

3Q2019



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SOCIAL PERFORMANCE REPORT



Manonmani is a client of Dvara KGFS, an Indian Financial Service Provider that NMI recently invested in. When interviewed about the success of her small business, she says:

".....I was always just and very consistent in ensuring that the quality of the vegetables in my stall is top-notch and that they are reasonably priced. Even when the vegetable prices were rocketing skyward everywhere, I was smart enough to seek out loans from Dvara KGFS which ensured that I had enough stock of vegetables at reasonable prices and of high quality in my stall. Everybody in the village now knows that I am an honest seller who always has only fresh vegetables at fair prices".

With the income from her business she has managed to put her two daughters in the best private school in the area. Her oldest daughter dreams of becoming a doctor. *"I brought my daughters up to know the value of being financially self-sufficient first before being an amicable wife or a daughter-in-law. They understand easily how being self-sufficient arms a woman. They see a live example in me."*

<https://www.dvarakgfs.com/customer-stories/manonmani/>

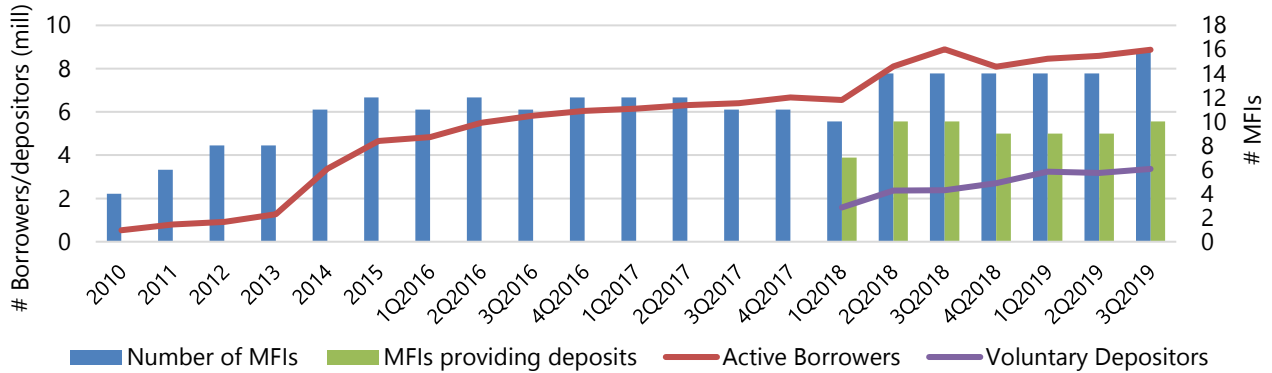
November 2019

SOCIAL PERFORMANCE REPORT

COVERING DIRECT MFI INVESTMENTS IN NMI GLOBAL FUND, NMI FRONTIER FUND, NMI FUND III AND NMI FUND IV, NOT INDIRECT (MIV) INVESTMENTS

