

# SOCIAL PERFORMANCE REPORT



Bu Imas lives in Jalan Cagac, Indonesia and is a customer of Bina Artha. Her first experience as an entrepreneur was selling retail fertilizer. However, the business did not take off. Thus, Bu Imas and her husband decided to switch direction. The new business focused on producing construction bricks instead. She turned to Bina Artha that provided her with the working capital she needed to start her business. The business has experienced a large growth in demand. On a weekly basis, they transform three to four truckloads of sand into bricks to fill orders. Recently she received a second loan in order to expand the business further.

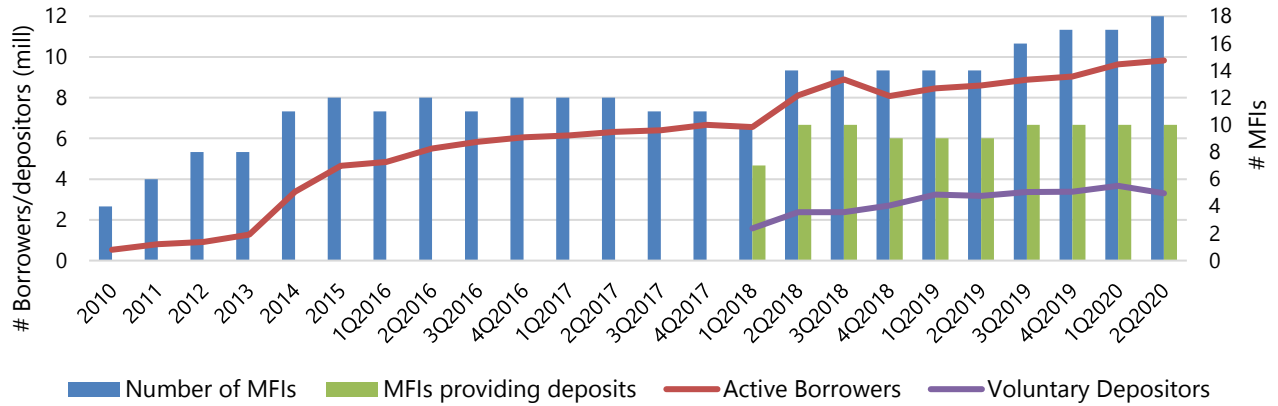
Thanks to the financial support from Bina Artha, Bu Imas and her husband have been able to become financially stable.

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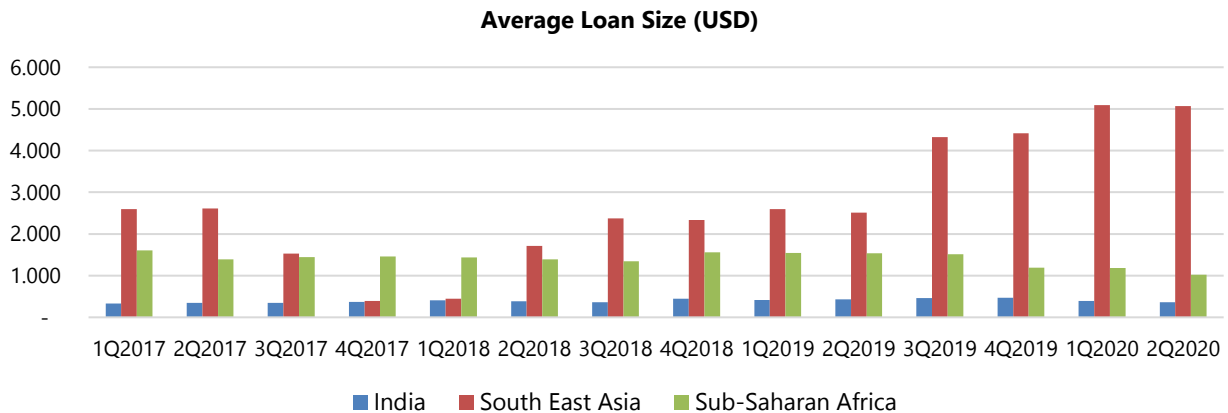
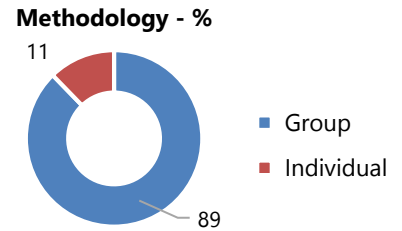
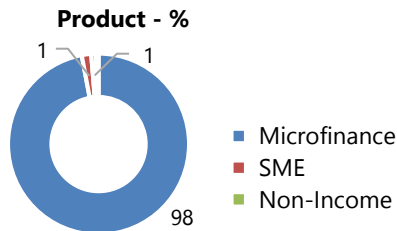
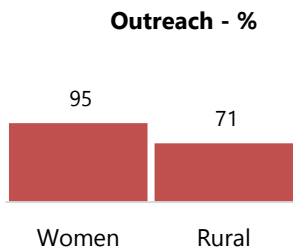
COVERING DIRECT MFI INVESTMENTS IN NMI GLOBAL FUND, NMI FRONTIER FUND, NMI FUND III AND NMI FUND IV, NOT INDIRECT (MIV) INVESTMENTS

