



Overview

Banco Oportunidade de Mocambique has now been operating for a little over a year, and with this, the first collection of client information, can begin to assess and understand the client-base better. Clearly in this first report no trend references are possible, but comparisons can be made of clients in early loan cycles (e.g. 0, 1) to those who have been with your programs for longer (e.g. beyond cycle 4).

Overall 423 clients have been interviewed, all in the loan programs. 4 Micro-credit loan (*called solidarity group in the Excel spreadsheet provided of summary graphs) clients also have a savings account with BOM. Here is a summary of the interview sample:

Product Type no. of clients (% of prod. base)	Gender	Marital Status ¹	location ²	Loan Cycle ³	Average loan size (USD)
Trust Bank - 37 (n/a)	Female - 219 Male - 204	Single - 47%	Rural - 14%	New - 202 (48%)	TB - \$92
Micro-credit* - 249 (31%)		Living together - 24%	Semi-urban - 42%	Int - 129 (31%)	Micro - \$172
Individual - 142 (8%)		Married - 18%	Urban 44%	Mature 91 (22%)	Indiv. - \$447
		Widowed - 6%			

Notes:

¹ It is interesting that 11% of females are widowed, but only 1% of male clients. Do female widows need special assistance in the community? 9% more males than females are single, and 9% more males live with a partner (not married).

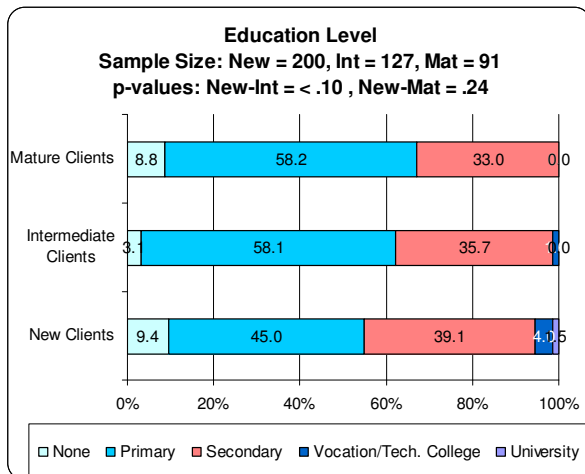
² females are more likely to be urban (52% vs. 36%), 20% of males are rural vs. 8% of females.

³ 29% of “new” clients say they are new to BOM. The remaining 71% are renewing their loan.

Observations

Demographics - Level of education

The graph indicates that BOM is attracting better educated new clients, more with secondary education (39% vs. 33% mature) and a small number (13) with University/College.



To check for mission drift (e.g. attracting the non-poor) this can be compared against levels of household income. Unfortunately only 21% (89) of the sample answered questions on profitability and household income per week (in table), so no conclusions firm can be made:

Inc. week	None	Primary	Secondary	College	Total
<\$10	3	16	1		20
\$11-\$25	3	18	9		30
\$26-\$50	1	11	8		20
\$51-\$100		5	7	1	13
>\$100		3	3		6
Total	7	53	28	1	89



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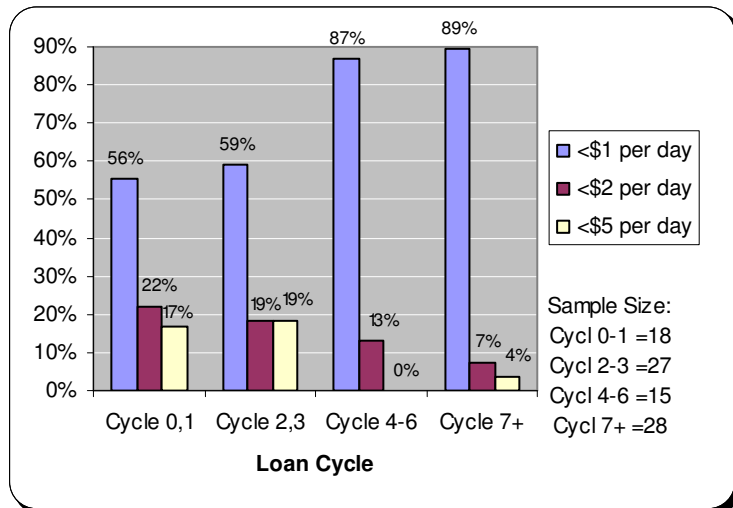
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Poverty Targeting - Household Income

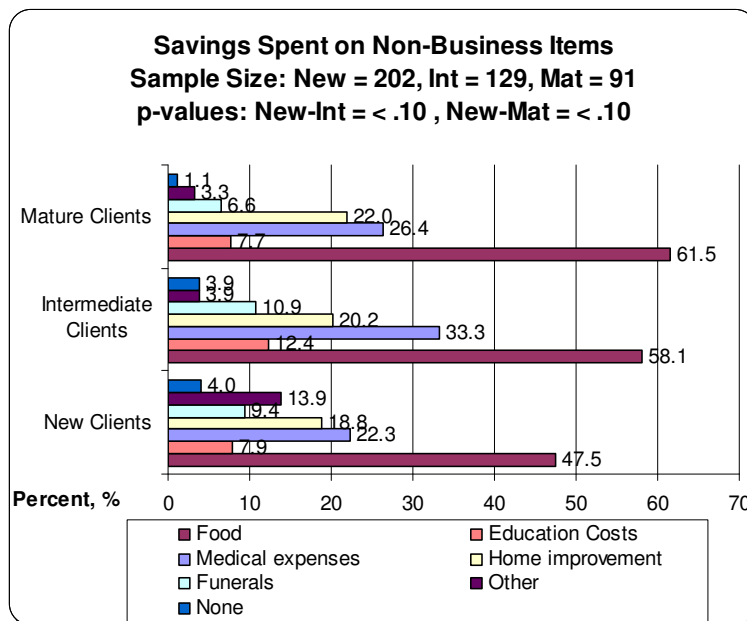
We can make no observations linking better education to higher profitability or income, but we can observe in the graph opposite that more mature clients (cycle 4 on) have lower income than new clients (0-1) i.e. living on less than USD1 per day. (note small sample size of 89).

Why is this? Is it a deliberate recruitment strategy or are BOM's products attracting higher income clients?



How is the income (profits) spent?

In line with other CIIMS participants, a majority of business spending is on inventory (new 45%- mature 50%) and loan repayments (new 27%- mature 35%). Non-business spending is more interesting illustrated in the graph opposite.



Given observations above, it is logical that more mature clients responded saying they spend a proportion of income on food (they are poorer). Note also all clients spend on home improvements (c20%), and more respond that they spend on medical expenses.

Is a form of medical insurance yet available to the population (e.g. government subsidy similar to the Philippines)? Could BOM assist through a new 'emergency' loan product? If not, this may be an opportunity for the Micro Insurance Agency to assist.



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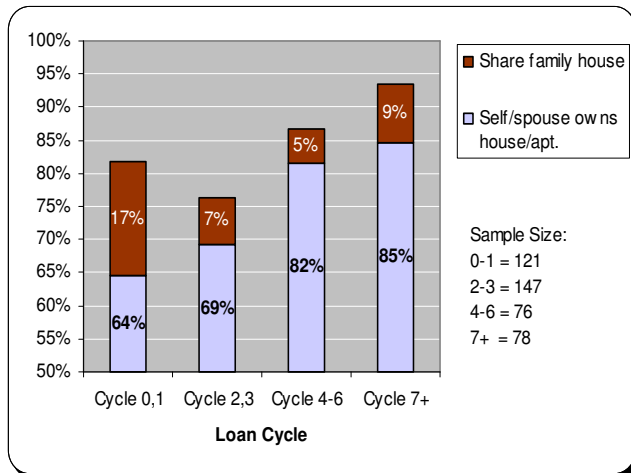
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Transformation - Home ownership

Overall 73% of clients own their own house, and 41% of the total sample housing is constructed of cement or brick. The table illustrates construction materials:

Housing Materials	Baked Bricks	Concrete/Cement Bricks	Mud Brick/Adobe	Other	Sheet Metal	Wood Poles & Mud
Rural	3%	36%	38%	2%	5%	16%
Semi-urban	17%	24%	17%	8%	11%	18%
Urban	5%	59%	15%	2%	10%	5%

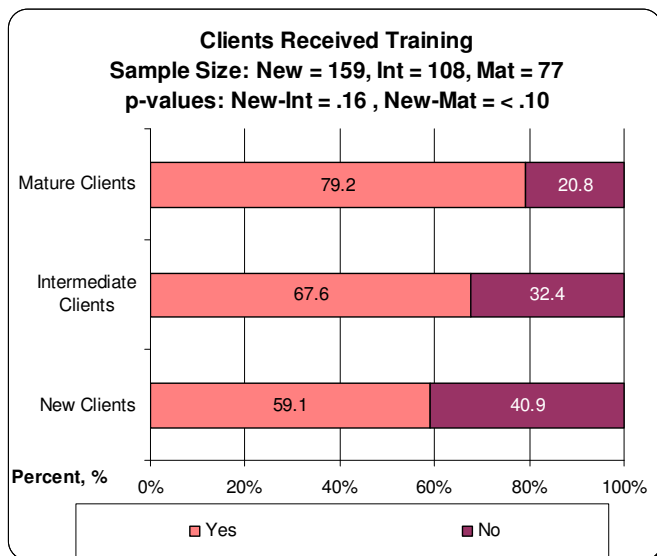


It is encouraging to note that the longer the client has been in their program the more likely they are to own their own home (although the overall change is slight).

As can be seen in the graph, 17% of new clients share the family house, whereas by cycle 7+ 85% own their own home.

As was noted above, 20% of all clients reported some spending on home improvement. What is the demand for loans to fund such improvements? Is this an opportunity for BOM?

Training and Business Development Services



The graph shows that 80% of mature clients have received training, although only 60% of new clients have. When does training take place during the product (loan) life cycle? Are loan officers targeted with “% of new clients who receive training”?

Of those who receive training 25% report it as very good and an average of 68% report “good”. 10% of new clients report it as “fair”.

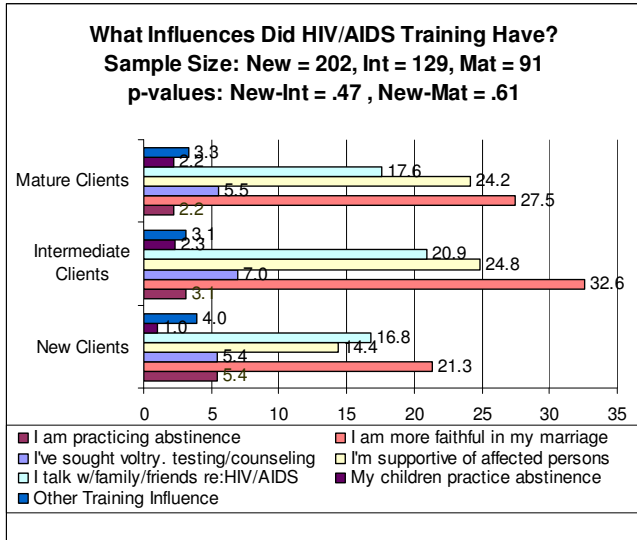
What topics are covered in the training programs, are they relevant to the clients needs, business, and lifestyle? Would BOM wish to customise a partner tab to establish which clients receive which training as an aid to designing more effective programs?



HIV AIDS Training

18% of new, 26% of intermediate, and 30% of mature clients reported receiving HIV AIDS training. This seems low, but it depends on your policy regarding who should receive this training? Does BOM only offer this training to specific age groups, or specific geographic areas? If this data is provided to us we can analyse the % of outreach to your chosen target market for this training?

