

Grameen Crédit Agricole Foundation and its partnership with OXUS



Introduction of Participants



Salim KHAN

CEO OXUS
Afghanistan



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CEO OXUS
Kirghizstan



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CEO OXUS
Tajikistan

Our dedicated team of CEOs



Philippe GUICHANDUT

Head of Technical Assistance
and Partnerships

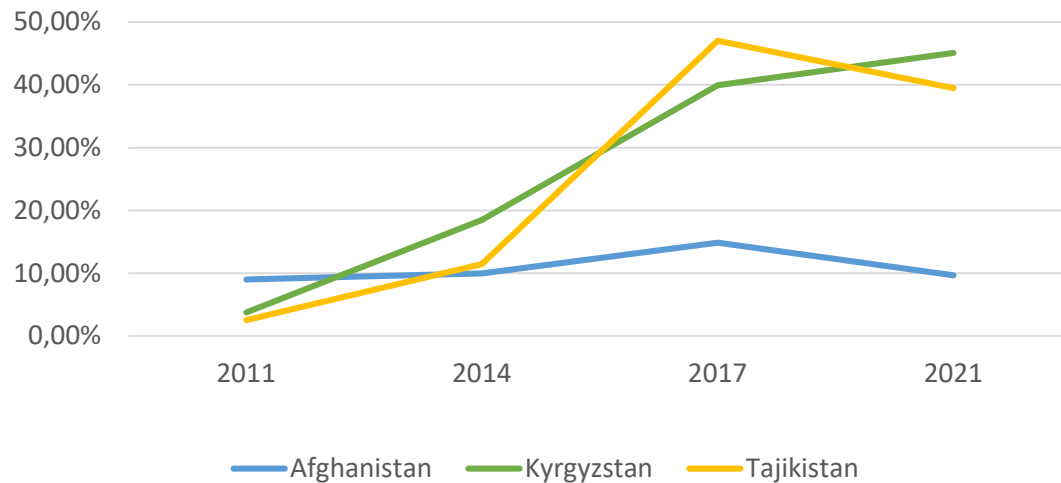
**Moderator of
today's discussion**

OXUS Network & its global partnership with Grameen Crédit Agricole Foundation

The role of microfinance in Central Asia

Adults with bank account (%)

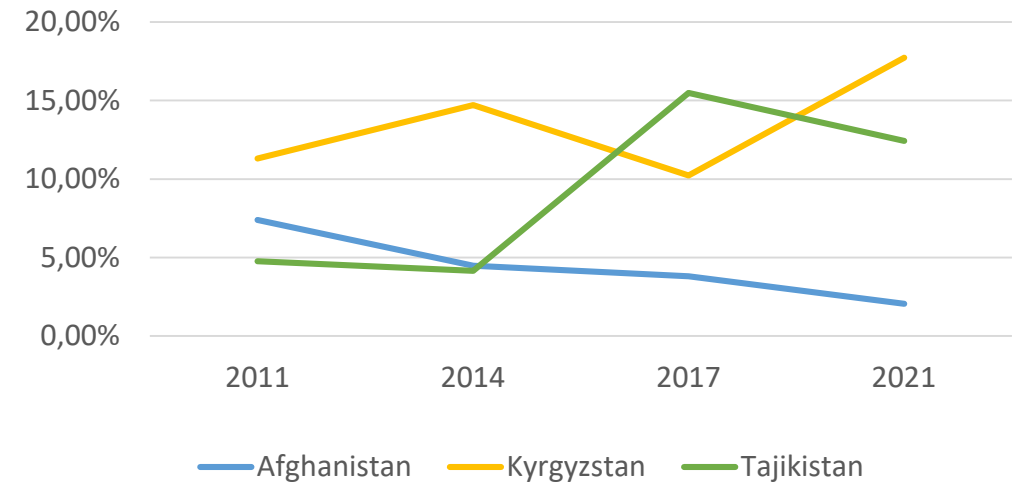
Source World bank



France is at 99% in comparison

Borrowed from a formal financial institution (%)

Source World Bank

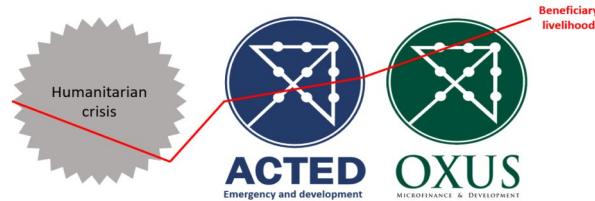


France is at 40% in comparison

OXUS Network in 2021

History

Created in 2005 at ACTED's initiative, OXUS is a microfinance network present in Central Asia that provides microcredits to workers excluded from the banking system.