## OUTREACH

Snapshot: number of MFIs, borrowers, and depositors

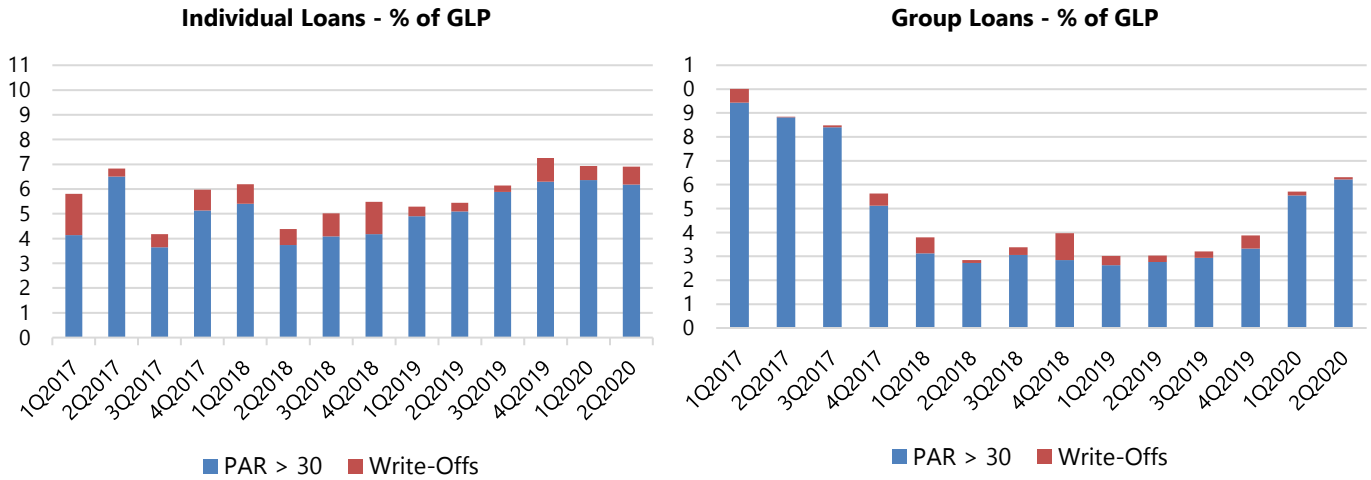


## BORROWER PROFILE BY NUMBER



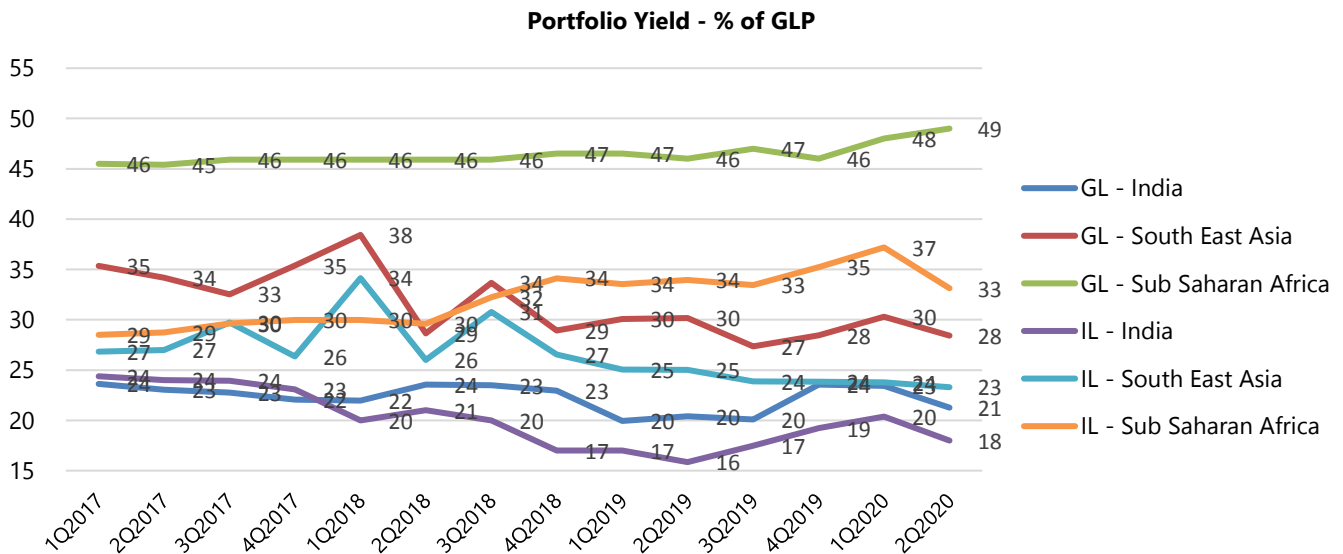
Notes 2Q2020: The average loan size decreased slightly in India and Sub-Saharan Africa. This is due to Covid19 related reasons, for example offering smaller loans products for "home-essentials" during Covid19 restrictions.

