

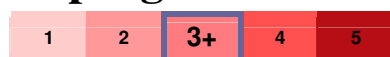
EKI, Bosnia and Herzegovina

In early 1996, EKI began as a project of World Vision International (WVI), based in Zenica, Bosnia and Herzegovina (BiH). In 2008; EKI became a Microcredit Foundation (MCF), and now awaits its license as a Microcredit Company (MCC). EKI's vision is to reduce the economic causes of poverty in BiH. Their mission is to provide financial services and technical support to those who have no access to banking services, focusing on businesses that create or maintain jobs in BiH. As of December 2008 EKI serves 53,033 active borrowers with a total loan portfolio of 204 million BAM (104 M EUR).

Social Performance Rating

Rating

In progress



Date of the Rating

February 2009

Country Profile

Indicator	BiH	ECA
Demography		
Urban population	46%	63%
Life expectancy at birth	75	69
Health		
Access to safe water	99%	94%
Mortality rate (<5) per 1,000 births	15	26
Education		
Adult literacy rate	97%	99%
Primary school enrolment ratio (%)	91%	91%
Gender		
% of parliament seats held by women	14%	15%
Poverty lines		
National	18.6%	
Gini index		
	26	
HDI		
	0.803	0.808
Rank out of 177 countries	75	

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Rating highlights

- EKI has taken assertive steps to implement Social Performance Management; its social vision and mission, emanating from World Vision, are shared by all main stakeholders.
- Based on a thorough background study EKI has developed a core social objective to reach 40% low income households and has set additional social objectives. EKI could however better harmonize its social mission and different social objectives.
- EKI has developed indicators to monitor its social objectives that are integrated in the MIS and easily tracked by all staff. The relevance and reliability of these indicators requires further strengthening.
- There is high awareness and good commitment of staff to the social objectives as a result of the strong organizational culture and adapted HR processes.
- EKI serves a large percentage of its target clientele with a 7.5% overall penetration rate and a 9.8% penetration rate of households below the national poverty line. This is the result of a geographic targeting approach based on a nation wide survey.
- Given regulatory constraints services are limited to credit only. A wide range of credit products is offered that are attractively designed and packaged for clients.
- There is a clear focus on reducing interest rates to clients through increased operating efficiencies and EKI is among the most affordable MFIs in BiH.
- Client protection is well ensured with transparent loan conditions, (mandatory) disclosure of effective interest rates and systems in place to ensure fair treatment of clients.
- Fair treatment of staff is well ensured due to standardized performance evaluation and promotion, good capacity building and equal representation of women.

Social Performance Indicators

'000 EUR	Dec. 2003	Dec. 2004	Dec. 2005	Dec. 2006	Dec. 2007	Dec. 2008
Social Performance Indicators						
% of women borrowers	35.4%	35.6%	36.8%	39.4%	41.1%	42.0%
% of rural borrowers	n/a	n/a	n/a	62.8%	63.4%	63.7%
% group loan borrowers	n/a	0.8%	0.9%	1.2%	0.7%	0.0%
Retention rate	53.1%	50.6%	48.4%	57.7%	70.2%	67.1%
PAR 31-365	0.3%	0.4%	0.3%	0.3%	0.4%	1.7%
Portfolio Yield	23.1%	22.6%	21.0%	23.6%	21.6%	19.6%
Number of training days per staff	2.0	6.1	5.3	2.5	2.1	1.5
Institutional Performance Indicators						
Loan portfolio	15,239	19,368	26,610	44,227	79,781	104,187
Active borrowers	13,305	18,789	22,559	28,019	41,215	53,033
Staff	102	119	153	211	281	320

Refer to the GIRAFE rating for an analysis of the institutional performance indicators