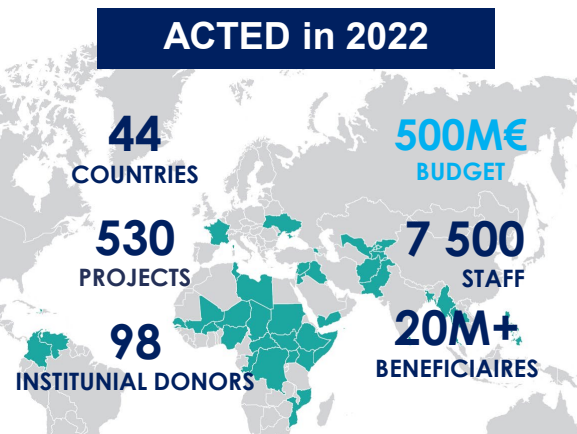
OXUS Mission

OXUS is a transparent and responsible enterprise engaged in providing financial services to the working poor and the underbanked. OXUS is dedicated to creating and offering the most efficient microfinance services and providing sustainable livelihoods to its beneficiaries.

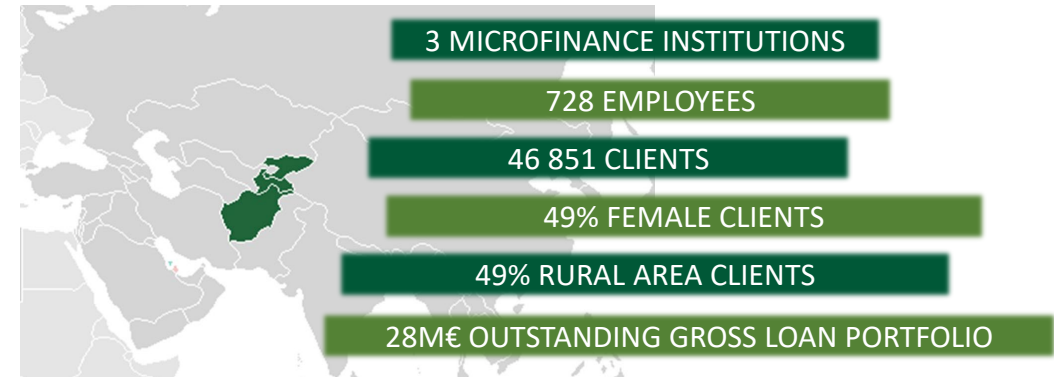
**ZERO EXCLUSION
CARBON
POVERTY**

ACTED

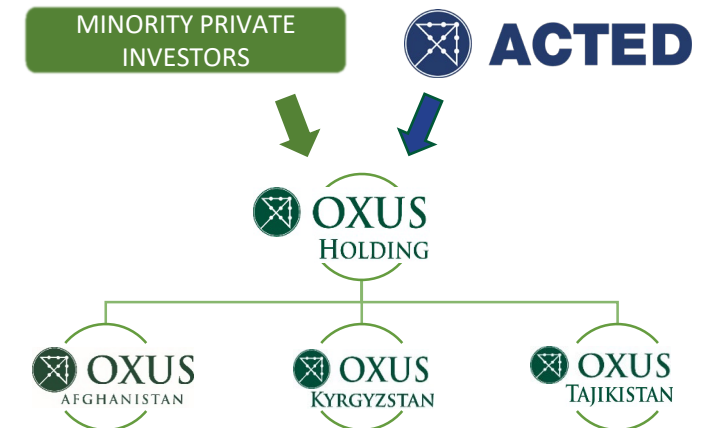
ACTED is an NGO responding to the humanitarian needs of populations in crisis while promoting and implementing opportunities for sustainable development. ACTED works to reduce poverty and exclusion and to promote an inclusive and sustainable economy.



