



Annual Report

March 2021

Financing Opportunities for the Poor and Underserved Small and
Medium Enterprises



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ACRONYMS

- AMA Afghanistan Microfinance Association
- APS Afghanistan Payments System
- CSPIs Community Savings Promoting Institutions
- DFS Digital Financial Services
- DIME Development Impact Evaluation Group
- EMIs Electronic Money Institutions
- IADC Italian Agency for Development Cooperation
- IFAD International Fund for Agriculture Development
- MFI Microfinance Institution
- MNOs Mobile Network Operators
- OSS Operational Self-Sufficiency
- PAR Portfolio at Risk
- POS Point of Sale
- PSPs Payment Service Providers
- SME Small and Medium Enterprise
- TUP Targeting the Ultra Poor

In addition to providing the interest waiver, financial institutions have taken some additional measures such as rescheduling loans in order to provide further relief to their struggling clients.



BOARD OF DIRECTORS



**Mr. Popal Habibi,
Chairman**

Mr. Popal Habibi is currently serving as the Deputy Minister of Programs at Ministry of Rural Rehabilitation and Development (MRRD) and MISFA's Chairman of the Board of Directors. Previously, he has worked in different capacities for many national and international organizations namely High Peace Council (HPC), USIP, UNDP, GIZ, IRC and SCA.

Mr. Habibi holds a master degree in applied community development from Future Generation University United States of America, an Executive MBA from Preston University Pakistan, MD in General Medicine (V years) from Ningharhar Medical Faculty and certifications in communications, project management and IT. Mr. Habibi's core competencies include Program and Policy design and management.



**Mr. A. Habib Zadrán,
Vice-chairman**

Mr. Abdul Habib Zadrán is currently serving as Deputy Minister - Finance of Ministry of Finance (MoF) and the Senior Advisor to H.E. Minister of Finance on Cost Saving in Security and Defense Sector.

Mr. Zadrán has broad experience in Management, finance, accounting, procurement, banking and donor relations. Mr. Zadrán has filled a number of roles for the Government of Afghanistan, Donor Agencies and the Private Sector. He has obtained his Master's in Business Administration (MBA) with specialization in Finance and his Bachelor's degree from Punjab University of Pakistan.



Ms. Manizha Wafiq, Member

President and Co-founder of Afghan Women Chamber of Commerce (AWCCI); Ms. Manizha Wafiq has over 16 years of experience in women's empowerment and gender equality, working with international, government and non-governmental organizations. She has earned her MBA degree from the American University of Afghanistan (AUAF).

Ms. Wafiq is the winner of several prestigious awards including Enterprising Women Magazine from the United States, and Leadership from the National Business Association of the U.S. and Young Activist Award from the Afghan Women's Network and the Afghan Lower House of the Parliament.



**Mr. Bijan Osburg,
Member**

Mr. Bijan is a senior banking executive and advisor with more than 16 years of experience in the MSME sector development and 8 years of executive management experience in regulated and non-regulated financial institutions in Latin America, MENA region, East Africa and Eurasia regions.

In addition to his wide-ranging experience and executive knowledge Bijan has completed numerous specialized training programs including, most recently, the American Bankers Association's Stonier Program at The Wharton Business School, University of Pennsylvania.



**Mr. Anand Raman,
Member**

Mr. Anand Raman has 26 years of leadership experience in inclusive finance, mobile telecommunications, and information technology businesses. As a consultant to CGAP he has published several technical and policy blogs and led work on national payments infrastructure.

He holds a Master's degree in International Public Policy from Johns Hopkins SAIS, Washington D.C., USA, and a Bachelor's in Electrical Engineering from IIT Roorkee, India.



**Ms. Frances Toomey,
Member**

Ms. Frances Toomey Mys is a development finance expert with over 25 years' practical and comprehensive international experience building and growing financial institutions' financial and business development services targeted to micro, small and medium-sized enterprises.

Ms. Mys is a senior expert in program design, development, implementation and operations of technical assistance, grant programs and fund management for economic development projects. Her experience includes implementing projects funded by DFID, the World Bank/IFC, USAID, and the U.S. Peace Corps. Ms. Mys has an MBA from the University of Cincinnati.

FROM THE CHAIRMAN OF THE BOARD

The year 2020 will forever be remembered in history as the year that a pandemic paralyzed the world. The socio-economic impact of Covid-19 will long be felt, even by the most developed countries.

