



First MicroBank Mozambique

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FIRST MICROBANK MOZAMBIQUE

The microfinance sector in Mozambique remains young but is becoming increasingly sophisticated as some institutions reach maturity. However, these microfinance institutions operate mainly in the capital, Maputo, while a vast number of the rural poor remain underserved.

To address this problem, the First MicroBank Mozambique (FMB-M) acts as a rural microfinance bank. The focus of its activities is Cabo Delgado, which is the northernmost province as well as the poorest in the country. At year end, FMB-M had a loan portfolio outstanding of US\$ 53,000 and 87 borrowers.

AKAM's objective in Mozambique is to serve the under-banked areas of the country which are highly vulnerable to the prevailing environment, with few all-weather roads and limited electricity or communications infrastructure. The majority of the population in these areas are small-holder farmers who cannot increase volumes because they lack financing for inputs, particularly seeds and fertilisers.

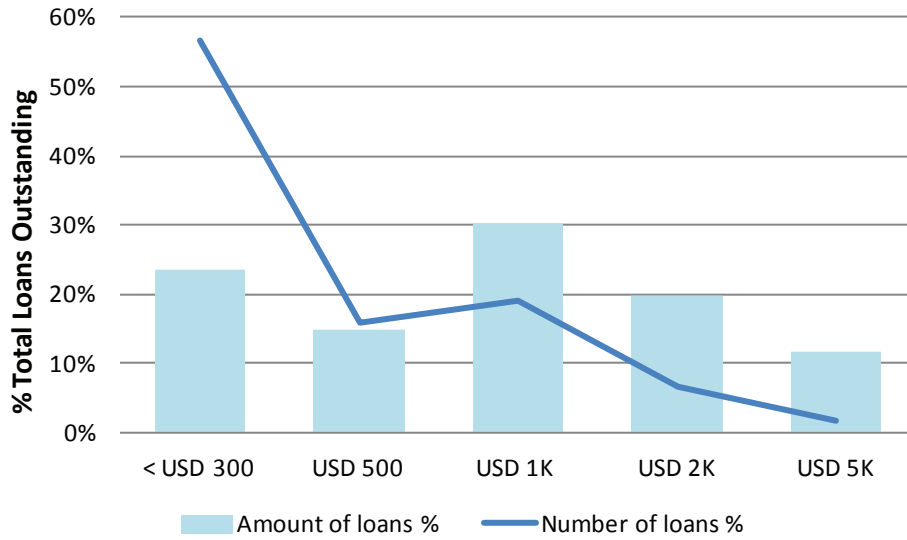
Lending in the rural areas of Pemba accounted for the majority of the total portfolio.

KEY POINTS:

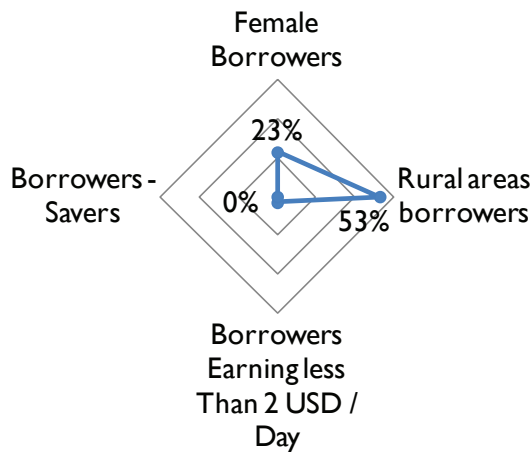
- The loan book is divided between Pemba (84 percent) and Chiure (16 percent).
- 41 percent of the outstanding portfolio is concentrated in trading and commerce activities and 38 percent in consumer (salary based) loans.
- The Aga Khan Agency for Microfinance is the sole owner of FMB-M.

