



micr**loan**
foundation

Zambia
December 2023

MicroLoan Foundation Zambia is a subsidiary of MicroLoan Foundation UK, registered charity number 1104287 (England and Wales); SC041941 (Scotland)

MicroLoan Foundation Zambia

MicroLoan Foundation Zambia launched in 2008. Since then, it has been growing steadily, serving women in underserved rural communities where the demand is high. MicroLoan Zambia currently provides financial loans and savings services to clients across 13 branches and 10 satellites, spread across the Southern, Eastern and more recently the Northern regions of the country.

The institution is the second largest microfinance institution in the country, based on client numbers, and is at the forefront of digital financial service delivery and innovation for rural low-income women.

In the 2023 Microfinance Index, MicroLoan Foundation Zambia ranked 1st in Zambia, 2nd in SSA and 4th in the world out of the participating organisations. As part of the assessment, MicroLoan Zambia won the 60 Decibels Top Impact Award and is one of the most impactful financial service providers across the globe.

At the end of Q4 the outstanding loanbook was ZMW 98,483,188 (USD4,957,200) and the total number of active clients was 54,526.

Leadership Team

Jack Ngoma Chief Executive Officer

Jack has the overall responsibility for implementing the strategic business plan of the organisation, developing new partnerships and developing the team.

Qualified as a Chartered Accountant, Jack comes with several years of financial management and microfinance experience, having previously worked at Bayport Financial Services, as the interim Head of Finance for MicroLoan Malawi, and as MicroLoan Zambia's CFO from 2014 until September 2018, when he was promoted to his current position of CEO. Since he took over as CEO, MicroLoan Zambia has witnessed significant growth in both client numbers and loan portfolio.

Monde Mwanambuyu Human Resources Manager

Monde is a Human Resource practitioner with over 14 years hands on experience in labour relations, collective bargaining, employee engagement, training and development. She is responsible for all HR systems and procedure, employee engagement, recruitment and selection, training and development, performance management conflict resolution and compensation.

Bornface Matanda Chief Financial Officer

Bornface is responsible for the development and implementation of an effective financial management framework, including the designing of the financial policy, identifying and managing financial risks and representing the company to investors, auditors and the regulator.

Qualified as a Chartered Accountant, Bornface has previously worked at MultiChoice Zambia Limited and MTN Zambia. He comes with extensive experience in financial reporting and analysis, risk management and project management.

Titus Zulu Operations Manager

Titus Zulu is a microfinance expert with over 14 years of experience in Non-Banking Financial Institutions in credit and operations departments with extensive experience in credit management, debt collection management, operational planning, and project management. Titus will be fully dedicated to overseeing operations within the branches and support the delivery of new projects such as the development and implementation of the digital savings project.



Social Performance Management

MicroLoan Foundation works towards achieving a long-term outcome that permits poor rural women to cope better with the challenges and stresses they face. We monitor activities and progress towards social and economic goals for our beneficiaries using rigorous and globally recognised systems. Our Social Performance Management model is often cited as an example of best practice, and is recognised by TrueLift, a global initiative pushing for accountability and learning in pro-poor programmes. 96% of our clients and members of their household were able to afford to seek medical treatment. 88% of our clients report improved food security.

Key Products and Services

£ Four - six month business loan

This product has a flat interest rate of 4.68% per month. It is designed to support women intending to start small businesses or to provide additional capital to those that are already in business. No collateral is required.

🌾 Nine month maize loan

This loan is designed to support women to increase their food security and income generation. Maize loans are offered to clients who have already taken out business loans and run a successful business. This is to ensure that they are used to build food security rather than as a means of income. Maize loans have a 7% interest rate per month.

💡 Financial literacy and business training

We offer pre and post loan disbursement training modules. They aim to help clients understand the purpose of the loans and ensure they are equipped to run and manage their businesses. Training modules include: market research, profit analysis, budgeting and the importance of savings. All training is taught through song, dance and role play.



Customer Hotline

This is to provide customers with ongoing support on any operational issues. It is monitored monthly to analyse any common issues coming from clients.