For Afghanistan and its people, the pandemic and its devastating effects are yet another setback to pile onto a rising stack of seemingly insurmountable challenges. Afghans living in poverty -- and those on the brink of it -- prior to the pandemic, will need a safety net now more than ever to protect them from falling down the abyss of abject poverty.

It is the quiet but steady work that MISFA and its partners have been doing that is giving some hope to the vulnerable Afghans participating in MISFA programmes and projects. Whether it's the clients of microfinance institutions (MFIs) supported by MISFA, or Afghan women participating in the Targeting the Ultra Poor (TUP) project, MISFA's role in financial inclusion and poverty reduction is all the more relevant now and in the coming years.

On behalf of my fellow Board Members, I would like to take this opportunity to express my deep gratitude to the hard work and dedication of MISFA's leadership and staff and those of its implementing partners. They have been tirelessly working to support the financial needs of low-income Afghan families, even though they themselves are struggling with the multitude of security, environmental and health challenges in the country.

Our heartfelt thanks also go to the World Bank for its unwavering support to the Government of Afghanistan and to MISFA in particular, through the multi-year Access to Finance Project that has been providing critical help to hundreds of thousands of vulnerable Afghan men, women, and children.

With the continued support of the donor community, we remain hopeful. THANK YOU!

Sincerely,



Popal Habibi
Chairman, MISFA Board of Directors



To date, more than 16,000 ultra-poor families in the poorest, most insecure provinces of Afghanistan have benefited from participating in the 24-month long, intensive intervention.

A MESSAGE FROM MISFA'S MANAGING DIRECTOR

The devastating effects of Covid-19 on Afghanistan will be felt for years to come. For MISFA, the impact of a sudden shock such as the global pandemic underlines the importance and urgency of financial inclusion. As a globally accepted development strategy, financial inclusion feeds into local economy stimulation, private sector and market-driven growth and job generation.

MISFA's focus on institutional strengthening of the development finance sector actors for more than a decade now has proven to be invaluable in building the resilience of institutions mandated to facilitate poor Afghans' access to finance. In the face of a sudden shock, such as Covid, our MFI partners held up and protected their clients from catastrophic losses.

This annual report underlines the value of MISFA as an apex organization providing the requisite support to partners to facilitate access to finance, even in the face of major disruptions to their operations and their clients. It highlights the ongoing capacity building efforts of MISFA to ensure that its partners, suppliers of microfinance and SME loan products and services, are part of the larger financial ecosystem of Afghanistan that is now being digitalized towards inter-operability. The inter-operability of the country's entire financial architecture, including mobile network operators, electronic money transfer agencies, and the development finance institutions, would bring about cost-efficiency and cost-effectiveness, as well as systems security and agility. Moreover, this would facilitate future outreach and growth for our MFI partners, and a more diversified set of products and services.

I would like to take this opportunity to acknowledge the immense support of the World Bank, whose long-standing collaboration with MISFA and the sector, through the Access to Finance project, has been invaluable.

MISFA has also been incredibly fortunate for having a resolute Board of Directors, loyal staff, and a set of dedicated MFI partners committed to serving their clients through the challenges of the past year, and the years prior. Together, they have led MISFA and the sector to become a strong partner of the Government of Afghanistan in ensuring that the often underserved low-income population of the country have access to finance.

We look forward to helping a greater number of Afghan men, women, and the youth gain access to finance in the years ahead.

THANK YOU VERY MUCH TO ALL!

