



ANNUAL REPORT 2021

**BRAC MICROFINANCE
SIERRA LEONE (SL) LIMITED**



“

When people ask me now what BRAC stands for, I like to think that we stand for an idea- an idea of a world where everyone has an equal opportunity to realise their potential.

Sir Fazle Hasan Abed KCMG
1936-2019

TABLE OF CONTENTS



A Spirited Entrepreneur	1
Message from Chief Executive Officer	4

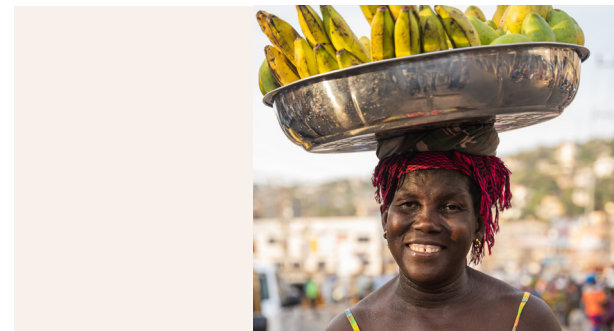


BRAC International Microfinance	5
Always a Way	7
About Us	8

BRAC Microfinance Sierra Leone(SI)	
Company Limited	12
Our Approach	13



2021 in Focus	14
Social Performance	15
Our Team	16



Our Donors and Partners	17
Financial Highlights	19



“

Getting up every day with the realisation that I can rely on BRAC for access to finance to grow my business is my biggest motivation.



A SPIRITED ENTREPRENEUR

Cecelia Mansaray is a businesswoman and mother of four children from Bo city. She is a trader of household utensils like plates, spoons, cups, flasks and other household items.

Cecelia's first business was selling 'Cassava and Gravy', a local dish popular in Bo City. She sold on the streets, moving from one place to the other. She then decided to expand into selling household utensils with her eldest son. Her son would carry a tray full of cups, spoons, plates, etc. on his head while Cecilia carried the cassava and gravy.

To boost her business, Cecelia took her first loan of USD 30 from BRAC in 2014. With this, she was able to expand her business by buying more products and streamlining her delivery. She has been a loyal client of BRAC for seven years now.

With her business expanding and increased sales, Cecelia has been able to buy land and build a house in the city of Bo. Her children now have access to quality education, and now all her four children are in school. Her eldest just sat the West African Senior Secondary School Examination and is preparing to join a university.



Shameran Abed
Executive Director
BRAC International

MESSAGE FROM BOARD CHAIRPERSON

Following the unprecedented challenges of COVID-19 in the last two years, we were able to considerably reduce the spread of the pandemic in 2021, through our collective efforts at the global and individual level. Countries opened up their borders and people returned to their physical and newly formed ‘hybrid’ workplaces. The global economy gradually began to return to its normal state.

For BRAC’s nearly 700,000 clients in 2021, 97% of whom were women, living mostly in poverty in the villages and urban slums of Africa and Asia, the year was about recovering and rebuilding livelihoods. We endeavoured to remain close to our clients offering information on health and safety and much-needed economic support to help them get back on their feet.

BRAC Microfinance Sierra Leone (SL) Ltd (BMSLL) continued on its growth trajectory in 2021. It reached 18,861 people by the end of the year, 96% of whom were women. It also opened three new branches, in hard-to-reach parts of the country, further expanding the umbrella of financial inclusion.

In 2021, BMSLL carried out its third annual Lean DataSM Impact Survey. Clients reported greater levels of financial resilience and stability, with a remarkable 95% of clients saying they earned more and 89% of clients reporting an overall

improvement in the quality of their life after engaging with BRAC. The results demonstrate the importance and impact of responsible financial services for people living in poverty, especially in times of crisis.