£ Savings

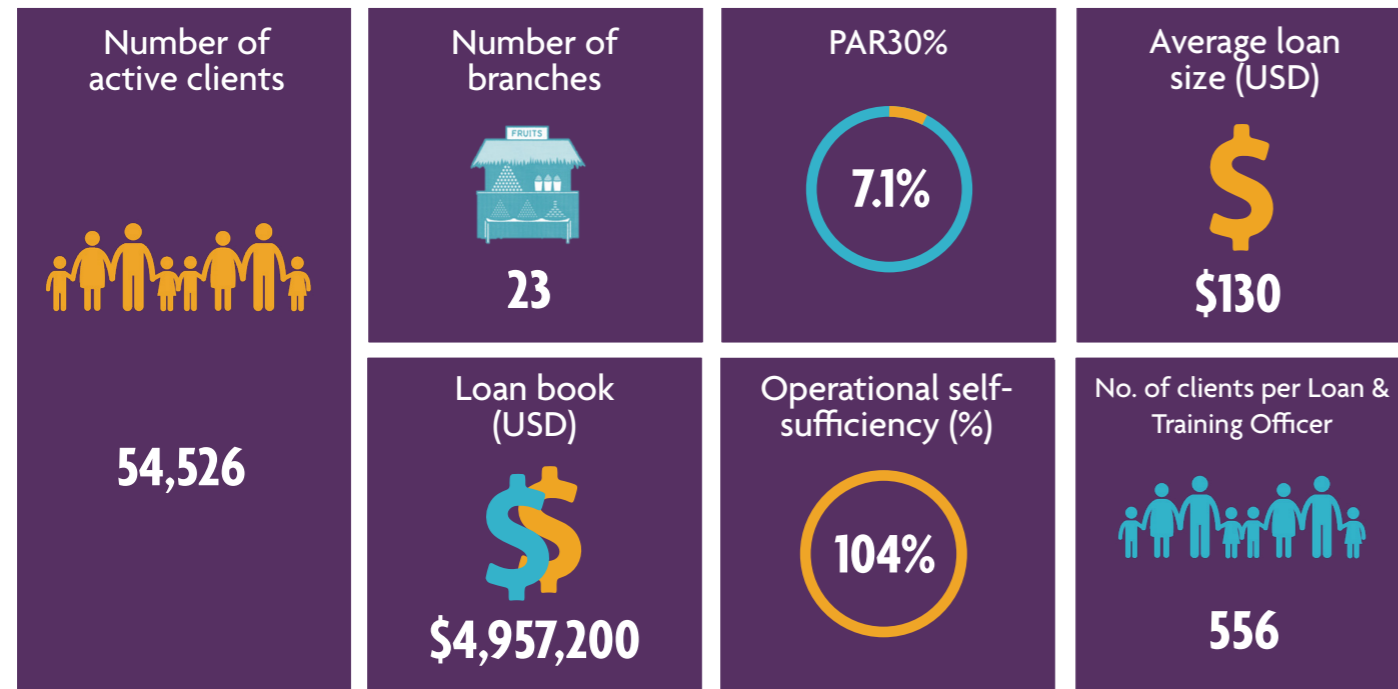
In addition to loans, MicroLoan facilitates savings among clients. As a non-deposit taking organisation, the clients are linked to third party providers for savings accounts. These savings are available to withdraw at any time required, with consent from the group.



Digital Savings Product

Part of MicroLoan Zambia's focus is to teach women the benefits of making savings, encouraging them to do so. To effectively meet this objective MicroLoan Zambia is in the process of rolling out a savings product on the mobile money platform. The savings product will provide women with additional assurance that their funds are secure, and will also give MicroLoan access to a web based dashboard to facilitate and oversee the performance of all savings groups.

Operational highlights as of December 2023



Source: MicroLoan Performance Report. Exchange rate based on Oanda at December 2023.

MicroLoan Zambia News

Macroeconomic situation

Inflation continued to rise in the final quarter. The Zambian kwacha continued to depreciate against the US Dollar and other major currencies. The Zambian treasury market was still characterized by low supply of foreign exchange amid rising demand as the economy continues to recover from the lingering impact of the pandemic.

