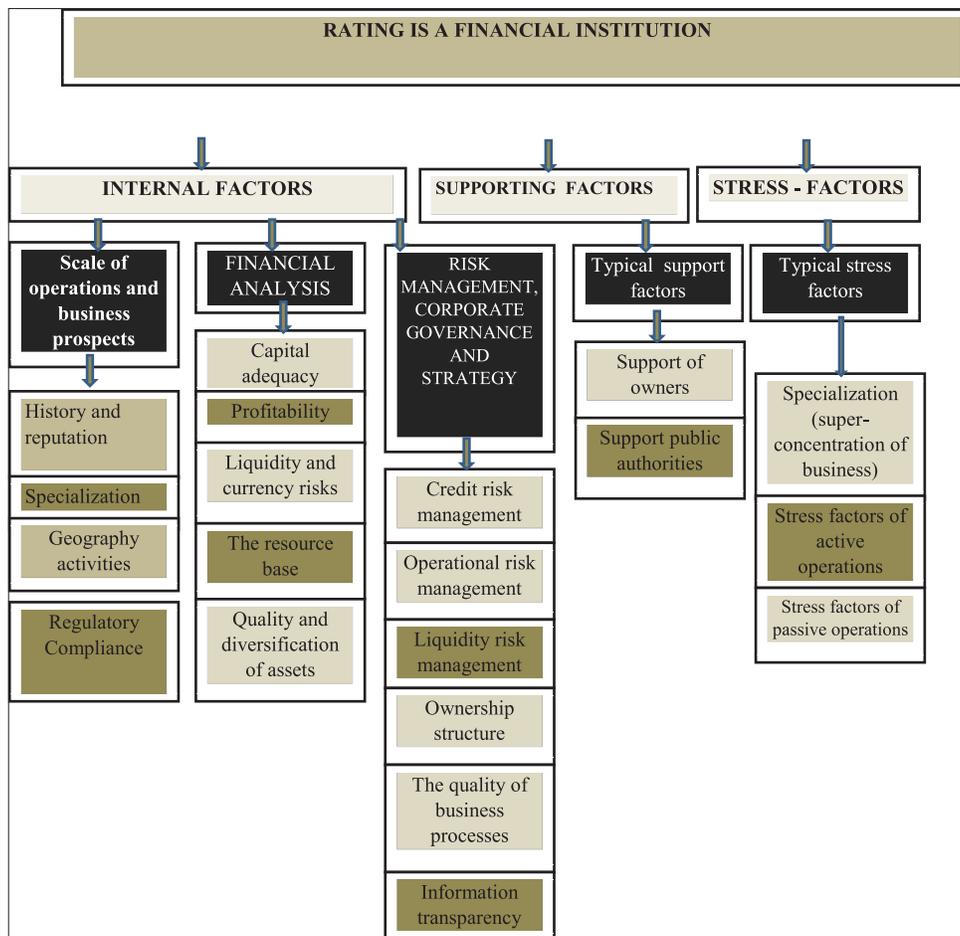
P-gross loan portfolio, purified from restructured loans.

The average level of arrears on expert estimates rose from 01.01.2013 to 01.07.2013 by 7% to about 27% of the total portfolio of micro loans. However, the distribution of arrears by companies unevenly and is directly dependent on the specifics of their statutory objectives. Thus, the share of overdue loans in commercial MFIs in the 1st half of 2013 amounted to an average of 30% (an increase from the beginning of 2013-7%), while the same Figure 1 for state-owned companies - about 5% (growth - <1%). The observed difference is due to different specializations MFIs. Thus, the greatest credit risks take the private MFIs in the fast-growing segments of the "loans to paycheck" and consumer loans of individuals, while the non-profit company is mainly the practice of issuing loans to legal entities and individual entrepreneurs on bail and limited standards Ministry of Economic Development program (Expert RA, 2006).

In reviewing the portfolio of MFIs divided into micro-loans to individuals and legal entities and individual entrepreneurs, the first segment in terms of growth in arrears for the 1st half 2013 ahead of micro loans sector entities and individual entrepreneurs in more than 2-fold (70% and 30%, respectively). The ratio of the average size of arrears with respect to the total portfolio allocated to different groups of almost 3 times (40% and 15%). Some MFIs transfer a part of arrears for the implementation of collection agencies, in connection with which the data provided may be some discrepancies with the actual portfolios of defaulted microfinance companies.

In order to reduce the risk of non-repayment of loans MFIs should:

- Comply with clearly defined rules for issuing loans, taking into account the separation of loans on terms, methods of security objectives, and so on, and monitor their return;
- A clear and effective organization of work of the body that decides to grant the loan and organizes their repayment;
- Organized system to ensure repayment of the loans. To it can be attributed questioning applicants for loans or survey, guarantee, pledge, life and health insurance borrowers default risk and other measures;
- Availability of information database on borrowers, the mortgagor and the guarantor;
- Have a reserve fund;
- Monitor the overall discipline in the organization;
- Analyze the risks, income and expense, to conduct business planning and conduct calculation of the solvency of the MFI (Skorhodov, 2009).

Figure 1: Scheme formation of reliability rating of Microfinance Institutions

3.2. The Risk of Exchange Rate Differences

Another risk that may face the MFI in the case of loans in foreign currency - the risk of exchange rate differences. Changes in exchange rates can significantly affect the profit or loss derived from the organization is not operating activities, which in turn leads to an increase or decrease in income tax. Thus, the exchange rate difference (artificially increasing profits while minimizing exchange rate difference from the fall in foreign exchange rates and reducing profits by increasing the exchange differences on the growth of foreign currency against the ruble) can hide the real result of the work of the organization (Skorohodov, 2009). In the case where the loan was received from the state, which has no agreement with Russia on the avoidance of double taxation, there is a second risk factor - increase the amount of income tax.

3.3. The Liquidity Risk

The liquidity risk - the risk of loss, appearing due to the inability of the credit institution to meet its obligations in full. It occurs when the imbalance of financial assets and financial liabilities of credit institutions (including as a result of failure to fulfill financial obligations of one or more counterparties credit institution) and an unforeseen need for immediate and one-off performance of the credit institution, its financial obligations (CBR, 2004). As for the organization of having a large amount of obligations to individuals, liquidity risk is extremely topical for MFIs. In particular for credit

cooperatives that work with savings of their “shareholders” and savings “on demand.”

To reduce this risk, the need to develop measures to attract investment from various sources (Lukashov, 2007). Attracted by the same MFI investment funds need to diversify, because the more variety of financial instruments included in the portfolio, the more protected against various types of risks it becomes.

MFI works with the investment funds “on demand” should carry out the calculation of the coefficients of their withdrawal. It is defined as the percentage of savings “on demand,” which have been withdrawn for a certain period of time, to the total amount of savings of this type during the same period, calculated as a residual savings “on demand” at the beginning of the period plus the sum of all the savings made during the period. Knowledge of this index will give the concept of the necessary amount of “real” money needed cooperative, timely meet the requirements of shareholders (Skorohodov, 2009).

In accounting for this amount cannot forget the possible withdrawal of term savings. Factor withdrawal-term funds lets you know which part of the immediate savings withdrawn, and what remains in the MFI and can be used for the issuance of long-term loans. Calculate the coefficient is possible along the same lines as the ratio of savings withdrawals “on demand”, namely:

$K2 - (FID/SS) \times 100\%$, where
 K2 - Factor withdrawal-term savings;
 CCI - Term savings amount withdrawn (not rescheduled) for the period;
 SS - Sum of term savings for the period, calculated as the balance of term savings at the beginning of the period plus the sum of term savings made during the period (Expert RA, 2006).

Liquidity risk is largely dependent on the macroeconomic environment, as a direct consequence of the structure of the Russian economy; it depends on the price of oil, the ruble and government policies. The active position of the Central Bank of the Russian Federation and the Government can do much to prevent local crises of liquidity and reduce its dependence on the international situation (Skorohodov, 2009).