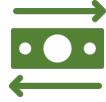
OXUS in 2021



Shareholder Structure



The relationship between OXUS Network and Fondation Grameen Crédit Agricole



Financial Support



Microfinance & Social Business

LENDS

 OXUS | KYRGYZSTAN

5 loans disbursed since July 2016 for a total of 3.7M\$

1 loan outstanding of 1m\$ equivalent

 OXUS | TAJIKISTAN

5 loans disbursed since January 2013 for a total of 4.3M\$

1 loan outstanding of 1.2m\$ equivalent



Technical Assistance through the « Solidarity Banker » Mission



Microfinance & Social Business

TECHNICAL ASSISTANCE

 OXUS | KYRGYZSTAN

Marketing

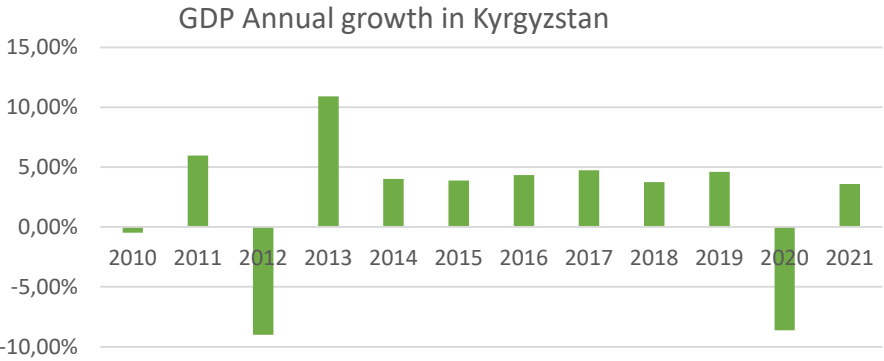
 OXUS | TAJIKISTAN

Collateral Assessment

OXUS KYRGYZSTAN

Kyrgyzstan in a snapshot

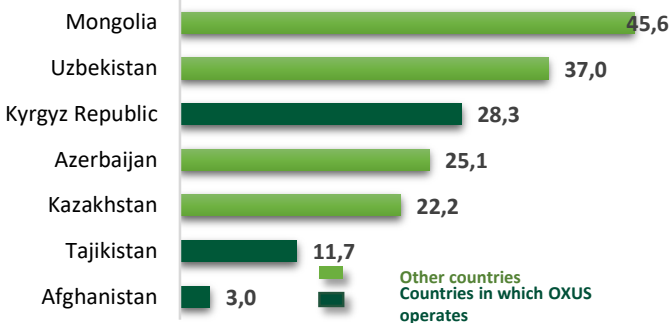
Kyrgyzstan is a lower-middle-income country with a lot of natural resources like minerals, woods, arable land, and pastures, as well as a strong potential for development in the tourism, hydroelectricity, and agriculture sectors. Kyrgyzstan has been severely impacted by the COVID-19 pandemic in 2020. GDP fell from USD 8.87 billion in 2019 to USD 7.74 billion in 2020. In 2021, the economy is gradually recovering from the COVID-19 crisis, with 3.6% growth in 2021.



Main industries of the Kyrgyz economy (in percentage of GDP in 2021):

- Agriculture (15%)
- Manufacturing (18%)
- Construction (8%)
- Services (45%)
- Other (13%)

Domestic credit to private sector in 2020 (%)



1.9%
Population growth (annual averaged last 4 years)