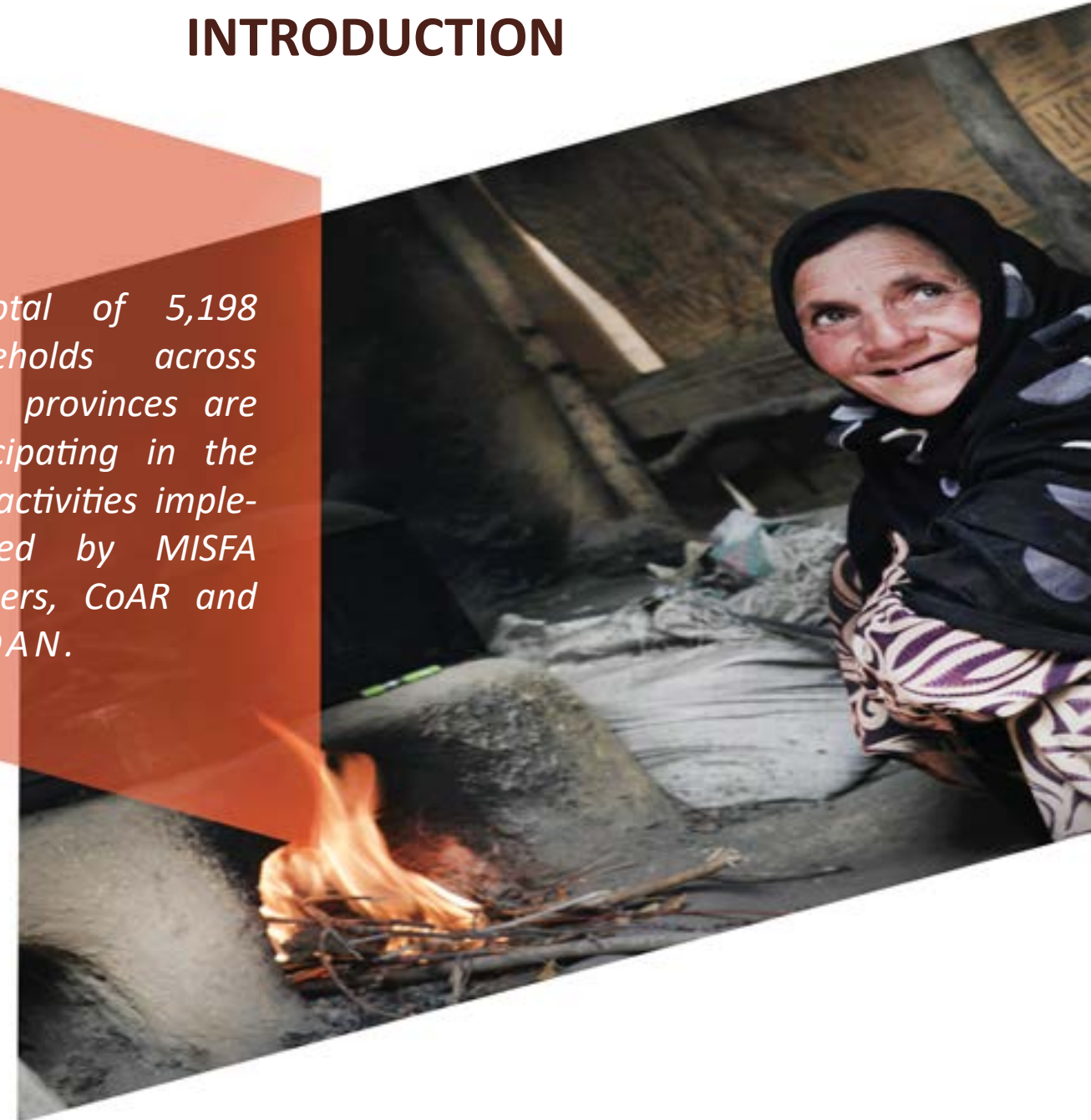
Sincerely,



Bahram Barzin
Managing Director

INTRODUCTION

A total of 5,198 households across these provinces are participating in the TUP activities implemented by MISFA partners, CoAR and WADAN.



This report provides an overview of MISFA's core programs, Microfinance and SME Lending and Targeting the Ultra Poor (TUP) project.

Section 1 gives an overview of the key development finance indicators as represented by the consolidated portfolio of MISFA's implementing partners by end of the reporting year. It also shares key indicators and targets of each MFI partner, and outlines their capacity building efforts. These include each MFI's integration into the Afghanistan Payment System, as well as their ongoing development and rollout of new products and services, including SME lending.

Section 2 provides a brief update on the Targeting the Ultra-Poor (TUP) project's ongoing graduation initiatives in Parwan and Nangarhar Provinces.

MISFA's CORE PROGRAMS

Box 1. Program Overview

1. Microfinance and SME Lending. MISFA promotes financial inclusion by supporting the development finance sector of Afghanistan. MISFA does this by strengthening microfinance institutions (MFIs) and facilitating their growth and sustainability to provide loan products and other financial services to low-income Afghan men and women.

2. Targeting the Ultra-Poor (TUP). MISFA assists rural households, mostly those headed by women, through this intensive graduation program that helps participants become active contributors to the local economy. TUP is focused on assisting rural women in abject poverty, recognizing that they play a role in Afghanistan's agriculture value chain, but are often excluded from financial services.

precautions, such as mandatory wearing of masks and social distancing.