3.4. The Risk of Fluctuations in Interest Rates

At the risk of fluctuations in interest rates faced by all organizations engaged in lending. This is the risk of financial losses (losses) due to adverse changes in interest rates on assets, liabilities and off-balance sheet instruments of the credit institution (CBR, 2004). As a measure to curb inflation in the country of the Bank of Russia may impose higher interest rates, which leads to higher interest costs and lower income from investments and income from loans granted. Way to reduce this risk to an MFI can serve to attract specialists hedging.

MFI typically generates a large portfolio of small loans. In this regard, there is a problem of minimizing credit risk. Credit risk MFI has its own characteristics, so as usual with most of its borrower's low level of financial literacy. They often get unsecured loan. The resource base for lending to MFIs is formed by sources such as capital (or shares) of public funds, as well as customer accounts. In the event of a quality loan portfolio of MFIs are exposed not only the risk of default to the resource providers, but also the risk of loss of reputation. At the same time, MFIs have to be flexible and less conservative than traditional bank lending.

You can select the following parameters materialization of credit risk MFIs. It is the failure to repay the debt. The potential credit risk is measured by the ratio of the size of the loans granted, which originated the delay to the total amount of loans, that is taken into account the aggregate amount of outstanding loans, despite the fact that late payment represents only a portion of the debt. This shows how much of the loan MFIs lose. Typically, these indicators are calculated for loans overdue by 30 or 90 days.

The next indicator - the ratio of the amount of overdue payments to the outstanding amount of the loan, which is an ongoing loss of MFI loans.

Considered indicators of just the first is the most important for assessing credit risk, because it shows future losses, while the level of delay and level of maturity only provide information about the current statement and the results of previous work.

Despite the fact that different MFIs operate in the same economic environment, the impact of their loan portfolio differs. This means

that the credit risk is a function of many variables, in which the client profile is only one factor (Fernando, 2008). Much depends on the internal policy of the MFI.

Deterioration of credit quality leads to losses on loans, lower interest income, diversion of resources MFIs to work with problem debts, increase in operating expenses, staff demotivation, an imbalance between the cash flows of MFIs, loss of confidence in these organizations by the lenders, investors and donors. As a result of the problematic MFI loses key personnel and customers who go into more reliable MFIs.

In order to keep the credit risk within acceptable parameters, MFIs should formulate business strategy; develop policies and procedures for operations. It is important to separate the social programs of micro-credit programs. In product development is very important control of credit risk in order to avoid unacceptable lending clients. The parameters of the loan product should take into account specific cash flow of customers in this segment. For example, preferred maturities are frequent, since it allows more frequent contact with the customer.

A detailed description of financial risks is needed each MFI in order to form a common system of risk management. This system allow the use of its advantages in an aggressive market environment only in the event that the MFI will be able to ensure its continuity in terms of identifying risks and work to reduce them to an acceptable level. Such a mechanism of financial risk management should be focused on proactive, anticipation of events and the development of adequate measures. To do this, the organization must constantly monitor various types of financial risk management and concerned departments to immediately respond to the identified risks in order to influence or evade them.

The next step in the implementation of risk management in MFIs is to consider different risk scenarios with a set of solutions and support to make effective management decisions.

Finally, a very important point is the permanent internal control of crisis management, which allows to identify and manage risks well before they become apparent to external stakeholders and regulators.

3.5. Non-financial Risks of Russian MFIs

It is important to account and minimize of non-financial risks of MFIs.

The credit system and credit market of modern Russia are represented by different types of organizations (banks, non-bank credit institutions), which together form the banking system, as well as active participants in the credit market, operating in the fast growing market lending, particularly credit cooperatives, leasing companies and MFIs.

Microfinance is becoming more common in the Russian market, expanding access to loans that category of business and the population that does not meet the requirements of banks to borrowers.

Microfinance can be defined as the provision of legitimate small businesses and individuals who have limited access to traditional banking services, financial and supplementing those social services aimed in terms of macroeconomic effect on the smoothing of social tension in society, improving living standards, employment, development entrepreneurship.

Despite the fact that the Russian market of microfinance services is relatively recent, and there is a whole range of unresolved methodological and legal issues, he has good prospects for development in Russia. The main reasons are:

High effectiveness of microfinance tool in expanding access to external financing to small businesses;

- High and really existing demand for similar services;
- High efficiency and financial sustainability of the organizations working in this segment;
- Active processes of formation of uniform performance standards.

