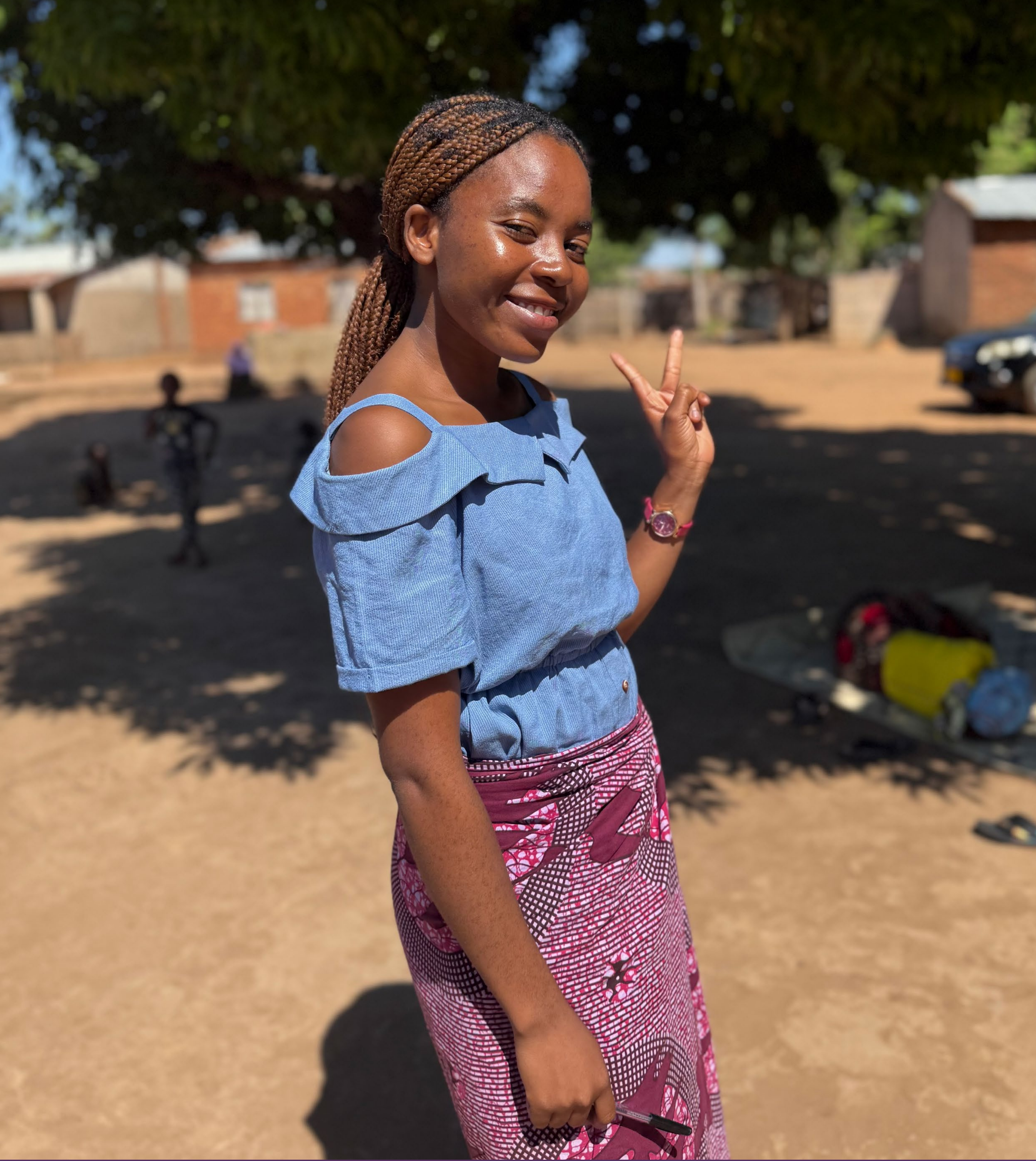


microloan foundation

Malawi

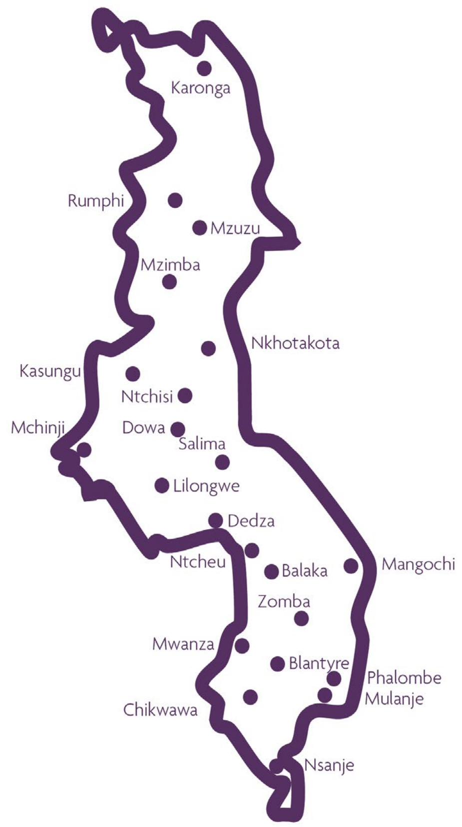
June 2026

MicroLoan Foundation Malawi is a subsidiary of MicroLoan Foundation UK
Registered charity number 1104287 (England and Wales); SC041941 (Scotland)

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.

During Q2 2026, MicroLoan Malawi increased its active client base to 42,112, up from 38,238 in Q1, following the recruitment of 3,029 new clients. While the outstanding portfolio declined to MK8.6 billion from MK10.4 billion, mainly due to repayments of agricultural loans from the 2024/25 growing season and liquidity constraints affecting new disbursements, portfolio quality remained strong. PAR30 held steady at 0.8%, demonstrating continued effective credit management despite the changing portfolio.



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 Kambalametore
Chief Financial Officer

Linda Kambalametore 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.

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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.

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Operational highlights

Number of active clients	Number of branches	PAR30 (%)	Average loan size (USD)
42,112	22	0.8%	$117

Loan book (USD)	Operational self-sufficiency (%)	No. of clients per Loan & Training Officer
$4.9m	116%	383

Source: MicroLoan Performance Report. Exchange rate based on Oanda at June 2026

MicroLoan Malawi News

Macroeconomic situation

Malawi's economic environment remained under pressure during Q2 2026, despite a modest easing in inflation to approximately 21% by June. The Kwacha remained weak and foreign exchange shortages continued to constrain businesses, while the Reserve Bank maintained the lending rate at 20.4% to contain inflation. Two fuel price reductions during the quarter provided some relief, although costs remained significantly above earlier levels. The World Bank also revised its 2026 growth forecast downward from 4.1% to 2.3%, reflecting continued economic constraints. For MicroLoan Malawi, rising operating costs and client demand for larger loans continued to affect business performance, highlighting the importance of maintaining financial resilience and efficient operations.

