Employment and Social Innovation (EaSI) strand of the European Social Fund Plus (ESF+)

EUROPEAN CODE OF GOOD CONDUCT FOR MICROCREDIT PROVISION

DISCLOSURE OF FINANCIAL AND OPERATIONAL INFORMATION

2024-06-13

Nordic Finance Business Partner AB (henceforth, the provider) is being/has been evaluated for compliance with the European Code of Good Conduct for Microcredit Provision (henceforth, the Code).

The Code defines a unified set of standards for the microfinance sector in Europe. It serves as a self-regulation tool and a quality label for microfinance institutions committed to ethical finance. More information on the Code and the evaluation process can be found on the website of the European Commission.

As part of the evaluation of compliance with the Code, the provider has to disclose publicly financial and operational information with a view to enhancing transparency and comparability. This information is disclosed in the first column of Annex I of this document. It has been **externally validated**. After receiving the Code award, the provider commits to updating this information on an annual basis. If applicable, this updated information will be **self-reported** (non validated) and disclosed in columns 2-4 of Annex I of this document.

The disclosure of this information does not mean that the provider is awarded for their compliance with the Code. To verify if the provider is awarded, please consult the official list of institutions complying with the Code, communicated on the Code webpage under “List of awarded institutions”.

Further resources: Microcredit Provider Guidelines, Evaluator Methodology, EaSI strand of ESF+

ANNEX I: Externally validated and self-reported information

Clause in the Code Chapter IV – Reporting Standards	**1. Externally validated provider data**	**2. Self-reported provider data (non validated)**	**3. Self-reported provider data (non validated)**	**4. Self-reported provider data (non validated)**
	Year: 2020	**Year: 2021**	**Year: 2022**	**Year: 2023**
4.2.1. Mission[1]				
4.2.2. Average disbursed loan size	495 980	559 579	485 118	520 158
4.2.3. Median loan size as % of gross national income	55%	45,65%	47,53%	44,26%
4.2.42 Percentage of female customers				
4.2.5. Percentage of rural customers				
4.2.6. Percentage of customers below the poverty line				
4.2.7. Percentage of customers graduating to mainstream finance				
4.2.8. Percentage of minority customers				
4.2.9. Percentage of start-up businesses funded				
4.2.10. Percentage of customers on welfare benefits				

[1] Clauses in red are priority clauses.
[2] Clauses 4.2.4 – 4.2.10 are disclosed if relevant for target market and mission.

4.4.1. Number of active borrowers	421	749	1472	1919
4.4.2. a) Total number of loans disbursed this year	354	484	1356	1119
4.4.2. b) Total value of loans disbursed this year	175 576 846	251 444 198	656 652 000	574 324 000
4.4.2. c) Total number of loans outstanding	652	975	2121	2785
4.4.3. a) Value of current loan portfolio	221 232 753	389 994 476	790 930 027	1 025 966 523
4.4.3. b) Value of gross loan portfolio	230 752 458	410 632 049	825 969 039	1 083 807 628
4.4.3. c) Value of net loan portfolio	228 176 425	407 265 591	820 031 967	1 069 983 372
4.4.4. a) Portfolio at Risk - PAR30	1%	5,1%	4,22%	5,82%
4.4.4. b) Portfolio at Risk - PAR90	0%	0%	0,14%	0,85%
4.4.5. Proportion related-party lending	0%	0%	0%	0%
4.4.6. a) Total value of assets	341 133 869	496 350 421	1 025 793 144	1 322 193 841
4.4.6. b) Total value of liabilities	258 207 686	444 679 977	973 105 362	1 215 929 086
4.4.7. Operational Sustainability Ratio	51%	119%	136%	149%
4.4.8. a) Subsidies received (amount)	3 042 818	0	0	0
4.4.8. b) Number of active volunteers	0	0	0	0
4.4.9. Cost Per Loan	125 856	59 198	53 779	104 576
4.4.10. a) Number of loan officers	8	4	9	10
4.4.10. b) Number of total personnel	30	30	37	42