2022 will mark BRAC’s 50th Anniversary. From its humble beginnings in Bangladesh as a relief organisation to partnering with over 100 million people globally across 10 countries, it has proved to the world that impact can be delivered at scale. Our founder, Sir Fazle Hasan Abed, always reiterated that ‘small is beautiful, but scale is necessary’ and it will continue to be one of the guiding principles of BRAC as it sets foot on its ambitious target to reach 250 million people globally by 2030.

Though we have now become used to living with the pandemic, we are seeing other complex challenges emerge that transcend borders. The global food and energy crises, high inflation, and social and political unrest – all against the backdrop of a visibly changing climate – are already being felt in the places we work in. As a Global South organisation, I strongly believe that we need to follow the example of the communities we work with, and in particular, the women, who show amazing resilience and spirit in the face of incredible odds. As long as we stay true to our mission, and develop pragmatic, scalable solutions grounded in local realities, I am sure we will be able to create opportunities for people to realise their potential.



Rafiqul Islam
Chief Executive Officer

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

With the economic challenges that the COVID-19 pandemic brought, more of the population were plunged into poverty. BRAC Microfinance Sierra Leone (SL) Limited focused on reaching those living in poverty and in hard-to-reach areas, especially women, to help them rebuild their financial resilience.

In 2021, we continued to offer responsible financial services and expanded our reach by opening 3 new branch locations, bringing the total number of branches in Sierra Leone to 41 in 14 districts of the country. We also launched an agrifinance loan product for smallholder farmers, targeting cassava, vegetables, poultry and small ruminants farming. With the new initiative, a total of 7,207 farming clients were reached in 2021.

We conducted our third impact survey in partnership with 60 Decibels using Lean DataSM methodology. The survey found that 89% of clients improved their quality of life after engaging with BRAC. 95% of clients reported they earned more, 96% of clients planned their finances better and 95% of clients saved more. This annual exercise guides us in setting

targets and strategies to reach more people living in poverty and achieve long-term social impact for our clients.

These triumphs would not have been realised without the hard work of our colleagues, whose never-ending dedication and loyalty towards our clients are a testament to the values of BRAC. We are grateful to the Bank of Sierra Leone, the Ministry of Finance and Development Planning, and our partners, Whole Planet Foundation and KIVA, for supporting us in our journey to serve our clients.

Lastly, I want to thank our clients who continue to inspire us to carry on with our mission. Leaning on the strong bonds with our clients, partners and the government, BMSLL will continue to reach more people living in poverty with responsible, inclusive, and innovative products, to strengthen their resilience in the face of future crises.



BRAC INTERNATIONAL MICROFINANCE

BRAC has been one of the pioneers of microfinance since it first started in 1974. BRAC first expanded its microfinance operations internationally in 2002 and now operates in six countries outside of Bangladesh - Myanmar, Tanzania, Uganda, Rwanda, Sierra Leone and Liberia. Together, these six entities serve nearly 700,000 clients, 96% of whom are women.

BRAC International Microfinance's mission is to provide a range of financial services responsibly to people at the bottom of the pyramid. It particularly focuses on women living in poverty in rural and hard-to-reach areas, to create self-employment opportunities, build financial resilience, and harness women's entrepreneurial spirit by empowering them economically.

We offer inclusive, accessible, and convenient loan and savings products, tailored to the needs of the local community. Our core credit products include group-based microloans provided exclusively to women, and small enterprise loans for entrepreneurs seeking to grow their businesses.

We are a strong advocate of client-centric microfinance that includes adhering to the industry's Universal Standards for Social Performance Management and the Client Protection Principles, placing clients' well-being at the center of everything we do to achieve our mission. The client value proposition is at the core of our digital transformation efforts, with a particular emphasis on reducing the gap in women's digital financial inclusion.

BRAC believes that sustainable, large-scale change, must address and deliver both economic and social progress. Microfinance has been an integral part of BRAC's holistic approach to development, equipping people who would otherwise be excluded from formal financial systems with the tools to invest in themselves, their families, and their communities.