6.7 million
Total population

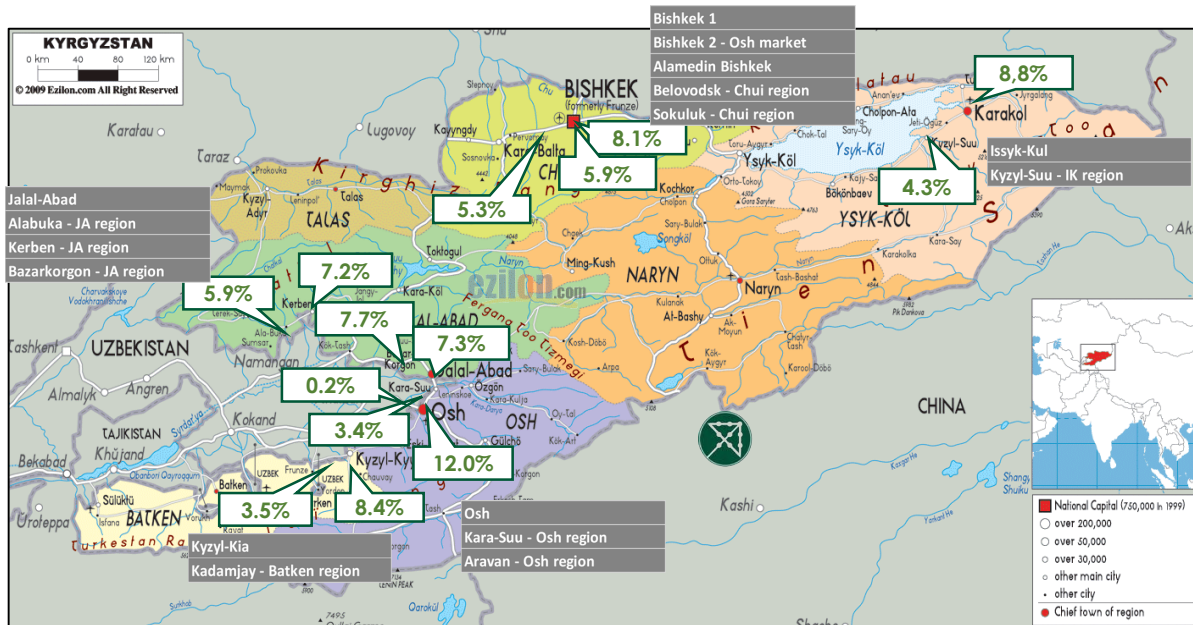
28.3% of GDP
Domestic credit provided by financial sector

25.2%
Poverty headcount ratio at national poverty lines (% of population)

OXUS KYRGYZSTAN



Founded in 2006, OKG operates primarily in rural and peri-urban areas of the country.



According to its social mission OXUS Kyrgyzstan mainly operates in rural areas of low credit penetration, with exceptions of Osh and Bishkek Cities, which are urban. Contrariwise, Naryn and Talas are completely excluded from OKG's geographical expansion strategy, as those two regions were already saturated with microfinance services (MIMOSA report).

OXUS Kyrgyzstan

in a few figures as of Dec. 2021



8.5M€ OUTSTANDING LOAN BALANCE



1 007€ AVERAGE DISBURSED LOAN SIZE



9 735 ACTIVE CLIENTS



52% WOMEN CLIENTS



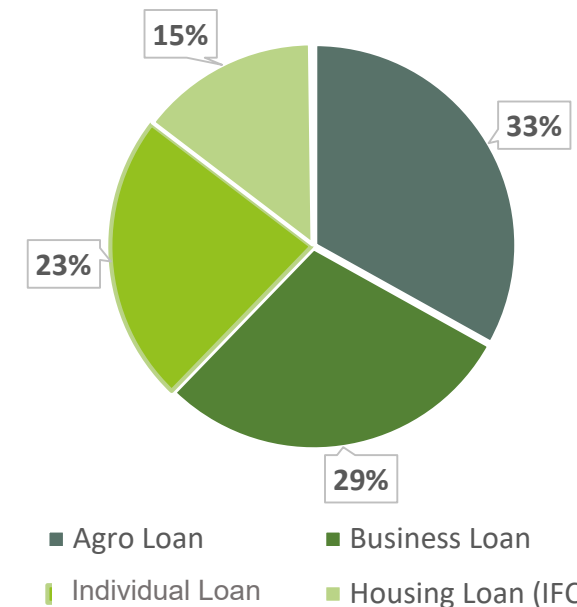
64% RURAL CLIENTS



134 EMPLOYEES



15 BRANCHES



OXUS KYRGYSTAN

Solidarity Banker Program

The Technical Assistance Support provided by Solidary Banker Program of Crédit Agricole

Marketing expertise sponsorship to a microfinance institution in Kyrgyzstan

Objectives of the program

- ✓ To create a Loyalty program document which will increase a retention rate of client with institution
- ✓ To produce the marketing plan for 2021
- ✓ To support the sales management system of financial products, which will allow better managing sales of financial services, including pricing for financial services.