4.5. Total Number of complaints received in the reported year	5	0	0	0

ANNEX II: DEFINITIONS

4.2.1.	Provider's mission statement
4.2.2.	Calculated using following formula: Total value of loans disbursed/total number of loans disbursed
4.2.3.	Calculated using following formula: (Median loan size/gross national income per capita)*100. Last available date for GNI
4.2.4.	Calculated using following formula: (Number of female customers/total number of customers)*100. Total number of customers refers to active borrowers
4.2.5.	Calculated using following formula: (Number of rural customers/total number of customers)*100. Total number of customers refers to active borrowers. Rely on national definition of urban/rural
4.2.6.	Calculated using following formula: (Number of customers below poverty line/total number of customers)*100. Total number of customers refer to active borrowers. Nationally/regionally defined income level below which households are considered poor.
4.2.7.	Graduating to mainstream finance refers to customers moving on to taking out loans from mainstream finance providers such as banks and building societies. Calculated using following formula: (Number of customers graduating to mainstream finance/total number of customers)*100. Total number of customers refer to active borrowers
4.2.8.	Calculated using following formula: (Number of minority customers/total number of customers)*100. Total number of customers refer to active borrowers.
4.2.9.	Calculated using following formula: (Number of start-up businesses funded/total number of customers)*100. Total number of customers refer to active borrowers.
4.2.10.	Calculated using following formula: (Number of customers on welfare benefits/total number of customers)*100. Total number of customers refer to active borrowers. Rely on national definition.
4.4.1.	Refers to number of individuals with outstanding loan balance with provider or primarily responsible for repaying any portion of Gross Loan Portfolio. Individuals with multiple loans with provider should be counted as single borrower.
4.4.3. a)	Refers to the outstanding value of all loans that do not have any instalment of principal past due excluding accrued interest.
4.4.3. b)	Refers to the outstanding principal balance of all outstanding loans, including current, delinquent, and restructured loans, but not loans that have been written off or interest receivable.
4.4.3. c)	Net loan portfolio is calculated by subtracting the impairment loss allowance from gross loan portfolio.
4.4.4. a)	Refers to the value of all loans outstanding that have one or more instalments of principal past due more than a certain number of days. Includes entire unpaid principal balance, both past due and future instalments, but not accrued interest. It does not include performing loans that have been restructured or rescheduled. Providers should at least measure and disclose PAR 30 days as this is the internationally recognised measure.
4.4.4. b)	Refers to value of all loans outstanding with principal past due more than certain number of days. Includes entire unpaid principal balance, both past-due and future instalments, but not accrued interest. It includes also delinquent (late or overdue more than a certain number of days) restructured or rescheduled. It does not include performing loans that have been restructured or rescheduled. Providers should at least measure and disclose PAR 90 days as this is the internationally recognised measure.
4.4.5.	Related-party lending refers to board members, staff or immediate family receiving loans or investment from microcredit providers. Disclose related party-lending as proportion of loan portfolio.
4.4.6. a)	Sum of property, plant and equipment, investment property, goodwill, intangible assets other than goodwill, other financial assets, loans and receivables, investment accounted for using equity method, biological assets, non-current assets classified as held for sale, inventories, current tax assets, deferred tax assets, trade and other receivables and cash and cash equivalents
4.4.6. b)	Sum of total trade and other payables, provisions for employee benefits, other provisions, deferred revenue, other financial liabilities, other non-financial liabilities, current tax liabilities, deferred tax liabilities and liabilities included in disposal groups classified as held for sale. NOTE: Does not include equity.
4.4.7.	This is calculated using the following formula: Operating revenue/(financial expense + loan loss provision expense + personnel expense + administrative expense).
4.4.8. a)	Providers will disclose the amount of operating grants it receives annually (amount).
4.4.8. b)	Providers will disclose the number of active volunteers as per the reported period.
4.4.9.	Cost per loan calculated as follows: (Personnel expense+administrative expense+financial expense+loan loss provision expense)/total numbers of loans disbursed
4.5.	All issues that an applicant, active or previous client report through the formal complaint procedure should be recorded as a complaint.