OUR REACH AND IMPACT

458k

borrowers

502k

savers

\$87.71m

loan outstanding

96%

of clients are
women

54%

outreach to people
living in rural areas

71%

outreach to people
living in poverty



93%

of clients said their quality
of life had improved after
engaging with BRAC

94%

of clients earned more
after engaging with
BRAC

89%

of clients saved more
after engaging with
BRAC

90%

of clients planned
their finances better
after engaging with
BRAC

72%

of clients contributed
more to important
household decisions after
engaging with BRAC

*** BI MF total stats *As of Dec 2021*

*** 2021 Lean Data impact surveys in partnership with 60 Decibels. All the respondents were women.*



INEQUALITY IS HUMAN-MADE.
IT CAN BE UNMADE.
TOGETHER,
PEOPLE CAN CHANGE
ANYTHING.
THERE IS **ALWAYS** A WAY.

BRAC INTERNATIONAL

Stichting BRAC International was formed in 2009 as a non-profit foundation in the Netherlands. It governs all entities outside Bangladesh with an objective to engage in charitable and social welfare activities in any country in the world.

BRAC INTERNATIONAL HOLDINGS B.V.

BRAC International Holdings B.V. (BIHBV) was set up in 2010 as a private limited liability company and is a wholly-owned subsidiary of Stichting BRAC International. BIHBV is a socially responsible for-profit organisation engaging people in sustainable economic and income-generating activities. The core focus of BIHBV is to provide microfinance services to people, particularly women, living in poverty and hard-to-reach areas to build their financial resilience and improve the quality of life for them and their families.



OUR VISION

A world free from all forms of exploitation and discrimination where everyone has the opportunity to realise their potential.



OUR MISSION

Our mission is to empower people and communities in situations of poverty, illiteracy, disease, and social injustice. Our interventions aim to achieve large-scale, positive changes through economic and social programmes that enable men and women to realise their potential.



OUR VALUES

Integrity
Innovation
Inclusiveness
Effectiveness

BRAC INTERNATIONAL PROGRAMMES

Our **Education programme** focuses on raising awareness on gender and child rights and developing a child-friendly learning atmosphere. Our programme complements the mainstream schooling system by supporting government primary and secondary schools to improve quality and strengthen capacity. We also provide training with support from local vocational and technical institutes.

Our **Early Childhood Development programme** is an investment toward breaking intergenerational cycles of poverty and facilitating economic growth. We provide early learning opportunities through our Play Labs to 3 to 6-year-olds, with a low-cost and play-based early learning model. Our Play Labs are safe play spaces, providing cost-effective local learning materials to children in marginalised communities.

The **Agriculture, Food Security and Livelihood programme** focuses on four strategic directions - a) Strengthen pro-poor market systems, b) Make agriculture systems more resilient to climate change, c) Improve food and nutrition security, and d) Empower women and youth across the value chain.

Through our **Health programme** we partner with respective governments to reduce child mortality, improve maternal and child health, and combat diseases. We work at the community and facility level to strengthen the capacity of female community health volunteers, health workers, and doctors so that they can provide educational, preventive, and curative health services.





Through our **Youth Empowerment programme** we provide life-saving and life-transforming services to adolescent girls to prevent unintended pregnancies, improve their awareness on harmful practices, and empower them financially. We create safe spaces by establishing clubhouses for girls aged 10-21, especially those who are vulnerable, dropped out of school, and at the risk of early marriage and pregnancy.

The **Ultra-Poor Graduation** approach is a comprehensive, time-bound, integrated and sequenced set of interventions that aim to enable extreme and ultra-poor households to achieve key milestones towards sustainable livelihoods and socio-economic resilience, in order to progress along a pathway out of extreme poverty.

Through our **Emergency Preparedness and Response programme** we build local emergency preparedness and response capacities in communities, schools, and local governments. Using a participatory and inclusive approach, our interventions in urban, rural, and refugee settings prioritise the equitable participation of all groups, particularly women and youth, to ensure that they are able to mitigate risks, save lives, protect livelihoods, and build back better from disasters and crises.