Feedback from OXUS Kyrgyzstan



“The marketing plan allowed the company to structure the resources allocated to marketing activities in a more efficient way.” *Denis Khomyakov*



Bishkek, Kyrgyzstan



14-days field mission
3rd to 17th Oct. 2021



Marketing



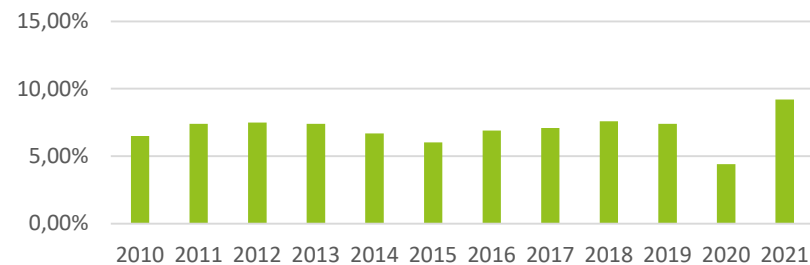
OXUS TAJIKISTAN

Tajikistan in a snapshot

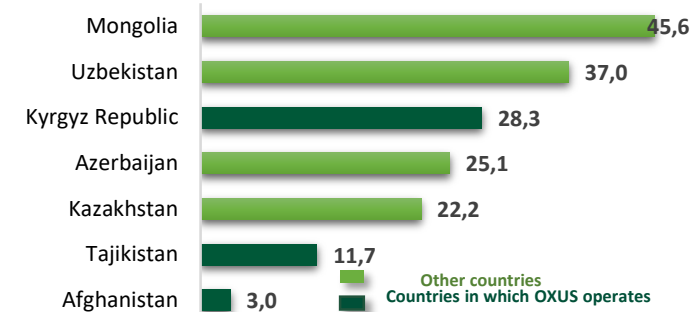
Tajikistan is Central Asia's smallest country, landlocked and mountainous. It has made steady progress in reducing poverty and growing its economy over the last decade. This has been accomplished through an increase in precious metals exports and a significant increase in domestic demand. Remittances represent over 25% of Tajikistan's GDP.



GDP annual growth in Tajikistan



Domestic credit to private sector in 2020 (%)



2.2%

Population growth (annual averaged last 4 years)

9.8 million

Total population

13% of GDP

Domestic credit provided by financial sector

26.3%

Poverty headcount ratio at national poverty lines (% of population)

OXUS TAJIKISTAN

Founded in 2005, OXUS Tajikistan, the historical subsidiary of the OXUS network, operates mostly in rural areas.