4. DISCUSSION

Annual growth rate of microfinance loans - 15-10%. Microfinance in demand among the population with an income of 15-25 thousand rubles, aged 28-50 years. The main contingent - individual entrepreneurs, managers and ordinary professionals, housewives, freelancers, i.e., those categories that cannot use banking services due to the lack of permanent income, low wages, etc. At present, in St. Petersburg there 80 MFIs in Moscow - more than 90. ("On microfinance and microfinance organizations" 2013).

To date, MFIs extremely relevant risk that the legal regulation of activity. On September 1, 2013 in accordance with the Federal Law of 23.07.2013 № 251-FZ "On Amendments to Certain Legislative Acts of the Russian Federation in connection with the transfer to the Central Bank of the Russian Federation powers to regulate, control and supervision in the financial markets" (Law, 2013) in Russia began to operate mega established under the Bank of Russia. Under its control and was MFIs. The process of development of the legal framework regulating the activities - is a complex and contradictory process, including the creation of new laws and amendment of existing, developing regulations. To date, MFIs extremely relevant risk that the legal regulation of activity. On September 1, 2013 in accordance with the Federal Law of 23.07.2013 № 251-FZ "On Amendments to Certain Legislative Acts of the Russian Federation in connection with the transfer to the Central Bank of the Russian Federation powers to regulate, control and supervision in the financial markets" (Law, 2013) in Russia began to operate mega established under the Bank of Russia. Under its control and was MFIs. The process of development of the legal framework regulating the activities - is a complex and contradictory process, including the creation of new laws and amendment of existing, developing regulations.

Optimistic outlook suggests that MFIs in 2014 will be introduced legislative innovations (required transition to a common system of taxation, required reserves for overdue micro loans, mandatory participation in SRO), and will also appear ban on non-MFI

registry companies, and the ban will be strictly adhered to (Expert RA, 2006). In this scenario, the development there is a risk that a lot of MFIs cannot cope with the new requirements imposed on them mega-regulator. This will result in their withdrawal from the market. According to Expert RA, this would entail the influx of customers from the "shadow" sector companies remaining in the registry (for companies not included in the register of MFIs in 2013. Not <45% of the market MFIs). Due to this legal microfinance market in 2014 will grow by 45-50%.

Minimizing regulatory risk consists of two stages: The hidden and the public. Initial (hidden) stage is a systematic monitoring of legislative activity of the state for the prompt detection of bills that may affect the company's operations. Next can be allocated most significant and require monitoring bills. After the preparation of such a list should be drawn up recommendations to promote and make necessary adjustments. During the stage of public sector or their own corporate lobby groups should compile information on the current state of the most acute problems and to specify the most pressing questions of legal regulation. Then, through an appeal to the media to announce its position. Just create an expert advisory group on the specified issues, made an appeal to the State Duma committees and, ultimately, it affects the formation of attitudes of legislators and regulators to the needs of the industry. Legislative proposals are formed in two forms. First - this is an amendment that change and supplement regulations already pending bills (in preparation for the second reading). Second - proactive bills containing new methods of regulation and projects change existing instruments (Expert RA, 2006).

4.1. Risk of Unprofessionalism and Loss of Control

The risk of loss of control and lack of professionalism is a problem associated with the lack of a clear and unified system of professional training. This problem entails the risk of possible administrative errors that lead to losses, and even the possibility of bankruptcy organization. To reduce the risk of lack of professionalism there and successfully apply the existing educational programs and rating is a microfinance organization. They have working in the market of microfinance associations (associations), credit cooperatives and other organizations infrastructure. As example is the Russian Microfinance Center, which is part of its efforts to develop the infrastructure of the microfinance sector, trains for organizations involved in microfinance. Applying its educational programs, including the use of distance learning based on the largest institutions of higher education, they successfully help to cope with the risk associated with non-professional staff (Over-indebtedness and Microfinance Constructing an Early Warning Index 2011; Kryukova et al., 2013; Kryukova et al. 2014; Pochinok et al., 2015; Kaurova et al., 2013).