Through our **Microfinance programme**, we provide a range of financial services responsibly to people at the bottom of the pyramid. We particularly focus on women living in poverty in rural and hard-to-reach areas, to create self-employment opportunities, build financial resilience, and harness women's entrepreneurial spirit by empowering them economically.

SAFEGUARDING IN 2021



BRAC International (BI) launched **Safeguarding Audit Review** provided on safeguarding indicators to support management in understanding policy compliance and incorporated **Safeguarding clause** in the procurement manual and partnership agreements to ensure compliance of partners and service providers.



BI arranged training on **Safeguarding Case Management and Investigations** as a part of continuous capacity development and continued **awareness-building** of staff and programme participants on the **Safeguarding Policy and sub-set policies**, which are as follows:

- Child and Adolescent Protection Policy
- Sexual Harassment Elimination and Protection from Sexual Exploitation and Abuse Policy
- Prevention of Workplace Bullying and Violence Policy
- Adults with Special Needs Policy
- Whistleblowing policy



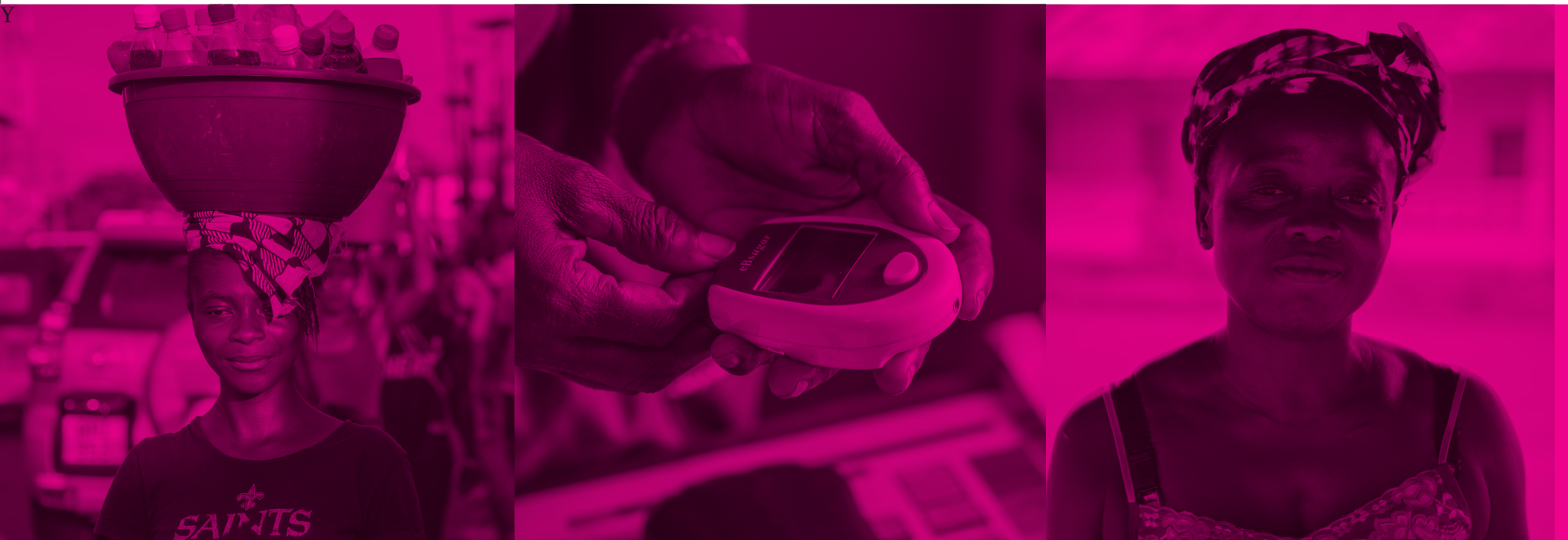
BI completed quarterly **safeguarding assessment checklist** to monitor safe organisational practices



