

### **Microfinance Business Opportunity**

An investment opportunity exists to invest in a thriving Microfinance Company owned and managed by women, headquartered in Harare. The company has a 6 branches spread across Harare, Bulawayo, Nyanga, Mutasa, Rusape and Bikita. The company seeks to raise USD200K as debt which will be used to increase its lending capacity. No capital expenditure is envisaged as the company has adequate infrastructure.

- The company was established in 2010 and has made 20 089 loan disbursements to date.
- There are few competitors that focus on rural lending and the company has taken advantage of this niche.
- The company has products geared towards development, particularly in Agriculture, MSMEs, Youth, Women, Rural areas and Vending.
- Its suite of products includes:
  - Agriculture/Inputs Loan: gives access to inputs and target small scale farmers
  - Value Chain Loan: provides financing at any stage of production. It targets both tight and loose value chain needs
  - Asset Finance: enables automation of production processes in order to improve efficiency
  - Life Enhancement: helps with smoothing personal expenditure and gives the freedom to do more for one's family. This facility covers short term needs such as medical expenses, household, education, building and emergency expenditure.
  - Working Capital Loan: provides capital for organic growth of businesses.
- The anticipated net operating income for the year ended 31 December 2020 is ZWL469 648, an increase from ZWL151 528 2019 in 2019. The business also anticipates total current and non-current assets values to be ZWL 2 994 959 and ZWL 227 950 respectively for the period 2020.
- Forecasted value of current and non-current liabilities for 2020 is expected to be ZWL2 017 561 and ZWL 0 from ZWL 1 258 309 and ZWL 494 889 respectively, even though the non-current liabilities is subject to change as the firm seeks debt funding.
- Adjusted return on equity for 2020 is anticipated to be 69.2% from 34.9% in 2019, adjusted pre-tax return on performing assets is forecast to be 24.2% from 9.3% in 2019, as a result of an expected improvement in profitability.
- The quick ratio for 2020 is anticipated to be 1.4 from 1.7 in 2019, showing a decline in the ability of the business to repay its short-term obligations with its present current assets.
- The company has a recognisable and respected brand in its chosen markets and good corporate governance structures including a board of directors consisting of three Non-Executive and one executive directors.
- The management of the company is skilled and experienced in the field of Micro-Finance.
- Strong internal control systems have been developed and implemented.
- Strategies to attract and retain a talented workforce have been developed and implemented.
- All infrastructure to increase the client reach of the organization is already in place.

For more info contact:



