

# Moldova Annual Report 2022

# 10ani



## Mikro Kapital

CREDEM ÎN TINE!

Chişinău

Orhei

Bălţi

Soroca

Drochia

Edineţ

Ungheni

Căuşeni

Comrat

Cahul



## Key facts about the company

**OCN "Mikro Kapital Company" SRL** (further Mikro Kapital Moldova) is a non-bank credit organization that provides loans to micro and small enterprises and private individuals in the Republic of Moldova. Mikro Kapital Moldova is part of Mikro Kapital Group (registered in Luxembourg). At December 2022 year Mikro Kapital Group had about 1.25 bln EUR assets under management with operations in 15 countries and employing about 3,500 staff worldwide. Mikro Kapital Moldova is 100% owned by Alternative Fund – one of the securitization funds managed by Mikro Kapital Management.

In April 2023, Mikro Kapital Moldova turned 10 years since its foundation. In March 2023, the company had 76 employees and 11 branch offices that cover the major territory of Moldova. Since the company's creation, more than 9,500 loans, or 97 mIn EUR were disbursed.

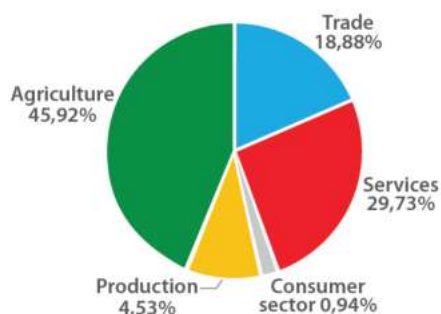
Table: Company's performance during the last five years, amounts in EUR, 2018-2022 are audited data.

Indicator	2018	2019	2020	2021	2022
Loan Portfolio	11 048 742	14 400 427	17 597 920	22 239 523	30 360 712
Disbursement	10 623 828	12 243 764	13 933 486	19 942 299	23 662 215
Average disb.	10 079	9 433	10 476	12 825	12 800
Company's profit	411 367	251 351	388 382	880 883	863 249
PAR 30+	1,37%	2,35%	2,80%	3,60%	5,20%
Equity	2 460 552	2 992 450	4 037 239	6 183 967	6 469 697
ROE	16,70%	7,90%	11,5%	16,9%	13,7%

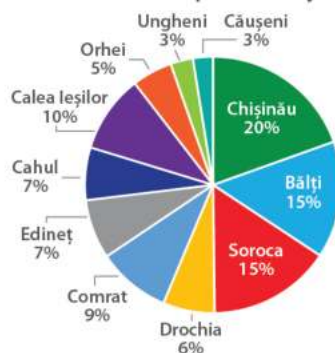
**Mikro Kapital Moldova** offers a range of solutions to our clients considering the individuality of every business. The financing is provided in the form of:

- Loans for business (for micro and small business clients)
- Loans for agribusiness (for farms and agro companies)
- Loans "Home" (to improve living conditions by purchasing apartments/houses)
- Rapid loans (fast track loans) (small working capital needs, acquiring of small value fixed assets, other purposes)
- Consumer Loans.

### The breakdown of portfolio by client's sector



### The breakdown of portfolio by branches

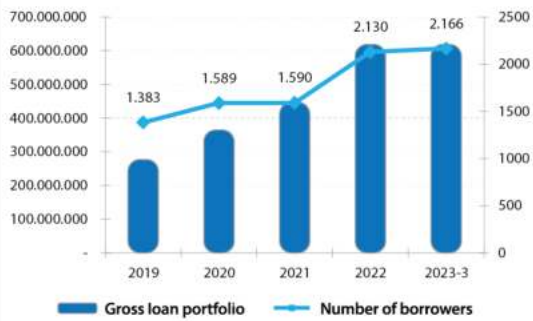


## Some outreach data

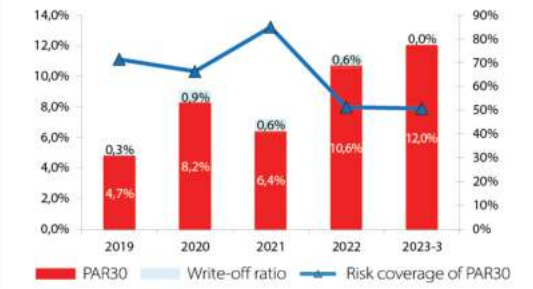
- About 46% are clients from the agricultural sector;
- 35% of clients are women;
- 55% of clients are from rural areas;
- Female staff – 76%.

## Operational and financial results

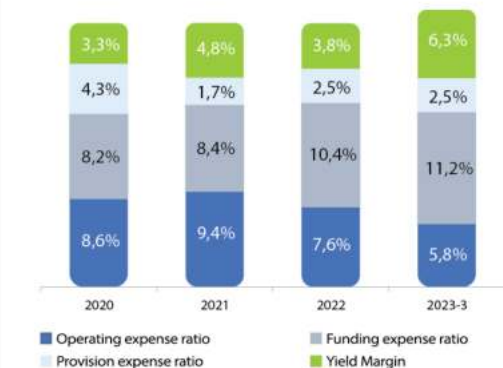
Portfolio size, MDL



PAR 30+ rescheduled and risk coverage



Break-down of Portfolio Yield



The 2022 year was positive for Mikro Kapital Moldova despite a challenging environment. If in 2021 year, the portfolio reached a growth of 22,5% in comparison with the end of the 2020 year, during the year 2022, the growth has strengthened even more and the GLP increased by 38% as of December 2022, from 447 mln MDL to 619 mln MDL. In 2021 year, the number of borrowers stagnated. But in 2022 year, the number of borrowers increased by 30%, up to 2,130 clients.

In the second half of 2022, the portfolio quality started to deteriorate, however. This was caused by a very complicated regional context (Russian invasion in Ukraine), unprecedented inflation, disruption in the inflows and outflows of goods to/and from Moldova, and a heavy drought in some areas of the country. Thus, the PAR>30 days + rescheduled/restructured loans increased to 10.6% (of which PAR>30 only - 5.2%) at EoY 2022. After some further increase in Jan-Feb, this indicator stabilized at 12% by March 2023, of which PAR>30 days - 6.2%.

The risk coverage level (for PAR >30 days + rescheduled loans) dropped to about 50% by the end of 2022 or even slightly below 50% during Jan-Feb 2023. The risk coverage returned to above 50% level during March 2023 and shall be kept as such until later months of the current year.

About 60% of the portfolio is secured by collateral and almost all active loans bear a personal guarantee. The company maintained a portfolio yield in the 2022 year of about 24.3%. The breakdown of the portfolio yield is shown in the graph. During the same year, the operating expenses ratio decreased from 9,4% to 7,6% and continued the decreasing trend in 2023. This was because the relatively new branches reached a certain level of productivity. In December 2022, Mikro Kapital Moldova is in 5th place by Total Assets and GLP volume in the ranking of Non-bank Credit Organizations (NBCO) of Moldova. Three years ago, the company was standing in 8th place for the same indicators. However, in the ranking of NBCO mainly providing finance to businesses and entrepreneurs, Mikro Kapital Moldova is in 2nd place.



# Mikro Kapital

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