BI formed **Inquiry Review Committee (IRC)** to review safeguarding cases to provide decisions and guidance on actions to be taken and developed an **online safeguarding register** to digitize the incident management process and to ensure confidential reporting



BRAC MICROFINANCE SIERRA LEONE (SL) LIMITED



OUR APPROACH

BRAC Microfinance Sierra Leone (SL) Limited was launched in 2008 and has grown to become the largest microfinance institution in the country. Our mission is to provide a range of financial services responsibly to people at the bottom of the pyramid. We particularly focus on women living in poverty in rural and hard-to-reach areas, to create self-employment opportunities, build financial resilience, and promote women's entrepreneurial spirit by empowering them economically.

Our core products include a group-based microloan provided exclusively to women, and small enterprise loans for entrepreneurs seeking to expand their businesses. We also provide loans for jobholders with low to moderate income who are often unserved by mainstream banks.



OPERATIONAL HIGHLIGHTS

96% of clients are women

51% outreach to people living in rural areas

68% outreach to people living in poverty

41 branches

\$2.5.2M in disbursed loans

18,861 borrowers

As at December 2021



2021 IN FOCUS

In 2021, BMSLL opened three new branch locations, bringing the total number of branches in Sierra Leone to 41 branches in 14 districts.

We also launched an agrifinance product for smallholder farmers in rural Sierra Leone, targeting cassava, vegetables, poultry and small ruminants farming. With the new initiative, a total of 7,207 clients were recruited in 2021.

SOCIAL PERFORMANCE

In 2021, we conducted our third impact survey in partnership with 60 Decibels using Lean DataSM methodology on five social outcome focus areas of BRAC International Microfinance: quality of life, financial resilience, women's economic empowerment, self-employment and livelihood opportunities, and household welfare.

This annual exercise complements our Social Performance Management and Client Protection initiatives and guides us in setting targets and strategies to reach more people living in poverty and achieve long-term impact at scale. All respondents surveyed were women.



