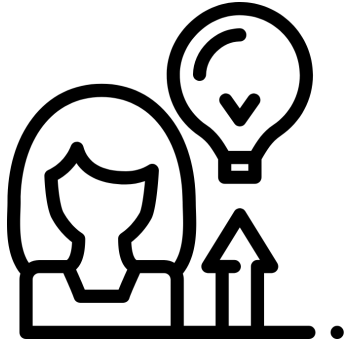




# Cherehani Africa

**FIVE GUYS** Consulting

# About Our Client



Financial Loans and  
Financial Education

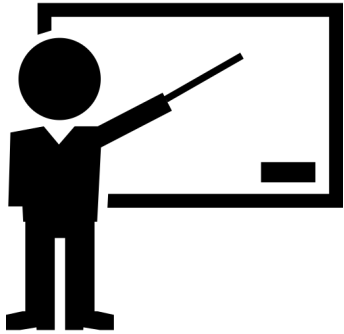


Micro-lending company focused on  
serving women entrepreneurs

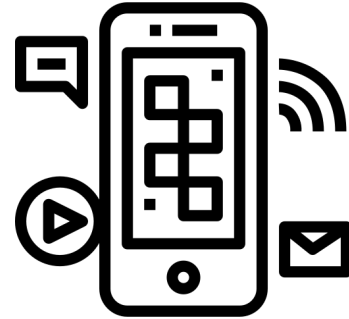
# Improving Education

# Financial Education

## Current Strategy



Field Officers  
teach groups

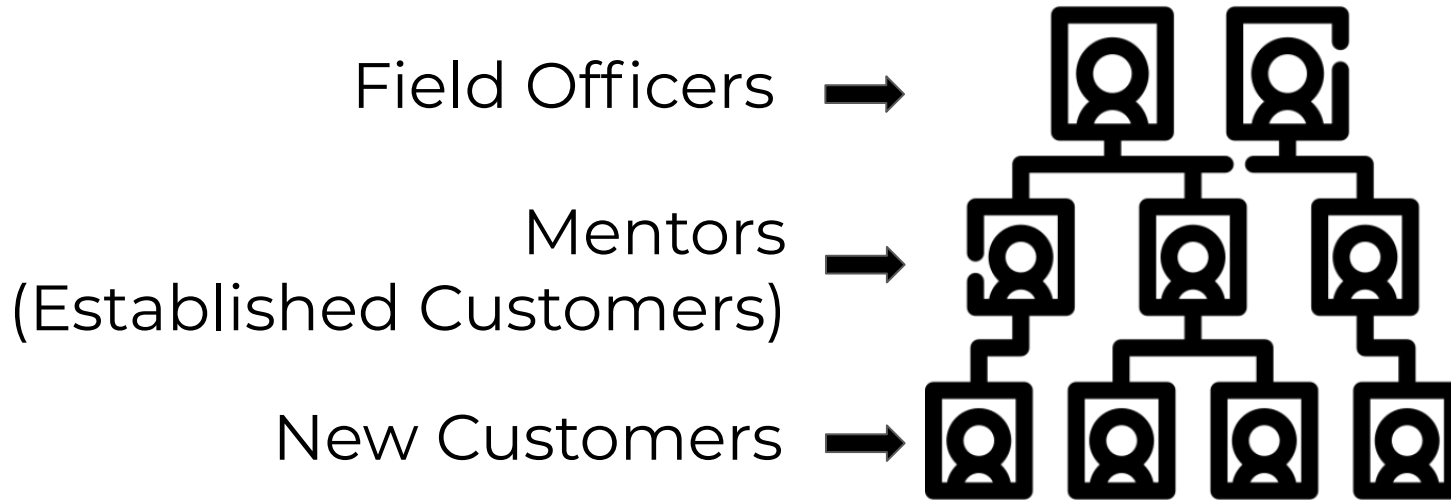


Mobile application  
based learning

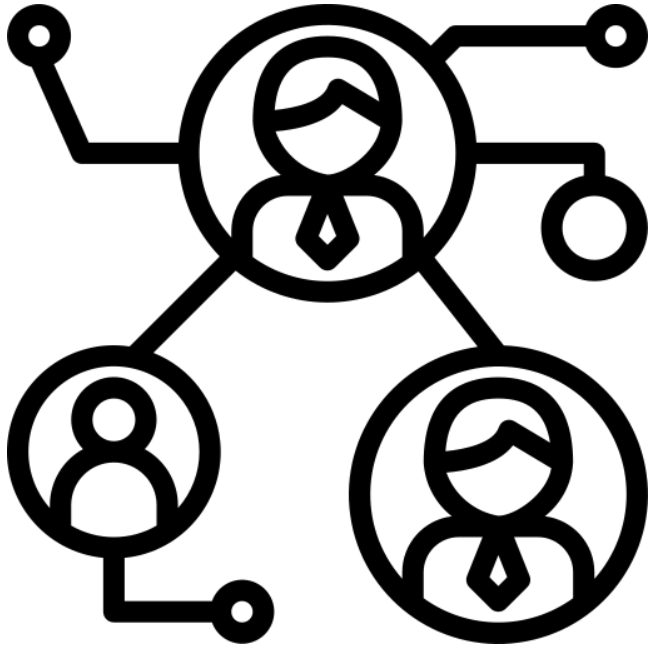
# Recommendation

## Incubator-like structure with mentors

*"It takes a village to raise a child"*



# Building Community



Easier to learn with like minded entrepreneurs

Keep existing customers active in the community

# Improved Teaching Process

Mentors share business strategies and knowledge



Ensure new customers know how to run a business and make payments



# Incentivizing Mentors



Lower interest rates  
on future loans

Access to larger loans

Cherehani Africa saves money on education and  
personnel



# Customer Journey Map

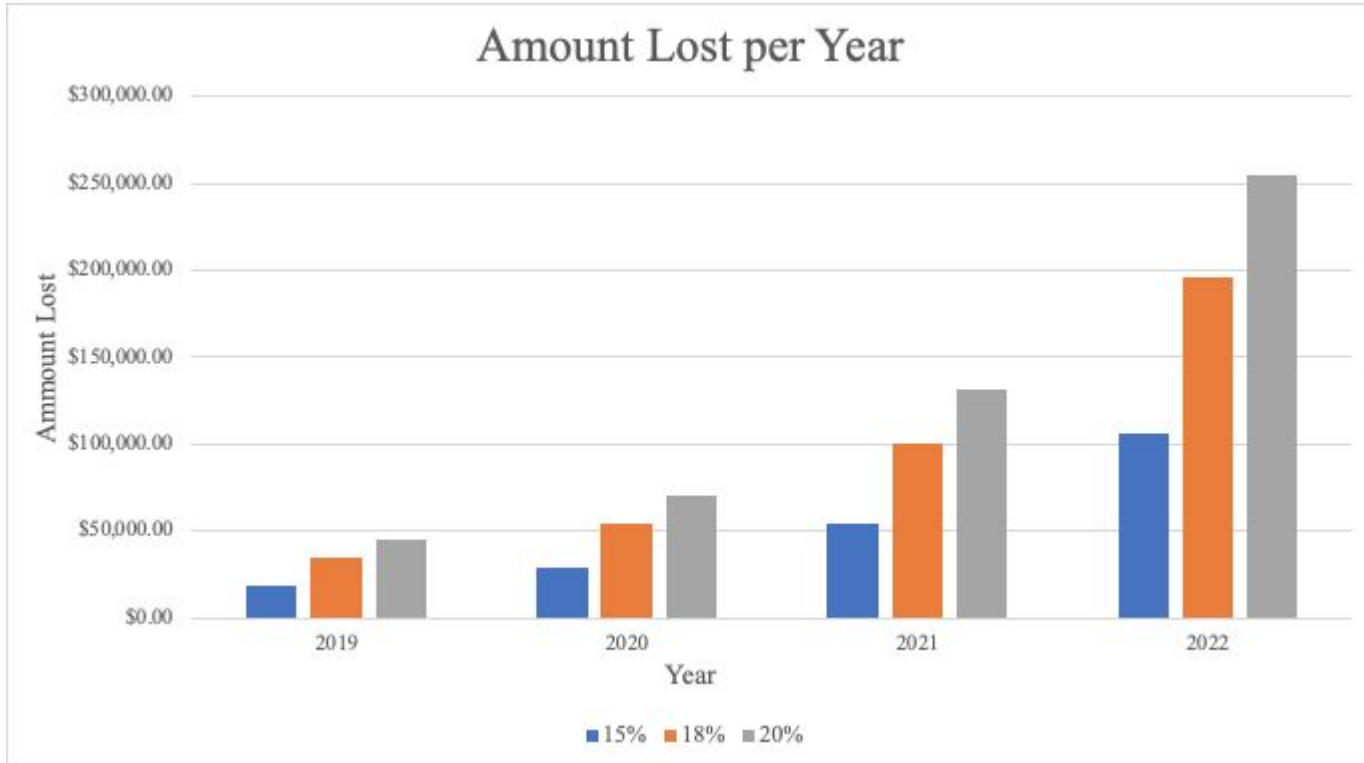
## New Customer Touch Points

- 1 Field Officer Loan Approval and Onboarding
- 2 Assigned educational mentor (from Cherehani Africa) by Business and Loan Type
- 3 Recurring Meetings with Mentor for Duration of Loan