In addition to providing the interest waiver, financial institutions have taken some additional measures such as rescheduling loans in order to provide further relief to their struggling clients. In addition, MISFA also saw to it that investments in MFIs' capacity building, through the Access to Finance (A2F) Project, continue.

The downturn trend in the sector and partner indicators following March 2020 was inevitable, but the early intervention by MFIs and communications with their clients helped cushion the impact of Covid-19. MISFA will be drawing lessons from the past year to continue strengthening partners' preparedness and risk mitigation against future shocks.

1.1 Sector Performance: A Snapshot

For this reporting year, MISFA's partner institutions disbursed a combined total of 88,926 loans worth around AFN 7.9 billion for the year ending 31 March 2021. MFIs' overall portfolio-at-risk greater than 30 days (PAR>30 days) is 7.3 percent as of March 2021, compared to 4.9 percent in the previous year; while Operational Self-Sufficiency (OSS) was at 100.9 percent, compared to 105.4 percent by end of March 2020.

The number of active borrowers decreased by more than 15,000 during the critical months of April, May, and June 2020, due to the impact of the Covid-19 lockdowns on the local economies. Notably, women's businesses did not seem to be as adversely affected as those of male borrowers, with the number of women borrowers remaining steady.

Table 1. Sector Key Indicators 2020-2021

Key Indicators	March 2020	March 2021
Coverage by no. of Provinces	14	14
Coverage by no. of Districts	82	82
No. of Active Clients	278,970	281,030
No. of Active Borrowers	129,346	114,344
Gross Loans outstanding, AFN (billion)	8.5	8.0
Gross Loans outstanding, US\$* (million)	112.1	103.9
Women as % of Total Clients	30.3	29.6
Women as % of Total Borrowers	37.5	38.5
PAR > 30 days	4.9%	7.3%
OSS (Operational Self-Sufficiency)	105.4%	100.9%

* Based on the prevailing AFN-USD exchange rate.

1. Microfinance and SME Lending

Covide-19 Response

As an apex organization, in charge of strengthening the institutions that provide microfinance and small and medium enterprise (SME) financing to low-income Afghans, MISFA had to act swiftly in support of its partners and their clients in the early months of 2020 as the pandemic spread worldwide.

MISFA conducted bilateral consultations and customized business-continuity planning support with each MFI partner. The immediate objective was to communicate an important message with existing microfinance and SME clients, particularly those with consistent repayment records.

Clients needed to hear early on that compassionate arrangements would be applied; that disruptions from lockdowns and curfews may occur from time to time, but services would continue. While most businesses throughout the country closed down, a number of MFI branches in urban centers remained open to serve clients, enforcing pandemic



1.2 MISFA Partners Overview

MISFA's partner MFIs comprise 90 percent of the microfinance sector of Afghanistan, with the exception of the IIFC Group and Community-based Savings Promoting Institutions (CSPIs). IIFC Group and CSPIs are indirectly supported by MISFA through the Afghanistan Microfinance Association (AMA). CoAR and WADAN are national NGO partners in implementing the TUP project. MISFA has partnered with two commercial banks: Azizi Bank and Ghazanfar Bank, to expand their capacities to provide loan services to SMEs. MISFA is also supporting Ghazanfar Bank's product modification for women entrepreneurs.

As stated above, MISFA is able to support the microfinance sector as a whole through AMA, which serves not only MISFA's MFI partners, but also non-MISFA partners, IIFC Group and CSPIs. MISFA, being one of the founding members of AMA, has been providing technical and financial support to the Association since its inception in 2005. AMA extends support to its members in the areas of advocacy, coordination, and knowledge management.