Preparing clients for emerging agricultural risks

With forecasts pointing to a strengthening El Niño and increased risk of below-average rainfall in southern Malawi, MicroLoan Malawi is strengthening its capacity to support agricultural clients through changing conditions. In partnership with Opportunity International, staff received specialised agricultural finance training covering portfolio assessment and risk management. The training will help teams better assess agricultural risks and support clients whose livelihoods depend on farming as they prepare for a potentially challenging 2026/27 growing season.

Strengthening operational capacity

MicroLoan Malawi made several strategic investments during Q2 to strengthen operational capacity and support future growth. The institution secured a MWK875 million Blended Rural Financing Facility to strengthen lending capacity and replaced 37 fully depreciated motorcycles, improving field operations and reducing maintenance costs. The successful relocation of the Head Office and Lilongwe Branch to new premises further improved the working environment and operational efficiency. Together, these developments position MicroLoan Malawi to serve clients more effectively while creating a stronger foundation for sustainable growth.

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Key Partnerships

Grameen Credit Agricole Foundation contributes to poverty reduction through microcredit and social impact investments in developing countries. MicroLoan Malawi successfully repaid its previous loan facility in December 2025 and subsequently secured a new four-year facility from the Foundation, supporting continued access to financing for the institution's lending activities.

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 tosupport 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 Geschellenschaft fur 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 also provided 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 strengthen 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.

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