The effect this training has on your clients is illustrated opposite. The highest answer is “faithfulness in marriage”, and pleasingly effective stewardship is demonstrated by your clients as they say they are more supportive of affected persons (yellow bar, second highest response)



Client Satisfaction

Far and away the highest client “like” is good service, with 70% of new, 76% of intermediate, and 60% of mature clients reporting this. A note of caution should be sounded that appreciation of good service clearly decreases over time in the program - could this be because service is not so good for clients in programs for the longest, or is it that other factors take on greater importance (e.g. 19% of mature clients report they like “quick disbursement”)?

Requested change	No. clients	%
Lower interest rate	69	16%
Additional loan products and services	46	11%
Larger size of subsequent loans	35	8%
lower fees	15	4%
Quicker disbursement of subsequent loans	13	3%

Changes or dislikes are often most useful for management to spot shortcomings and areas for service and product improvement. CIIMS asks clients to name 2 things they would like changed. The top 3 factors mentioned are common throughout the Network (top 5 shown opposite)

Note that 31% of total clients did *not* respond to this question. Why is this?

A smaller number of clients responded with a second change request (only 37%), however the data reveals additional interesting changes clients desire, with the highest being coverage of a greater geographical area. This is good indicative vindication of BOMs stated objective to expand into at least 4 new areas in 2007. CIIMS can identify which clients asked for this, if BOM wishes to cross-check their location?

Requested Change (2)	Clients	%
Cover a greater geographical area	22	5%
Additional loan products and services	13	3%
lower fees	12	3%
Other	12	3%
Quicker disbursement of subsequent loans	12	3%
Less bureaucracy	11	3%
Loans available for more purposes	7	2%

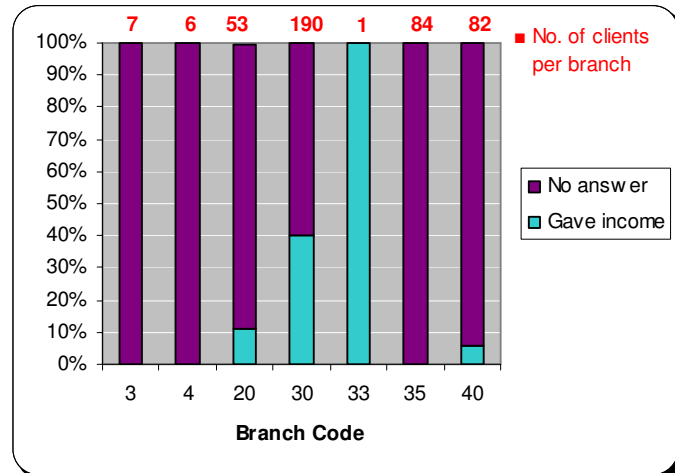


Conclusions

1. Low response rate to income question

To assist management analyse the cause of the low revenue/profit/HH income responses, the following graph breaks down the HH income (non) response by each branch:-

It can be seen that no client at branch code 35 gave details, and only 5 out of 82 at branch 40. Can staff interviewers provide a reason for this? How can this be remedied?



- The income discussion above reveals more mature clients have lower income than new clients. If this is representative of the whole client-base, then action may be required to clarify BOMs target market for client acquisition? (poor, ultra-poor, etc)
- Client spending habits reveal a high proportion of clients report spending on home improvements and on medical bills. Investigations could be undertaken to better understand client needs in these respects to see whether BOM can offer (emergency) medical loans and / or home improvement loans to certain eligible segments of the client-base.
- Fewer new clients receive training. Training is a planning objective for BOM, and investigation may be appropriate into how and when clients are selected for training to increase % penetration.
- Responses to the client satisfaction questions were a little low, however we see;
 - “additional products and services” (11%)
 - “larger loan size” (8%) and
 - “greater geographical coverage” (5%)

All of which provide the opportunity for further research with a view towards product, service, and outreach improvements.

- Management may like to consider introducing product codes under “other savings” and interview savings account only clients, so that we can analyse them for you by savings account type (note: the form will need amending in places and OIBM have done work with the CIIMS team on this)