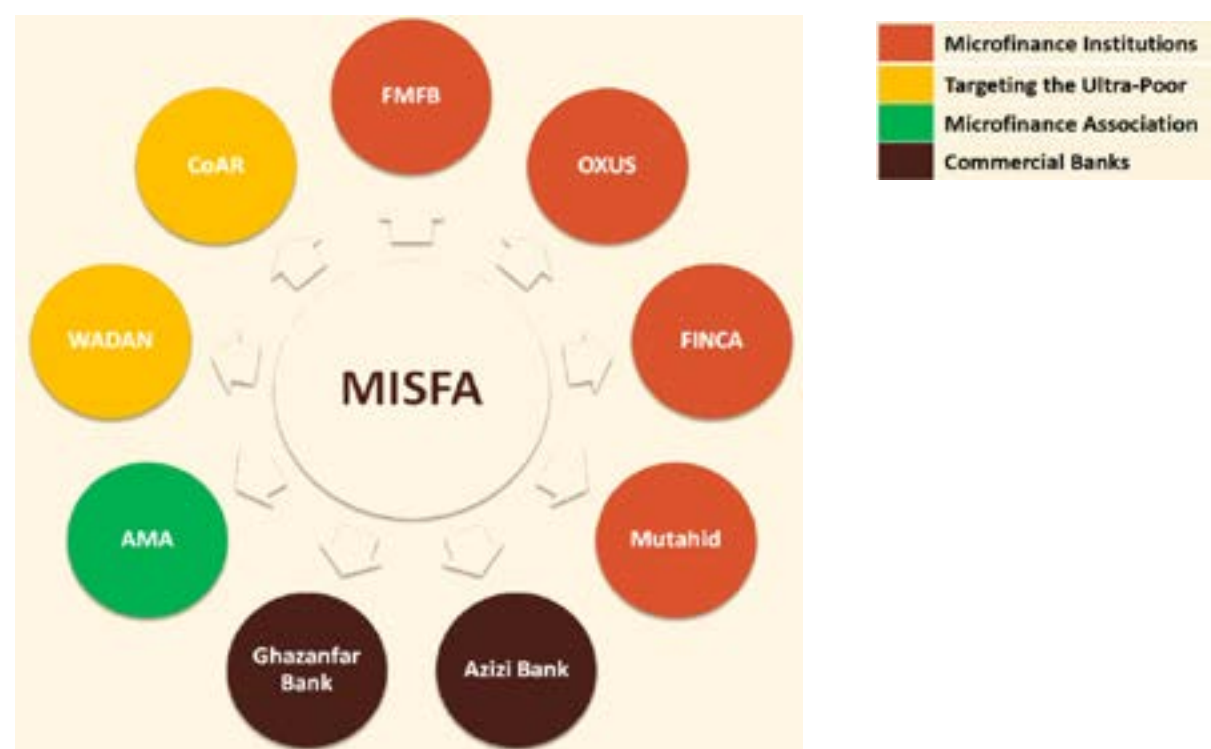


Figure 1. MISFA Partners by Year ending March 2021

1.3 MFIs' Key Indicators and Capacity Building

Overall, trade and services accounted for 43 percent of the total loans disbursed by MISFA's MFI partners combined; followed by the agriculture and livestock sector, 22 percent; handicrafts and manufacturing, 22 percent; housing loans, nine (9) percent; and others at four (4) percent. MISFA partners' overall portfolio remain concentrated in urban areas (79%), compared to rural areas (21%).

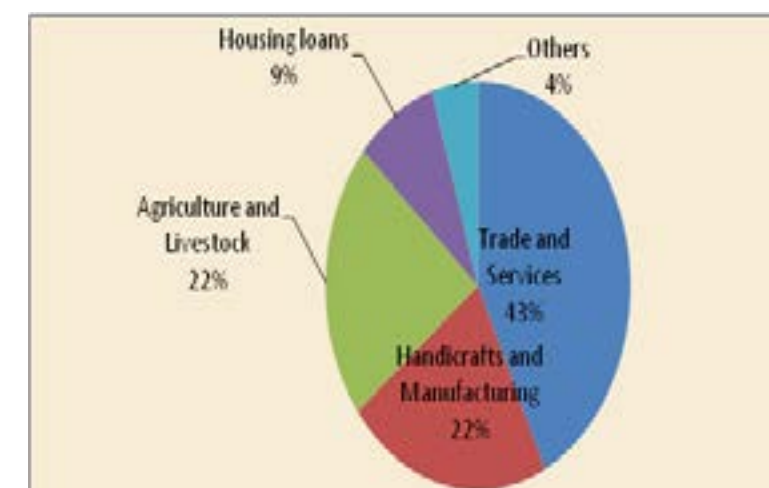


Figure 2. Portfolio Outreach by Industry

Under the agreement, the microfinance clients pay only the principal amount during the three-month period while MISFA pays the interest on behalf of each client to the MFIs accounts.

The provision of interest waiver ended in early 2021. The feedback from the field and the MFIs confirm the positive impacts of the initiative on both the MFIs and clients. Initial data shows that client satisfaction has increased with the widespread perception of MISFA and MFIs as helpful resources during this time of need. "We thought that MFIs will push us for our repayments," said Setara, a microfinance client, "but in fact this was not the case. They care about us the most."

