



microloan
foundation

Malawi
December 2025

MicroLoan Foundation Malawi is a subsidiary of MicroLoan Foundation UK
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MicroLoan Foundation Malawi

MicroLoan Foundation Malawi (MicroLoan Malawi) has been delivering financial services to women in rural communities since 2002, and was the first country of operations for MicroLoan Foundation.

Malawi ranks 172 in the Human Development Index, reflecting the depth of poverty that clients face.

MicroLoan Malawi provides loans and ongoing business and financial literacy training to clients across its 22 branches and 2 satellites. With a large proportion of clients engaging in farming, MicroLoan Malawi also offers agricultural and irrigation loans.

The outstanding loan book at the end of Q4 2025 was MWK 9.7Bn (\$5.6M) and MicroLoan Malawi had 41,263 active clients.



Leadership Team

Davison Rakasi Chief Executive Officer Malawi

Davison is an accomplished executive with over 15 years' experience in Banking and Microfinance. Davison is currently the Chief Executive Officer for MicroLoan Foundation Malawi. Prior to joining MicroLoan Foundation, Davison worked as Interim CEO at Vision Fund Malawi after gaining significant exposure to operations, technology deployment, sales & marketing, strategy development, and project management in his previous role as Chief Operations Officer.

Linda Kambalatore Chief Financial Officer

Linda Kambalatore joined MicroLoan Malawi in 2023. She is an affiliate to the Association of Certified Chartered Accountants (ACCA) with over 15 years of experience in the accounting and finance function, 5 years of which were in management advisory roles in small and medium sized businesses. Her work experience spans across various industries including Agri-business inputs focusing on receivables management, debt collection, Agribusiness financing in sub-Saharan Africa, financial reporting, investment portfolio management and human rights advocacy in commonwealth countries with special focus on project financial management.

Elias Chakuza Chief Operations Officer

Elias Chakuza joined MicroLoan Malawi in November 2023. He brings 16 years of experience in the Microfinance sector. He has an impressive track record of leadership and innovation. In leadership roles with operations teams in Vision Fund, FINCA and Opportunity Bank, he contributed to significant portfolio growth, efficiency improvements and a positive impact in underserved communities.

Social Performance Management

Social Performance Management (SPM) ensures MicroLoan Foundation stay true to its mission of empowering financially excluded women to lift themselves out of poverty. It translates social goals into practice through ongoing measurement and improvement. Recognised by TrueLift as a best-practice model, our SPM approach uses several tools: the Musoni MIS system for real-time data tracking; the Poverty Probability Index to assess outreach and poverty reduction; Outcomes Questionnaires to monitor client wellbeing; and Client Surveys for deeper insights into social impact and service delivery. Together, these tools enable us to evaluate progress and adapt our support to meet clients' evolving needs.

Key Products and Services

£ Four - six month business loan

This product has a 6% monthly interest on declining balance and a 3.5% processing fee. It is designed to support women starting new small businesses or to provide additional capital to those that are already in business. No collateral is required.



Eight month agriculture loan

The eight-month loan, designed for new and repeat clients who grow crops such as rice, maize and soya beans. It includes a four-month grace period followed by four bullet payments. The loan carries 6% monthly interest rate on declining balance, and a 3.5% processing fee.



Irrigation loan

The irrigation loan runs for seven months with a grace period of four months and repaid through three bullet payments. The loan is primarily intended for clients, who grow cash crops such as Irish potatoes all year round. The loan has 6% monthly interest rate on declining balance and a 3.5% processing fee.



FInES agriculture and business loan

For repeat/existing clients, this loan product has an interest rate of 4% declining and a 3.5% up front fee. The loan term for FInES business is four to six months and for agriculture it is eight months.



Insurance

Cover includes hospitalisation and funeral support, and clears any outstanding loan balance in the event of a client's death or permanent disability. It is bundled with every loan for a one-off payment of 2% of the loan amount.



Individual Loan

Available to both new and repeat clients, is designed for growth-oriented small businesses whose capital needs exceed the limits of the group lending model. It is offered in two types: a standard loan for general businesses and an Environmental & Social (ES) compliance loan for businesses that incorporate ES elements such as solar-powered irrigation, climate-adapted seeds, and solar refrigeration. The loan has a 6-12 month term, and requires collateral. It carries a 5.5% monthly interest rate on a declining balance, and a 3.5% processing fee.



Savings

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



Financial literacy and business training

MicroLoan Malawi offer pre and post loan disbursement training modules which 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 due to high illiteracy rates.