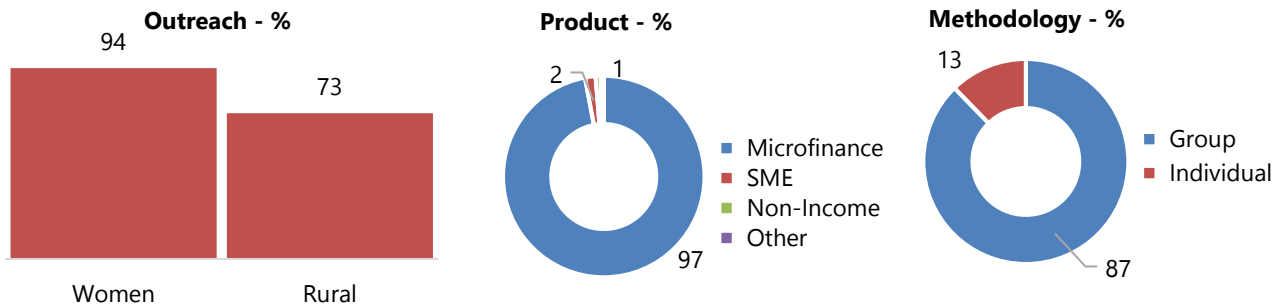
OUTREACH

Snapshot: number of MFIs, borrowers, and depositors

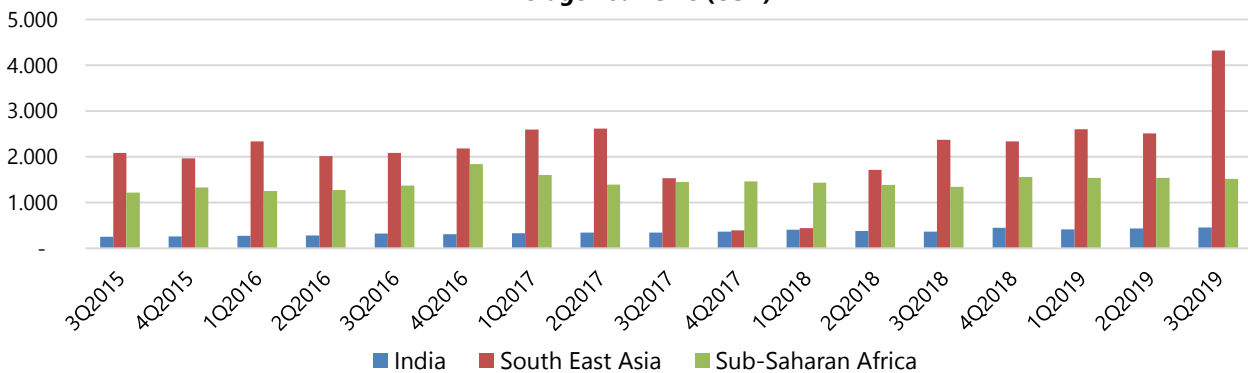


Notes: 1 investee made final repayment in Q2 and exited the portfolio. NMI Fund IV investees are included in the overview from this quarter forward. As of 3Q2019 Fund IV holds 3 investments.

BORROWER PROFILE BY NUMBER

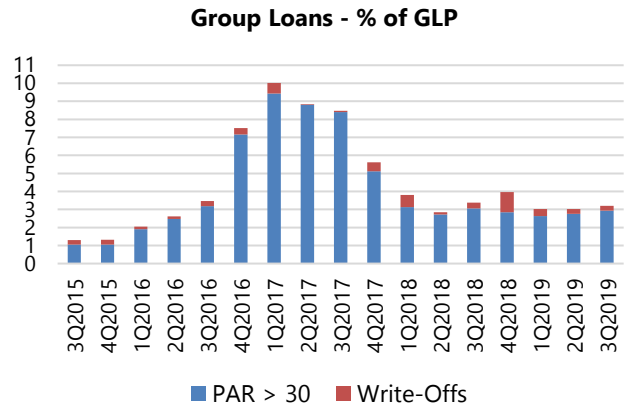
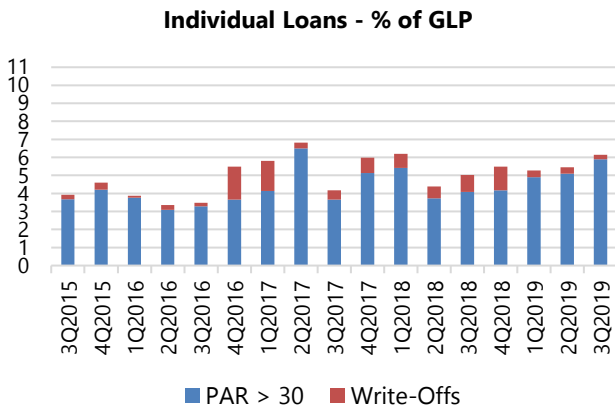