Out of the 53,954 clients receiving the interest waiver, around 10,000 of the beneficiaries (18%) received another loan and more than 30,000 of them became regular clients while they were in default during the lockdown period April-June 2020.

In addition to providing the interest waiver, financial institutions have taken some additional measures such as re-scheduling loans in order to provide further relief to their struggling clients. In addition, MISFA also saw to it that investments in MFIs' capacity building, through the Access to Finance (A2F) Project, continue.

Rural / Urban

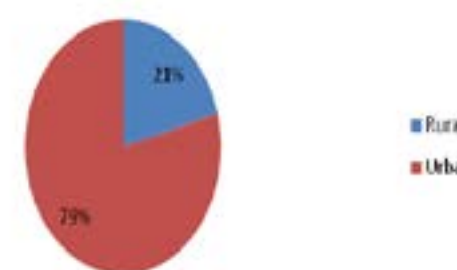


Figure 3. Rural/Urban Outreach

MISFA's partners were not immune to the havoc caused by the pandemic on every industry and every business in Afghanistan. In general, Covid-19 had a negative impact on MFI partners' portfolio quality and overall performance.

To help maintain resilience during this tumultuous period, MISFA ensured that all its MFI partners had the capacity to provide Covid-19 crisis support grants to their most reliable clients. This response functioned as a safety net that protected clients from mounting losses and debt, and from forfeiting their good credit standing.

MISFA MFI partners

• First Microfinance Bank Afghanistan (FMFB-A)

Top-line indicators: FMFB is MISFA's largest partner. As a banking institution, it has consistently maintained operational sustainability. FMFB-A maintains an outreach to more than 53,000 active borrowers with a gross loan portfolio of around AFN 5.2 billion. FMFB has shown signs of improvements in its financial indicators during the last two quarters.

Key targets: Implementation of FMFB-A's Business Plan 2020-2024, including establishment of women-only branches; branchless banking; franchise framework for branch expansion; e-banking products.

Capacity building to date: FMFB-A has received MISFA grants for the following:

(i) institutional and staff capacity building on: operational risk management, SME product design, Finance for non-financial managers, operationalising mobile money, among others; (ii) technical assistance for Housing Loan product; (iii) Access to Finance for Farmers; (iv) YED (Youth Entrepreneurship Initiatives); (v) Software/hardware procurement and training on use of Audit Command Language (ACL), biometric solutions (vi) strengthening bank's trade and finance products; (vii) APS integration; and (viii) phased Covid-19 Crisis Support.

• FINCA-A

Top-line indicators: FINCA has regained its operational sustainability in the face of continuing challenges from the effects of Covid-19. FINCA maintains an outreach of around 22,000 active borrowers with a gross loan portfolio of around AFN 1 billion.

Key targets: Implementation of FINCA's Business Plan for fiscal year 2021. FINCA is bringing some changes to its operational processes; for example, introducing parallel teams, with one dedicated only on disbursement functions, and the other on collections. Other activities, in addition to the Covid-19 crisis support grants, include: enhancement of its customer relationship management; initiation of projects under its Digital Field Automation and Centralized Underwriting Unit; integration into the Afghanistan Payment System. MISFA is also supporting FINCA on developing its agriculture loan product.

Capacity building to date: FINCA has received MISFA grants for the following:

(i) institutional and staff training, technical assistance on SME function; (ii) improvement of operational efficiency with use of technology, including on Customer Relationship Management and Digital Field Automation and Centralized Underwriting Unit; (iii) feasibility assessment of FINCA as a deposit-taking MFI; (iv) Internal audit team capacity building, plus installation of audit software; (v) APS integration; (vi) phased Covid-19 Crisis Support, (vii) Agriculture Product Development.

• OXUS-A

Top-line indicators: OXUS remains operationally sustainable and has managed to bring down its 30-day portfolio-at-risk (PAR>30 days) ratios despite pandemic restriction and lockdowns. OXUS maintains an outreach to more than 23,500 active borrowers with a gross loan portfolio of around AFN 1.2 billion.

Key targets: Implementation of OXUS' Business Plan for fiscal year 2021. Like other MISFA partners, OXUS is also integrating into the APS. MISFA's funding to OXUS is facilitating the completion of its biometric authentication project, and its system-wide transition into paper-less loan processes. MISFA's support to OXUS is also channeled to the establishment of women-only branches. In addition, its Women Entrepreneurship project is ongoing.