Winner of the 60 Decibels Impact Award

We are thrilled to announce that MicroLoan Zambia has been awarded the prestigious 60 Decibels Top Impact Award for its outstanding contributions to financial inclusion and social impact. Winning this award means that we ranked second out of 35 African Financial Service Providers (FSPs) surveyed, across all six categories in the Index: Access, Business Impact, Household Impact, Client Protection, Resilience and Agency. MicroLoan Zambia also ranked fourth in the world out of 114 financial service providers surveyed in the 2023 Microfinance Index.

Real-time payment solution

The newly developed USSD real-time payment solution which was piloted in Q3 was rolled out to all branches in Q4. The USSD real-time payment solution ensures that payments made by clients are automatically posted in our core-banking system without anyone at head office having to manually post the transaction. This solution increases transparency and further improves our customer service delivery.

Key Partnerships

Grameen Credit Agricole Microfinance Foundation contributes to the fight against poverty and exclusion through microcredit and equity investments in companies with high social impact in developing countries. They have partnered with MicroLoan Zambia as debt finance providers. In 2022, Grameen approved a loan facility of the ZMW equivalent of EUR500,000 and in 2023 a further facility of the equivalent of EUR600,000 was approved.

Fonds Européen de Financement Solidaire II (FEFISOL II) aims to finance and strengthen African economic agents underserved by the conventional banking sector, yet key players in the continent's economy, by providing products and services to vulnerable and rural populations, as well as to small businesses, especially those in the agricultural sector. MicroLoan Zambia has secured a local currency loan equivalent to EUR 300,000 from FEFISOL II. The loan period is for three years and will be used to expand the loan portfolio to reach more clients.

ADA is a Luxembourgish NGO supporting microfinance institutions with access to technical assistance and funding opportunities. In December 2022, they provided a two year loan facility of ZMW3.44 million for MicroLoan Zambia. The credit facility has been used to expand the loan portfolio.

Global Partnerships is an impact-first investment fund manager dedicated to expanding opportunity for people living in poverty. Global Partnerships makes loans and early stage investments to social enterprises that serve people living in poverty throughout Latin America, the Caribbean, and sub-Saharan Africa. In addition to a USD350,000 equivalent loan payable over 3.5 years, MicroLoan Zambia secured an additional equivalent of USD1 million credit facility in 2023 to grow its loan book and expand its reach.

Symbiotics is the leading market access platform for impact investing. Its mission is to foster sustainable development in emerging and frontier economies by connecting investors to local financial intermediaries, enterprises and projects. In 2023, Symbiotics approved a local currency loan facility equivalent to USD1 million over 3 years. The credit facility will be used to expand the loan portfolio in Zambia.

Lendwithcare partners with MicroLoan Zambia and MicroLoan Malawi. They are a lending platform that solicits individual or group loans for people across the world from the general public through their online fundraising platforms. They give MicroLoan Zambia access to loan capital which helps them to expand their reach. The net amount received in YTD Q3 in 2023 was ZMW837,967.

Oikocredit is a social impact investor and worldwide cooperative with over four decades of experience in promoting sustainable development through investment in financial inclusion, agriculture and renewable energy. Oikocredit is guided by the principle of empowering low-income people to improve their livelihoods. MicroLoan Zambia has secured a local currency loan equivalent to USD 700,000 (spread across two disbursements) from Oikocredit. The loan period is for three years and will be used to expand the loan portfolio to reach more clients.

The Swiss Capacity Building Facility (SCBF) is an innovative public-private platform to enhance inclusive finance for low-income clients, especially women, smallholder farmers and MSMEs, in emerging contexts. In 2023/24 SCBF granted MicroLoan Zambia CHF122,300 to develop a savings solution that will create a digital footprint for underserved communities and pave the way to access to formal finance.

If you would like any further detail about the information included in this document please contact MicroLoan Foundation's Group Chief Executive Officer, Medha Wilson.

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