Average Loan Size (USD)

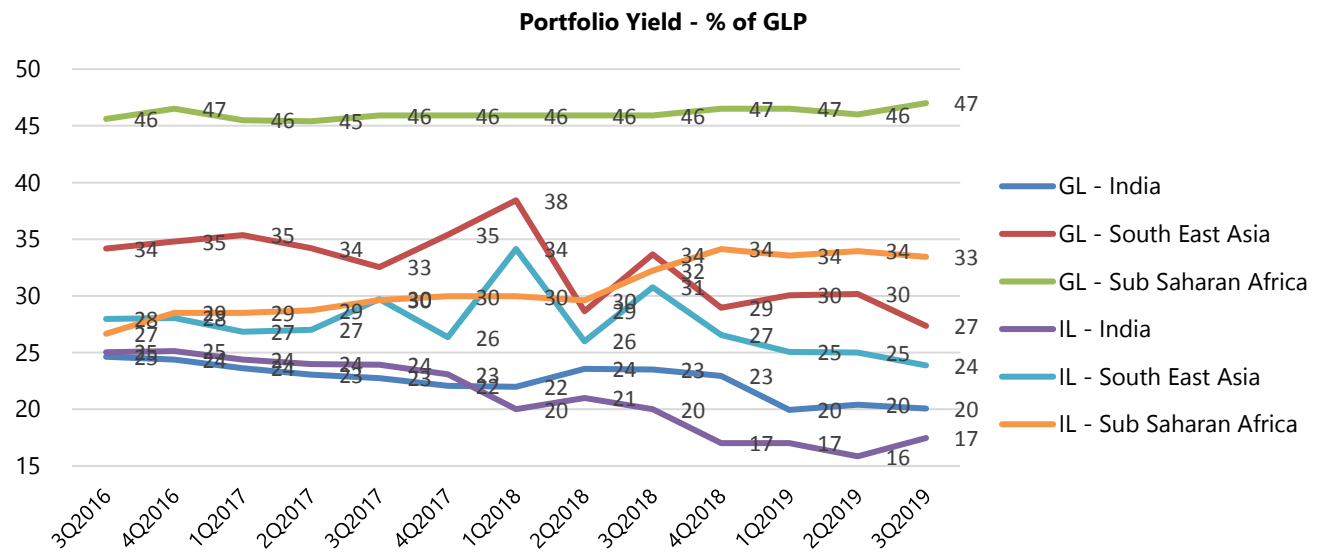


Notes: Since 1Q2018 the average loan size has increased. This is mainly caused by some of the new investments in the portfolio, which have a specific market focus on MSMEs and relatively higher average loan sizes. This is also the case for 3Q19, where a new investee is focused on SMEs.

PORTFOLIO QUALITY



PORTFOLIO YIELD¹ FOR INDIVIDUAL (IL) AND GROUP LOANS (GL)

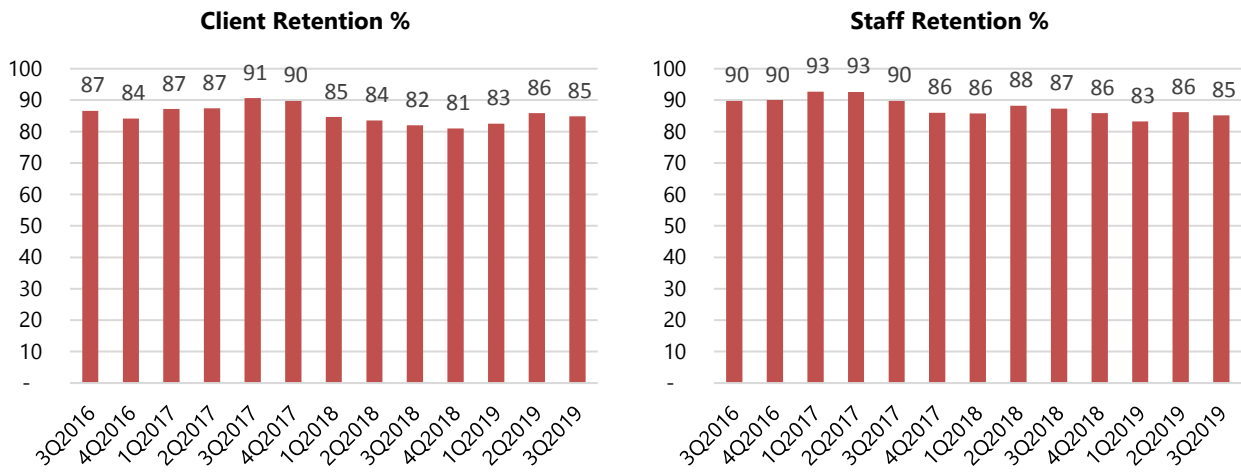


Notes:

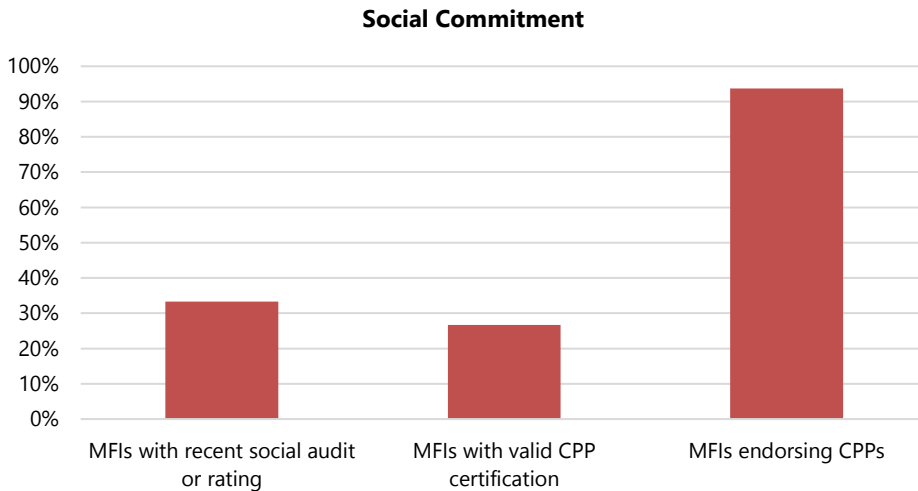
- The fluctuations in yield in South East Asia are caused by 1) adding new investment in the portfolio and 2) by regulators introducing or changing caps on interest rates or fees e.g. in Cambodia during 2017.
- The increase in yield for individual loans in Sub-Saharan Africa is caused by adding new investments to the portfolio
- Portfolio yield for individual loans in India declined in 2018. This is caused by SFBs in the portfolio, offering a broader range of individual products

¹ Portfolio yield: Financial Revenue from Loan Portfolio / Average Gross Loan Portfolio.

STAFF AND CLIENT RETENTION²



SOCIAL COMMITMENT³



Notes 3Q2019: The percentage of investees with a recent social audit or a CPP certification has dropped over the past quarter. The background is that several of the newest investments are made in relatively young and growing institutions. None of these have a social rating or a CPP certification, but plan to work with that as they grow and mature, possibly with support from NMI's TA facility. One of NMI's newest investees has not yet endorsed the Smart Campaign and the CPPs, but plan to do so asap.

² Staff retention: 100% - staff turnover. Staff turnover: number of staff exiting during the period divided by the average of number of staff at the end of the reporting period + number of staff employed for one year or more.

Client retention: Active Borrowers at the end of the reporting period divided by the sum of active borrowers at the beginning of the reporting period and new borrowers during the reporting period.

³ Recent social rating is defined as a social rating conducted by an independent rating agency within the last 3 years. CPP certification is valid for two years.