KEY FINANCIAL INDICATORS	2010	2011	2012
MICROFINANCE LOANS DISBURSED:VALUE (US\$ '000)	371	188	77
MICROFINANCE LOANS DISBURSED: NUMBER	587	225	87
MICROFINANCE PORTFOLIO OUTSTANDING:VALUE (US\$ '000)	322	119	53
MICROFINANCE PORTFOLIO OUTSTANDING: NUMBER	1'224	295	120
AVERAGE MICROFINANCE LOAN SIZE (US\$ UNIT)	263	403	438
PERCENTAGE OF WOMEN BORROWERS	24%	17%	22%
MICROFINANCE PORTFOLIO AT RISK (%) 30 DAYS	47.4%	17%	28%
NUMBER OF INDIVIDUAL SAVERS	NA	N/A	N/A
VALUE OF INDIVIDUAL DEPOSITS (US\$ '000)	NA	N//A	N//A
NUMBER OF STAFF	38	36	17

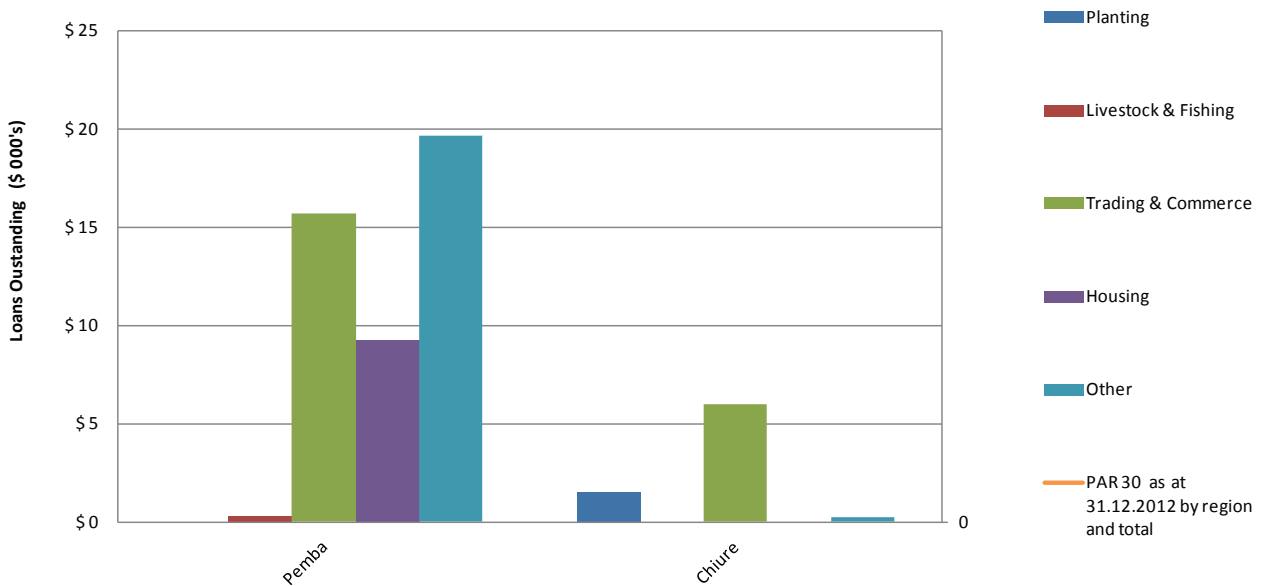
% LOANS OUTSTANDING BY SIZE CATEGORY



CUSTOMER CHARACTERISTICS



PAR AND SECTORAL BREAKDOWN PER REGION





Aga Khan Agency for Microfinance

The First Micro Bank Mozambique is a part of the Aga Khan Agency for Microfinance (AKAM). The underlying objectives of AKAM are to reduce poverty, diminish the vulnerability of the poor and alleviate economic and social exclusion. AKAM's ultimate aim is to improve the quality of life by helping people increase raise incomes, become self-reliant and gain the skills needed to graduate into the mainstream financial markets.

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