89% of clients said their quality of life had improved after engaging with BRAC



95% of clients earned more after engaging with BRAC



95% of clients saved more after engaging with BRAC



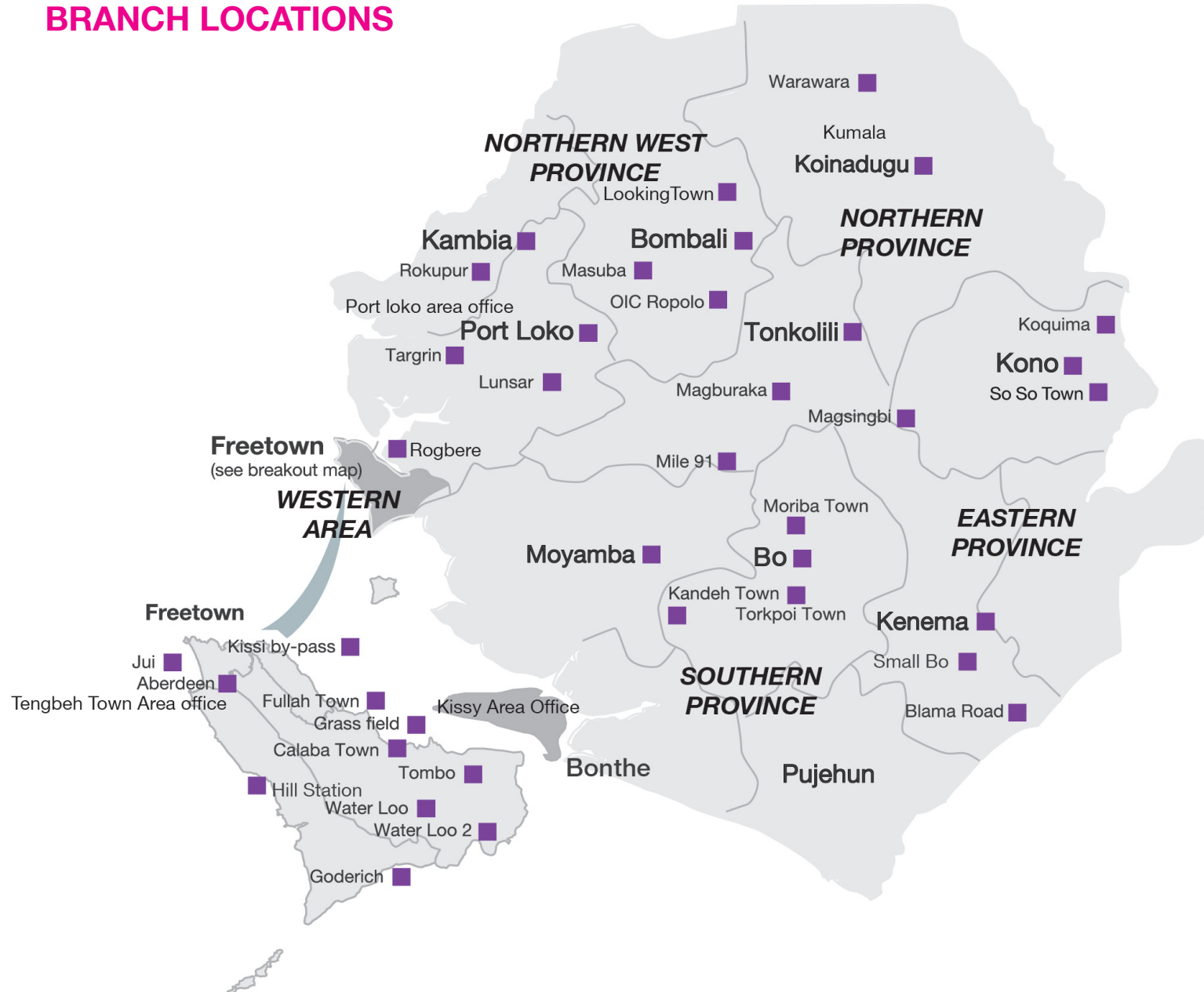
96% of clients planned their finances better after engaging with BRAC



68% of clients contributed more to important household decisions after engaging with BRAC



BRANCH LOCATIONS



OUR TEAM

BRAC MICROFINANCE SIERRA LEONE (SL) LIMITED SUPERVISORY BOARD

Shameran Abed	Chairperson
Johannes Maria Antonius Eskes	Director
Syed Abdul Muntakim	Director
Ruth Adhiambo Okowa	Director
Rafiqul Islam	Chief Executive Officer & Ex-officio

BRAC MICROFINANCE SIERRA LEONE (SL) LIMITED MANAGMENT

Rafiqul Islam	Chief Executive Officer
Prince Momoh	Head of Finance
Mohammad Saidul Haque	Programme Manager
Mohamed Khalil Koroma	Head of Internal Audit
Christiana Mac-Turay	Social Performance Manager

OUR DONORS AND PARTNERS



OPERATIONAL AND FINANCIAL HIGHLIGHTS

NET INCOME

In 2021 BRAC Microfinance (SL) Limited maintained its profit trend and posted Profit before tax was USD 2,915,380 as against USD 1,157,000 in 2020. Interest income has increased by 50% due to increase in loan disbursement by 57%.

OPERATING EXPENSES

Total operating expenses for the year was 3,189,548 USD as compared to USD 2,696,000 in 2020 showing an increase of 18% from previous year.

PROVISION FOR IMPAIRMENT LOSSES

This year amount charged for impairment on loans was USD 748,443 as against USD 254,000 in 2020, increased by 195%. This is due to increase in overdue loans. Portfolio at Risk (PAR>30) is 3.44% (2019: 7.26%). Total reserve for impairment was USD 377,198 in 2021 compared to 281,000 in 2020, representing 3.22% of Gross portfolio.