Capacity building to date: OXUS has received MISFA grants for the following:

(i) institutional and staff training, technical assistance for the establishment and strengthening of its SME Department; (ii) development of Sharia-compliant product; (iii) equipment and training for core banking system; (iv) business continuity and disaster recovery planning and implementation; (v) credit process optimization and documentation; (vi) market assessment for modification in existing loan products; (vii) strengthening HQ systems to support activity growth; (viii) development of WED (Women Entrepreneurship Initiatives); (ix) biometrics verification for client authentication; (x) transition into paper-less/tablet-based lending process; (xi) introduction of client credit scoring; (xii) implementation of mobile money wallets; (xiii) establishment of women-only branches; (xiv) APS integration; and (xv) phased Covid-19 Crisis Support.



• Mutahid-DFI

Top-line indicators: Mutahid is working on improving its key indicators; the Covid-19 pandemic has had a negative impact on its portfolio quality and operational sustainability ratios. Mutahid maintains an outreach to more than 15,400 active borrowers with a gross loan portfolio of around AFN 504 million.

Key targets: Implementation of Mutahid's Business Plan for fiscal year 2021; APS integration; rollout of its biometrics borrower authentication initiative; and capacity building.

Capacity building to date: Mutahid has received MISFA grants for the following:

Box 2. Integration of MFIs into the Afghanistan Payment System (APS)

Under the A2F project, MISFA has been supporting its MFI partners' transition into more digital operational systems. This includes building their technological and technical capacities to integrate into the APS, Afghanistan's national electronic payment switch, which would allow MFIs to utilize Digital Financial Services (DFS). DFS could also be provided by banks, and electronic money institutions (EMIs), such as mobile network operators (MNOs). Integration into the APS means MFIs would be able to interface with e-money providers through an inter-operable digital platform, that is the APS.

The lack of inter-operability has been a hindrance to MFIs' outreach and their expansion of services and customer base. By integrating into APS, MISFA partners will be able to offer the following digital financial services:

- **Branchless Banking:** delivery of financial services outside conventional branches by using technology channels, such as smart cards, POS, ATMs, mobile phones; and
- **Mobile Banking:** Incorporating mobile money (e-wallets), and mobile payments.

These two components of DFS provide opportunities for MFIs to reach scale, tapping into large populations comprising the poorest socio-economic groups, including those in rural areas. Moreover, they offer clients a more flexible, diversified, and convenient set of services.

- (i) institutional and staff training, including strengthening of IT, SME, and internal audit functions;
- (ii) development of Sharia-compliant product; (iii) biometrics for borrowers' authentication; (iv) APS integration; and (v) phased Covid-19 Crisis Support.

MISFA Bank Partners

• Azizi Bank and Ghazanfar Bank

Capacity building to date: Both these bank partners of MISFA have received grants for their efforts to strengthen and expand their capacities to serve small and medium enterprises (SMEs). Ghazanfar Bank received additional grant for product modification in support of women entrepreneurship.



It is the quiet but steady work that MISFA and its partners have been doing that is giving some hope to the vulnerable Afghans participating in MISFA programmes and projects.

2.Targeting the Ultra-Poor (TUP)



MISFA will continue to advocate for funding to scale-up the TUP program in the years to come, especially given the long-term socio-economic impact of the global pandemic and the shifting political dynamics on the most vulnerable Afghans.

With the generous support of donors, including the World Bank, IFAD, and IADC, MISFA and its implementing partners have been able to scale up TUP, its flagship graduation program that helps Afghans escape abject poverty. To date, more than 16,000 ultra-poor families in the poorest, most insecure provinces of Afghanistan have benefited from participating in the 24-month long, intensive intervention. However, TUP graduates are a mere fraction of the estimated 1.8 million ultra-poor households in Afghanistan.

Thus far, TUP projects have been implemented in Bamyan, Badakhshan, Takhar, Balkh, Laghman, Kunar, Herat, Kandahar, and Kabul provinces. TUP provinces are selected based on their poverty levels and the prevailing security situation. Another key prerequisite is the existence of financial institutions.