Another non-financial risks faced by MFIs - is the risk of unfair competition. Unfair competition - an artificial restriction of competition in the market, carried out through the use of regulatory, supervisory, law enforcement officials or the media.

To prevent the negative effects of the actions of unscrupulous competitors, organizations need to inform the market about its activities (publish reports, statistics, product information, etc.).

To avoid the risk of loss of customers in the finance and MFIs can create special reserves, with large sums ability to prevent serious consequences outflows. It can be created as a single fund of several organizations created for mutual aid in emergency conditions.

Substantial and quite dangerous for MFIs is the risk of loss of reputation. Since these organizations are focused on the execution of a certain social function that justifies their existence, distinguishes them from normal market financial products, reputational risks require special attention (On a typical banking risks, 2004).

Problem, for example, are “1-day companies,” leaving the market without fulfilling its obligations to customers. Customers can give the impression that MFIs cannot return the funds, and subsequently transferred to the attitude of all market participants. The negative role played by the so-called “pole-lenders” who are not in the register of MFIs. When working with clients such creditors rights are not protected, which naturally leads to negative consequences. In addition, the problem of non-repayment of debt through collection agencies also leads to reputational risk. According to the National Service of foreclosure, the scope of the agency to outsource microfinance debt last year amounted to about 1.5-1.7 billion rubles, and the amount of concession offers - 3 billion rubles.

The volume of MFI debt transferred and sold to collectors, characterizes only the most distressed debt, in general, the level of delay is significantly higher. Despite the great potential of the microfinance market, collectors are not too eager to work with MFIs. Low interest of major collectors to acquire debt MFI has provoked the involvement of small unscrupulous players collection market. To reduce the reputational risks that threaten access to unscrupulous collectors MFIs, microfinance community has set out to create a standard interaction with collectors.

Currently, most MFIs are not a comprehensive risk management system. At best, the unit is functioning credit risk management (at the level of individual loans). At the same time, the key to success is the careful assessment of the willingness and ability of borrowers to repay the loan in order to ensure a high level of debt repayment.

As seen above, the activities of MFIs accompanied by a significant number of non-financial risks, the management of which is of paramount importance. At the same time, in the representation of executives MFI common identification of risk management to crisis management. Overly focused on growth and profit, some MFIs cannot cope with the scale of the business, and the risk is given a secondary place, leading to unavailability to stress (Microfinance activities and the Core Principles for Effective Banking 2010).

5. CONCLUSION

The research allowed to determine the range of the main factors determining the financial and non-financial risks Russian MFIs, as well as to provide strategic guidance to minimize them.

The main factors determining the financial and non-financial risks in MFIs include:

- State policy in the sphere of financing and lending to small and medium-sized businesses, as well as the populations of low-income, etc.
- Philosophy, image and methodology lending and borrowing; the absence of effective methods of repayment of loans from debtors, borrowers with a high level of non-payment;
- Crisis and personal financial problems of borrowers as a result of personal problems of borrowers, which should be considered and solved individually in each case; (Malozemova, 2006);
- The ability to access the borrower in the future for new loans as a way to encourage and persuade the borrower must be returned in term borrowings;
- The need for timely information in order to provide an effective accompaniment of the loan portfolio as a means of dealing with defaulters;
- The need for a phased works on lending and financing of small and medium-sized businesses, as well as low-income groups (I Stage. The analysis corresponds to the possibility of the borrower loan size and loan conditions; II Stage. Analysis and development of a personal system of measures to motivate and encourage the borrower to timely payment loans; III Stage. Identification of non-payment, which will be working on the loan size, geographical areas and activities, and others; IV Stage. The use of incentive systems for the prevention of non-payment for managers);
- Systematic review schedules return overdue loans.

In the future, it is necessary to focus on research and dealing primarily with situations late payment of loans, not so much due to the behavior of borrowers, as an increase in the level of organization of the activities of the organizations engaged in microfinance, small and medium-sized businesses and the poor. It is about improving the methodological level decision support in order to avoid further potential payments crisis.

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