OXUS Tadjikistan
in a few figures as of Dec. 2021



11.9M€ OUTSTANDING LOAN BALANCE



971€ AVERAGE DISBURSED LOAN SIZE



14 966 ACTIVE CLIENTS



37% WOMEN CLIENTS



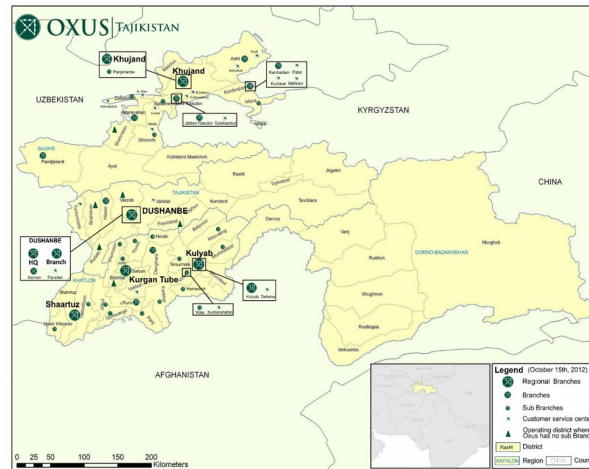
81% RURAL CLIENTS



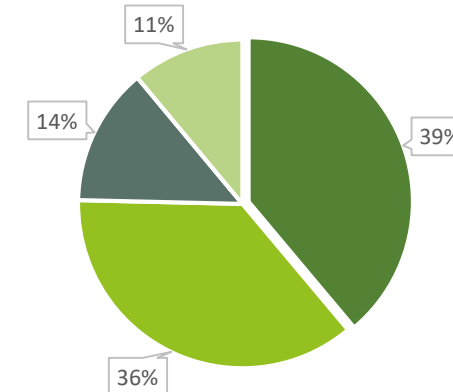
203 EMPLOYEES



27 BRANCHES



Typology of OTJ microcredits



- Small and Medium Enterprises (SMEs)
- Agriculture
- Livelihood & Development
- Financing for the acquisition of goods and services

Collateral assessment methodology

Objectives of the programme

- ✓ Analysis of the current methodology for assessing collateral
- ✓ Develop a new methodology for assessing collateral
- ✓ To train HQ level managers

Feedback from OXUS Tajikistan



“OTJ got a professional feedback on its current methodology for assessing collateral. We improved our procedure for assessing real estate collateral using two approaches (market and income) which has been developed by the consultant.” **Vatansho Vatanshoev**



Dushanbe, Tajikistan



7 to 10 days on the field
September 2021



Collateral assessment
methodology



Olivier Mancini, Crédit
Agricole du Languedoc's
Solidarity Banker

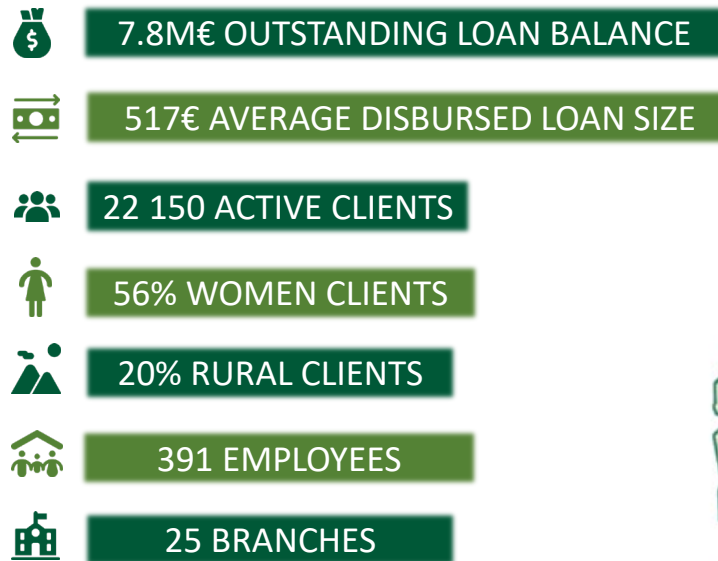
OXUS AFGHANISTAN

OXUS AFGHANISTAN

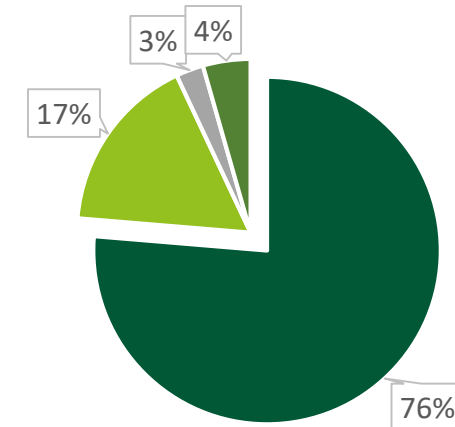
Founded in 2007, OXUS Afghanistan operates primarily in urban areas of the country, with a particular focus on woman lending