## PORTFOLIO QUALITY



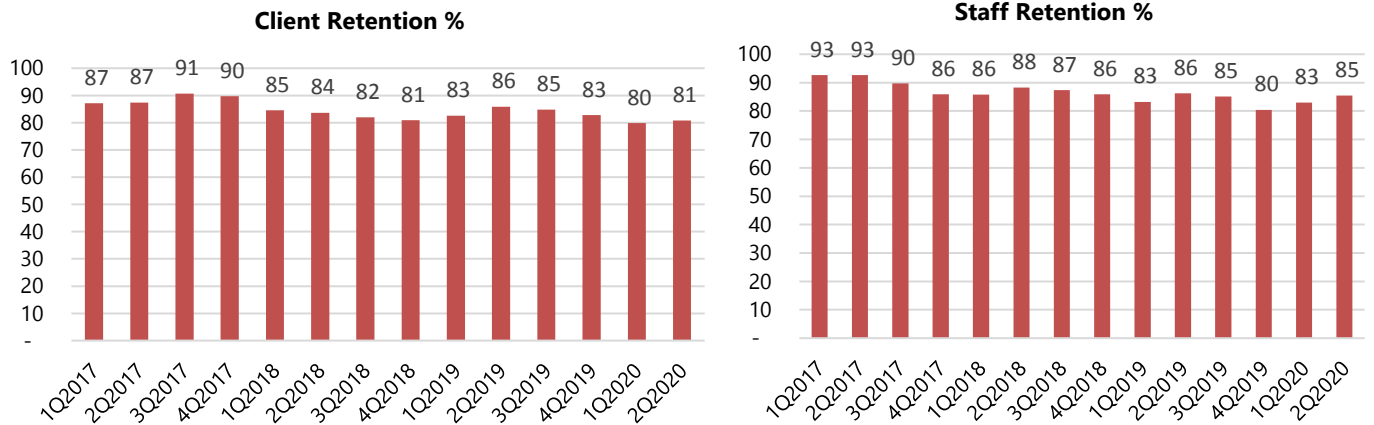
Notes 2Q2020: Portfolio Quality is highly impact by Covid19. However, it differs from country to country how Covid19 related moratorium, restructuring, and late payments are to be accounted for. Therefore, the above diagrams represent a mix of regulatory approaches and does not provide a clear picture. For example, for one investee more than 80% of loans have been restructured due to Covid19, but only none-Covid19 restructured loans have been reported. For another only 8-11% of loans have been restructured due to Covid19 and all have been included in the social performance report. From a social performance perspective an important aspect, when returning to normal business practices, is to ensure responsible collection practices and to avoid over-indebtedness..

## PORTFOLIO YIELD FOR (IL) AND GROUP LOANS (GL)

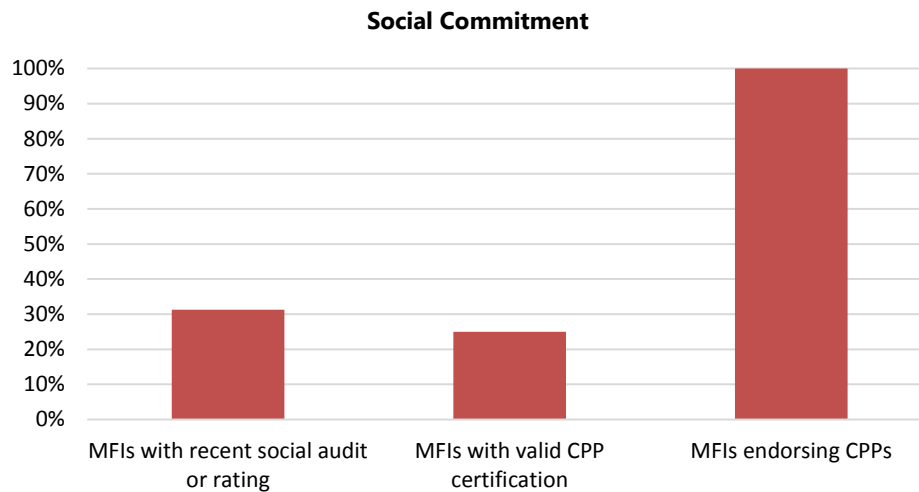


Notes 2Q2020: Portfolio yield for individual lending in SSA has declined due to one investee reporting a lower yield this quarter. The increase in portfolio yield for group loans in SSA is caused by an increase over the past year at another investees. This mainly relates to product mix and we continue to monitor the development.

## STAFF AND CLIENT RETENTION<sup>1</sup>



## SOCIAL COMMITMENT<sup>2</sup>



Notes 2Q2020:

- The percentage of investees with a recent social audit or a CPP certification has dropped over the past year. The background is that several of the newest investments are made in relatively young and growing institutions. None of these have social ratings or CPP certification, but plan to work with that as they grow and mature, possibly with support from NMI's TA facility.
- Note: Baobab Holding is not included in the above overview.

<sup>1</sup> 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.

<sup>2</sup> 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.