Customer Hotline

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

Operational highlights



Source: MicroLoan Performance Report. Exchange rate based on Oanda at December 2025

MicroLoan Malawi News

Macro economic situation

Malawi's economy remained under significant pressure in Q4 2025, with inflation easing slightly from 28% to 27% but remaining elevated due to high food prices, persistent foreign exchange shortages, and widening gaps between official and parallel exchange rates. These conditions continued to increase operating costs and severely constrained access to affordable debt financing, with hedging costs pushing borrowing costs to between 40% and 45% per annum. New domestic tax measures introduced during the quarter, including a higher VAT rate and additional levies, added further pressure to the operating environment. Liquidity constraints also delayed loan disbursements to around 5,000 clients in December, highlighting the ongoing impact of limited access to funding despite continued demand for financial services.

Strong performance and agricultural disbursements

Despite a challenging operating environment, MicroLoan Malawi delivered strong portfolio growth during Q4, expanding its loan book from MWK 6.9 billion to MWK 9.7 billion, surpassing the planned portfolio target of MWK 8.4 billion. Growth was driven by robust demand for agricultural finance and larger loan sizes that responded to inflationary pressures. Portfolio quality also strengthened, with PAR30 improving from 1.1% to 0.8%, reflecting disciplined credit management and the strong performance of the agricultural portfolio.

Continued expansion of digital and financial performance

Digital financial services continued to transform operations across Malawi during Q4, with all branches now using mobile money platforms for both loan disbursements and repayments. By the end of the quarter, 95% of repayments and 27% of disbursements were processed digitally, improving transaction security, reducing turnaround times, and making financial services more accessible and convenient for clients. The rollout reflects MicroLoan Malawi's continued investment in efficient, client-centred service delivery.

Key Partnerships

Grameen Credit Agricole Foundation contributes to poverty reduction through microcredit and social impact investments in developing countries. MicroLoan Malawi currently holds a three-year loan from the Foundation, which is due for repayment in December 2025.

Lendwithcare is a microfinance organisation that has partnered with MicroLoan Foundation in Malawi, Zambia and Zimbabwe. They solicit individual or group loans for people across the world from the general public through their online fundraising platform. With their support MicroLoan Malawi has access to loan capital which helps to expand their reach.

FDH Bank provides local currency overdraft facilities to MicroLoan Malawi on a needs basis, helping to manage liquidity and supplement cash flow.

Malawi Agricultural and Industrial Investment Corporation (MAIIC) A development finance institution (DFI) established under a public-private partnership, model mandated to support commercially viable investments across sectors to catalyze socio-economic development, job creation, and wealth generation in Malawi. In December 2024 MicroLoan Malawi received a two year loan from MAIIC for the purpose of loan book growth.

GIZ MicroLoan has benefited from Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ)'s GP AgFin Project in both Malawi and Zambia. The project aimed to improve access to financial services tailored to the needs of agricultural businesses and enterprises in rural areas. GIZ is also providing technical assistance funding for MicroLoan to develop an ES compliant loan product under Water and Energy for Food (WE4F).

Solidarité Internationale pour le Développement et l'Investissement (SIDI) promotes financial inclusion and sustainable development by investing in microfinance institutions, social enterprises, and rural producer groups around the world. In October 2022, MicroLoan Malawi secured a loan from SIDI to support the expansion of its loan portfolio and extend its outreach. Building on this partnership, an additional loan was approved in August 2024 to further strengthen MicroLoan's efforts, with repayment scheduled over a three-year period.

Fonds Européen de Financement Solidaire (FEFISOL) launched by SIDI in partnership with Alterfin and Etimos, supports rural Africa through local currency loans, guarantees, and equity investments in microfinance institutions. Under FEFISOL I, MicroLoan Malawi received financing in 2016, which was fully repaid by 2019. Building on this collaboration, a new credit facility was secured under FEFISOL II in 2025 for a three-year term to further strengthen MicroLoan's outreach and impact.

The Financial Inclusion and Entrepreneurship Scaling (FinES) Project is a multi-year initiative funded by the World Bank to provide affordable wholesale financing to financial intermediaries. Administered through the Reserve Bank of Malawi, the project aims to stimulate economic growth and expand access to financial services. MicroLoan Malawi has accessed multiple credit facilities through the FinES Project since 2022, with loan terms ranging between three to five years.

Opportunity International is an NGO working to end global poverty. They are partnering with MicroLoan to Strengthening Systems for Financial Inclusion in Rural Malawi, funded by Jersey Overseas Aid.

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.

Email: contact@mlf.org.uk
Phone number: +44 (0)20 8827 1688