**Reducing Risk**

# Risk Model



# Risk Management

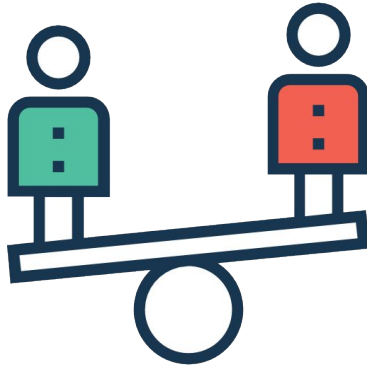
**Goal:** Protect Cherehani Africa and the borrower against default

## Insurance

- Each loan is backed by an insurance provider
- If a customer defaults, the insurance firm reimburses value of loan to Cherehani Africa
- Eliminates liability of customer who defaulted and reduces Cherehani Africa's loss

# Pros and Cons of Insurance

PROS	CONS
<ul style="list-style-type: none"><li>• Existing partnership with insurance firm</li><li>• Know that there is an insurance market</li></ul>	<ul style="list-style-type: none"><li>• Recurring premium payments</li><li>• Capital is tied up</li></ul>





Cherehani Africa

**Questions?**

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# Appendix A: Model Data

Variables	
Cost per Asset Loan	33.55
Principal per Asset Loan	100
Revenue per Asset Loan	48
Cost per Business Loan	27.35
Principal per Business Loan	75
Revenue per Business Loan	36
Proportion of Asset Loans	40%
Proportion of Business Loan	60%

	Number of Total Loans	Number of Asset Loans	Number of Business Loans
2019	5561	2224	3337
2020	8656	3462	5194
2021	15983	6393	9590
2022	31040	12416	18624

Default Percentage:	15%									