FINANCIAL POSITION

In 2020, BRAC Microfinance (SL) Limited's total assets increased by 28.24% to USD 13,351,262. The increase is mainly due to growth of loan portfolio which has been increased by 22% to USD 11,079,970.

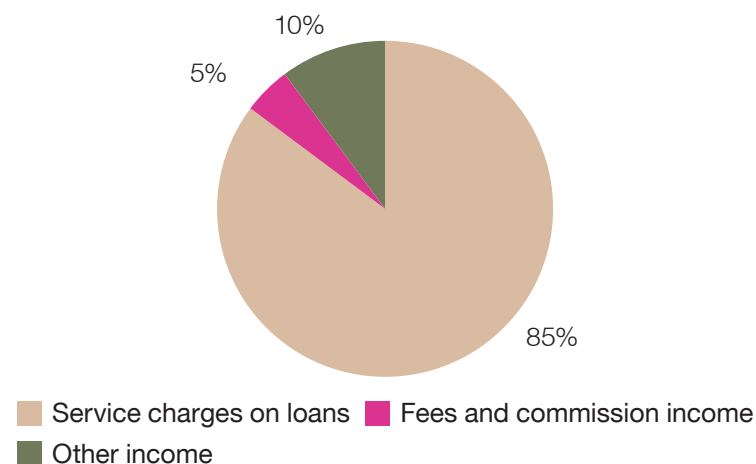


VALUE ADDED STATEMENTS

A value added statement provides a detail information of the total addition and distribution of value created by the organization. BRAC Microfinance (SL) Limited contributes positively to overall economic development by empowering the poor people (specially women) through micro-credit, employees through the payment of salaries and allowances and by assisting the local regulatory authorities through paying taxes and of course keeping in mind of organization's growth.

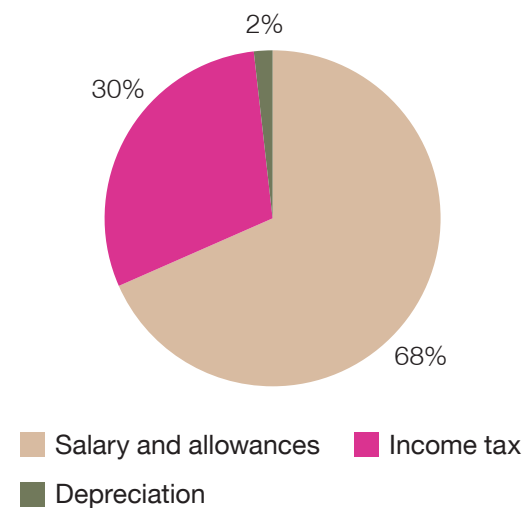
Value added	2021		2020	
	USD	%	USD	%
Service Charges on loans	5,839,335	129%	3,905,000	124%
Fees and commission income	315,432	7%	200,000	6%
Other income	698,604	15%	2,000	0%
Other operating expense	(1,469,232)	-32%	(1,157,611)	-26%
Loan prov. (doubtful losses)	(748,443)	-17%	(254,000)	-4%
Total	4,635,696	100%	2,695,389	100%

Value Added in 2021



Value Distributed	2021		2020	
	USD	%	USD	%
Employees				
Salary and allowances	1,676,424	36%	1,477,000	39%
Local Authorities				
Income Taxes	730,192	16%	306,000	19%
Depreciation	43,892	1%	62,000	2%
Growth				
Retained Income	2,185,189	47%	823,000	41%
Total	4,635,696	100%	2,668,000	100%

Value Distributed in 2021



CONTRIBUTION TO GOVERNMENT EXCHEQUER

Particulars	2021 USD	2020 USD
Income Tax	730,192	305,837
Withholding tax	129,880	127,766
Social Security and pension	60,140	51,528
Total	920,212	835,294