TUP projects in Afghanistan



Sl.	Provinces	No. of beneficiaries	% of female beneficiaries	Funded by	Status
1	Bamyan	400	100%	IFAD	Completed
2	Badakhshan	800	100%	IFAD	Completed
3	Badakhshan	560	100%	IFAD	Completed
4	Herat	1,725	100%	ISAME	Completed
5	Takhar	1,500	100%	WB	Completed
6	Mazar	1,500	92%	WB	Completed
7	Kunar	1,000	34%	WB	Completed
8	Laghman	1,000	46%	WB	Completed
9	Kabul	1,500	100%	WB	Completed
10	Kandahar	1,000	100%	WB	Completed

2.1 Scale-up to Parwan and Nangarhar

TUP has been scaled up to two more provinces, Parwan and Nangarhar, in addition to those above, with generous funding from the World Bank. A total of 5,198 households across these provinces are participating in the TUP activities implemented by MISFA partners, CoAR and WADAN. They are expected to graduate in mid-2021.

- **CoAR:** 2,138 TUP participating households in Parwan
- **WADAN:** 3,060 TUP participating households in Nangarhar

A comprehensive impact evaluation of the TUP program in Balkh province was conducted by the World Bank's Development Economics Impact Evaluation (DIME) team and published in 2019.

According to the DIME evaluation:

"The impacts reported in this study are the largest of any TUP program evaluated to date and compare favorably to the best-performing programs in Ethiopia, India, and Bangladesh (Banarjee et al. 2015, Bandiera et al. 2017)."

The DIME study also highlights the uniqueness of the TUP project in Afghanistan compared to those in other countries in that it primarily targets women, and that the project is "in a fragile and conflict-affected area, which is likely to be one of the most difficult settings to implement the program".

The full report is available on the MISFA website: <http://misfa.org.af/> and the World Bank Website: <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/855831560172245349/no-household-left-behind-afghanistan-targeting-the-ultra-poor-impact-evaluation>

CONCLUDING REMARKS

There is no other time in recent history when world societies experienced loss of human lives, jobs, savings, assets--all at the same time and at catastrophic levels. For Afghanistan as a nation, and for the most vulnerable among the Afghan population, such heavy losses have been an ongoing reality long before 2020. With the long-lasting socio-economic impact of the pandemic piled onto pre-existing vulnerabilities, and with the anticipated draw-down of coalition forces in September--the challenges to low-income Afghans are going to be enormous. Financial inclusion and other social safety net programs will be most critical.

MISFA's steadfast support to MFIs and the sector will continue to be an enabling factor for financial inclusion, as we have seen in the past year. The impetus to maintain the resilience of the sector is most crucial in the years ahead if MISFA is to ensure that Afghans in poverty maintain access to finance.



For this reporting year, MISFA's partner institutions disbursed a combined total of 88,926 loans worth around AFN 7.9 billion for the year ending 31 March 2021.



FINANCIAL OVERVIEW

MISFA Ltd. Overall Financial Summary	
For the period from April 1, 2003 to December 20, 2020	
	01 Apr 2003 To December 20, 2020
	AFN'000
INCOME STATEMENT	
Interest & similar income	5,608,681
Operating grants	234,197
Other income	48,299
Total operating income	5,891,178
Administrative & other expenses	(3,820,696)
Operating profit / (loss)	2,070,482
Income tax expense on taxable profits	(396,605)
Operating profit / (loss) after tax	1,673,877
Grant income (grants for loan funds or MFI grants)	13,165,150
Exchange gain / (loss)	45,990
Grant expenditure (grants to MFIs for operating or equity)	(5,061,767)
Provision against loans and advances to MFIs & Banks	(1,582,987)
Provision for MFI shut-down costs	(39,638)
Finance cost (For IDA Credit)	(316,051)
TOTAL COMPREHENSIVE INCOME	7,884,573
CASH FLOW	
Inflows:	
Total comprehensive income	7,884,573
Share capital	100
Long-term loans	800,000
Total inflows	8,684,673
Outflows:	
Net Loans and advances to MFIs & Banks	2,263,549
Loan note investments in MFIs	(98,336)
Investments	-
Operating fixed assets	(51,245)
Working capital (amounts receivable)	7,662,164
Total outflows	9,776,132
NET CASH FLOW	18,460,806
Opening cash & bank balances	-
CLOSING CASH & BANK BALANCES	18,460,806
Source: MISFA audited financial statements covering the period April 1 2003 to December 20, 2020	



 Microfinance Investment Support Facility for Afghanistan (MISFA): House # 195, Esmat Muslim Street, Sharher Naw, Kabul-Afghanistan

 info@misfa.org.af  www.misfa.org.af