OXUS Afghanistan
in a few figures as of Dec. 2021



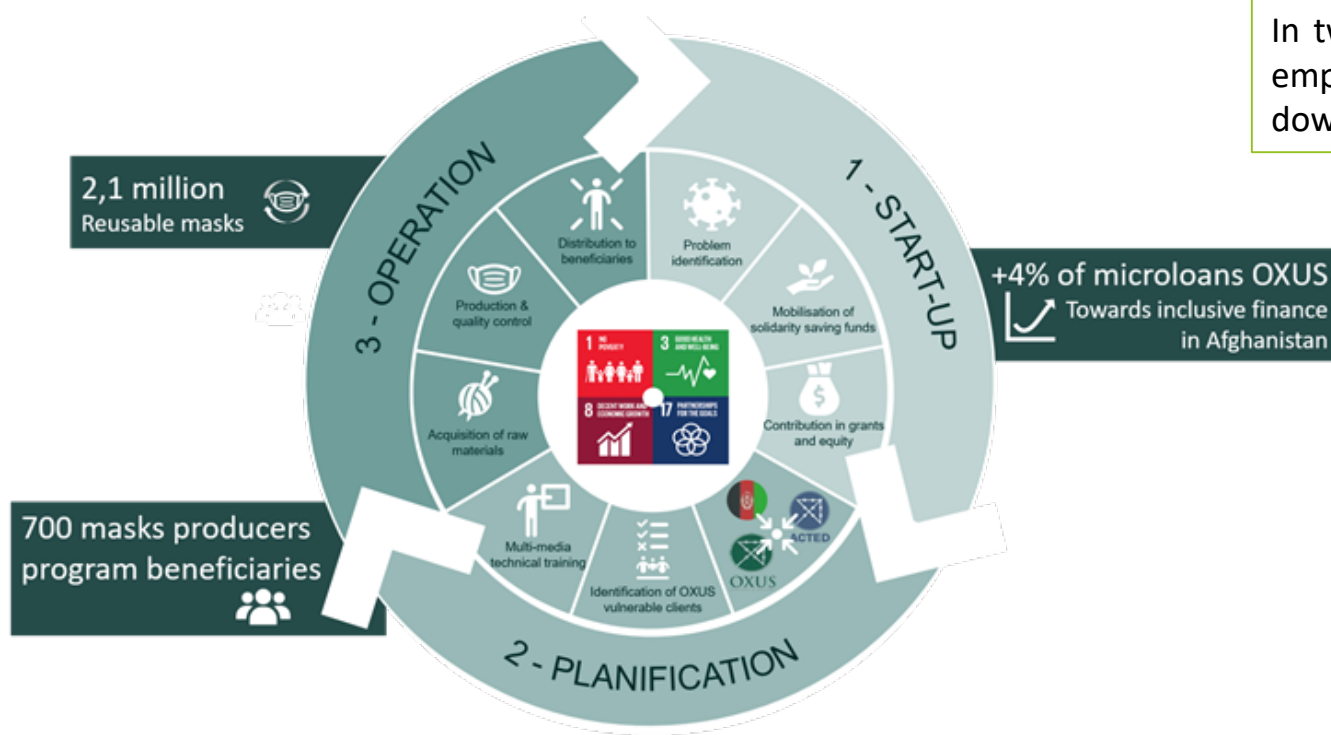
Typology of OAF microcredits



- Small and Medium Enterprises (SMEs)
- Agriculture
- Livelihood & Development
- Financing for the acquisition of goods and services

OXUS-ACTED's Mask Program in Afghanistan

OXUS participated to the livelihood of the population through the production of masks during the peak of the C-19 crisis



In two months, 2.1 million masks were produced, allowing the maintenance of employment for 700 micro-borrowers, and contributing to a progressive un-lock-down and the rebound of the local economic activity