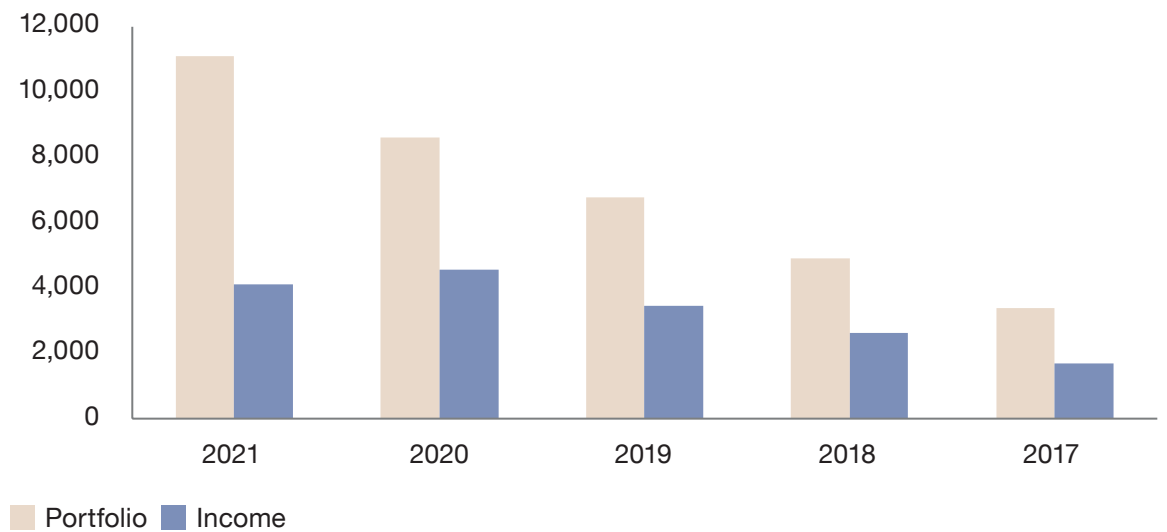
PERFORMANCE REVIEW

Particulars	2021 USD	2020 USD	2019 USD	2018 USD	2017 USD
Income Statement					
Operating Income	6,853,371	4,106,450	3,472,554	2,629,465	1,688,407
Total Expenditure	3,189,548	2,696,000	2,667,223	1,964,960	1,563,060
Net profit/(loss) before tax	2,915,380	1,157,000	1,234,733	686,946	170,343
Financial Position					
Total assets	13,351,262	10,411,000	7,826,106	6,350,796	4,536,481
Net Equity	7,627,000	6,341,000	5,110,760	4,108,594	2,708,079
Loans to customers (net)	11,079,970	9,051,436	6,773,112	4,903,221	3,412,031
Cash at Bank	1,848,493	1,088,719	661,185	673,376	826,252
Returns and Ratio					
Return on Asset	9%	23%	16%	11%	4%
Cost to income	80%	68%	77%	75%	93%
Operational Statistics					
Total Borrowers	57,174	56,874	45,870	37,615	35,377
PAR>30	3.44%	7.26%	2.14%	2.27%	3.67%



ANNUAL INCOME AND PORTFOLIO

IN THOUSAND USD



Last five years income vs. portfolio (in '000 USD)

CONTACT DETAILS

BRAC Microfinance Sierra Leone (SI) Company Ltd

43 Freetown Road, Lumley
Freetown, Sierra Leone
M: +232 99 108 484
E : info.bracsl@brac.net
W: bracinternational.org

BRAC International Holdings B.V.

Spaarneplein 2
2515 VK The Hague
The Netherlands
T: +31 (0)6 50 255 110

WRITER AND CONTRIBUTOR

Fasalie Kamara
Lyndah Wanjiku

PHOTOS

BRAC

EDITOR

Tahjib Shamsuddin

GRAPHICS DESIGN

Sinthia Ahmed