		Defaulted Asset Loans	Non-Defaulted Asset Loans	Defaulted Business Loans	Non-Defaulted Business Loans	Loss from Asset Loans	Profit from Asset Loans	Loss from Business Loans	Profit from Business Loans	Net Earnings
	2019	333	1891	500	2837	33300	27325	37500	24540	-18935
	2020	519	2943	779	4415	51900	42526	58425	38190	-29609
	2021	958	5435	1438	8152	95800	78536	107850	70515	-54599
	2022	1862	10554	2793	15831	186200	152505	209475	136938	-106232

Default Percentage:	18%									
		Defaulted Asset Loans	Non-Defaulted Asset Loans	Defaulted Business Loans	Non-Defaulted Business Loans	Loss from Asset Loans	Profit from Asset Loans	Loss from Business Loans	Profit from Business Loans	Net Earnings
	2019	400	1824	600	2737	40000	26357	45000	23675	-34968
	2020	623	2839	934	4260	62300	41024	70050	36849	-54477
	2021	1150	5243	1726	7864	115000	75761	129450	68024	-100665
	2022	2234	10182	3352	15272	223400	147130	251400	132103	-195567

Default Percentage:	20%									
		Defaulted Asset Loans	Non-Defaulted Asset Loans	Defaulted Business Loans	Non-Defaulted Business Loans	Loss from Asset Loans	Profit from Asset Loans	Loss from Business Loans	Profit from Business Loans	Net Earnings
	2019	444	1780	667	2670	44400	25721	50025	23096	-45609
	2020	692	2770	1038	4156	69200	40027	77850	35949	-71074
	2021	1278	5115	1918	7672	127800	73912	143850	66363	-131375
	2022	2483	9933	3724	14900	248300	143532	279300	128885	-255183