Impact of the Ukrainian conflict For the MFI Sector in Central Asia

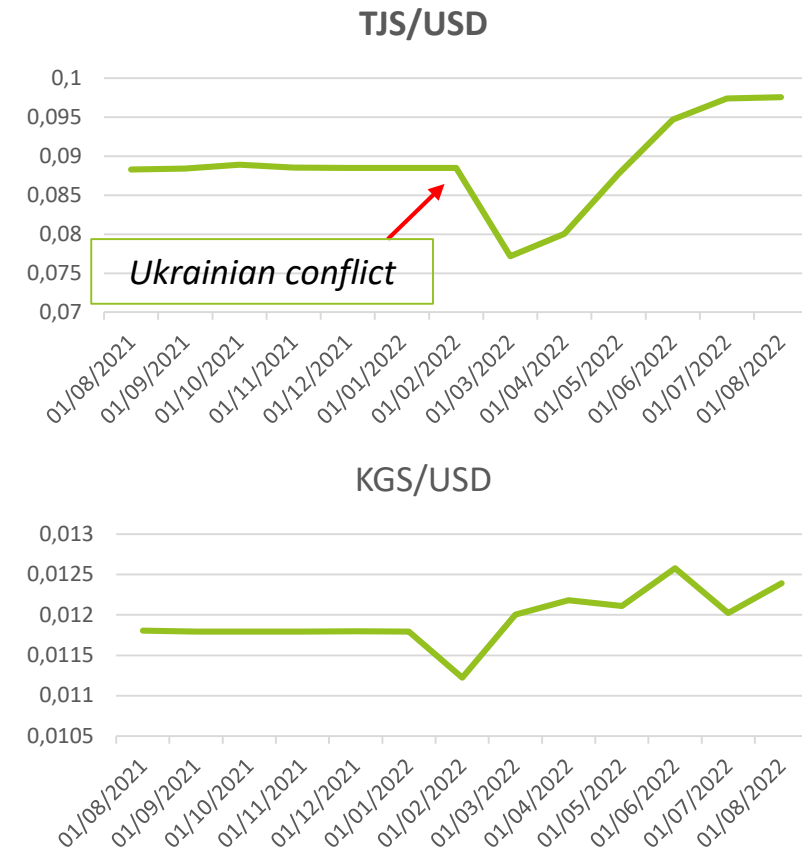
Macroeconomic impacts were not as strong as expected

GDP growth is expected in Kyrgyzstan and Tajikistan

After a GDP growth of **+3.6%** for Kyrgyzstan and **+9.2%** in Tajikistan in 2021, the World Bank reports a steady growth in 2022 with **+6.3%** since year beg. for Kyrgyzstan and a year forecast of **+2%** for Tajikistan.

Source: The World Bank, 2021

Impact of FX volatility



Source: Central Bank of Tadjikistan, Central Bank of Kirghizstan

Change of regime in Afghanistan

Impact on the Microfinance sector

Change of regime in Afghanistan Impact on the Microfinance sector

The Afghan microfinance sector faced an important setback because of the change in regime



The deterioration of the socio-economic conditions in Afghanistan has increased the number of non-performing microloans and decreased demand for new microloans.

World Bank expects real GDP per capita to decline by around 36 percent between end-2020 and end-2023, reversing all progress made since 2007.



Between July 2021 and August 2022, MFIs were not allowed to disburse classical microcredits.

The Afghan Microfinance Association (AMA) reports that the number of active microfinance borrowers decreased from 314 252 in June 2021 to 88 453 clients in June 2022. As a result, MFIs have lost their main source of revenue, interests on loans.

Change of regime in Afghanistan Impact on the Microfinance sector

Microfinance is resuming its activities and has an important role to play in the economic recovery of the country

In line with its mandate, ACTED Group has made the strategic choice to stay and support the Afghan populations and to continue its emergency relief activities through ACTED Afghanistan and its economic development assistance through OXUS Afghanistan.

OXUS Afghanistan supported its clients during the peak of the crisis by...

- Disbursing 57.2m AFN (650k\$ approx.) of interest free loans to 1,749 clients since December 2021. As of August 2022, none of these loans have entered PAR.
- Distributing 2 500 winter clothes to its most vulnerable clients between December 21 to February 22. The clothes were donations from OAF's employees.

As of end august OAF can resume its classical microfinance operations



OXUS Afghanistan can start disbursing Murabaha loans

Q & A

Thank You