Asian Credit Fund, Kazakhstan
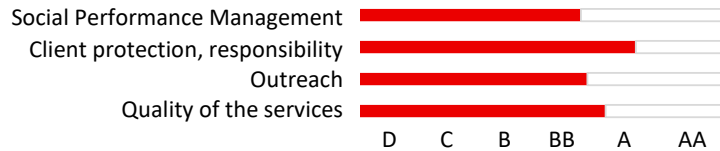
SOCIAL RATING   ˢ BB+

Adequate social performance management and client protection systems. Satisfactory alignment to the social mission.

	D	C	B	BB	A	AA
Social Performance Management						
Client protection, responsibility						
Outreach						
Quality of the services						

Social Rating Committee   Apr 18   Previous SR: First Social Rating
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SOCIAL RATING RATIONALE

SOCIAL PERFORMANCE MANAGEMENT SYSTEM

Shareholders, supervisory board and top management share commitment to the social mission of the institution. Risk of mission drift is minimized because there is a formalized right to veto any changes to the mission by one shareholder (Mercy Corps). Social strategy is defined in general terms and lacks quantitative goals for expected outcome. ACF does not fully utilize its capacity for tracking and monitoring of achievement of the social goals.

CLIENT PROTECTION AND SOCIAL RESPONSIBILITY

Social responsibility to staff is excellent. Labour climate is favourable and remuneration is in line with the market. Staff turnover rate declined to the level below peers. Incentive schemes do not stimulate over-indebtedness. Standard induction trainings are in place and systematic refreshers will be launched in 2018. ACF is Smart certified. It uses adequate loan analysis. Pricing transparency is excellent. Debt collection actions and prohibited behaviours are formalized.

OUTREACH

ACF covers 5 out of 14 regions and is the second largest MFI in Kazakhstan in terms of number of borrowers and fifth in terms of loan portfolio. The institution has 32 sub-offices consolidated into five branches (one in each region of operation) and shows adequate level of outreach to the target population.

QUALITY OF THE SERVICES

Due to local laws, the only financial product offered is credit, but available loan products address business and household needs of clients. All clients benefit from basic financial consultations, and a selected few are delegated to attend agro and business trainings.

Institutional data	Dec-17
Active borrowers	20,620
Active savers	-
Gross portfolio, USD	12,029,678
Total active savings, USD	-
Branches	42
Total staff	256

Legal form	NBFI
	Microfinancial organization
Inception 1997	Network AMFOK
Area	Rural
Credit methodology	Indiv., Group
Financial services	Credit
Non fin. services	Training
Coverage	5/14 regions

Social indicators	Dec-17
Rural coverage, loans	93.4%
Female clients	84.8%
Female staff	73.4%
Female staff in management	45.5%
Average disbursed loan amount, USD	638.2
Clients at third loan cycle	14.7%
Loans in > third cycle	21.8%
Average loan balance / GNI pc	6.4%
Solidarity group methodology, clients	81.3%
Client drop-out ratio	30.1%
PAR30	0.7%
Staff turn-over ratio	17.5%
Average annual percentage rate (APR)	51.7%
Average transparency index	100.0
Growth in active borrowers	38.4%
See annex 2 and 4 for more details.	

Annex 5 – Social Rating Scale

Grade	Definition
^sAA	Excellent social performance management and client protection systems. High likelihood of achieving the social mission.
^sA	Good social performance management and client protection systems. Social mission likely to be achieved.
^sBB	Adequate social performance management and client protection systems. Satisfactory alignment to the social mission.
^sB	Moderate social performance management and client protection systems. Partial alignment to the social mission
^sC	Weak social performance management and client protection systems. Medium risk of mission drift
^sD	Poor social performance management and client protection systems. Risk of mission drift.

The modifiers "+" and "-" which can be added to the rating grade indicate small relative differences within each rating category.

More information: www.microfinanzarating.com