

# ANNUAL REPORT 2020

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## NOA #OurHome

**2**020 was a challenging year for all our company's business activities, but also for each of us, on the personal and professional level. In face of a global pandemic, total lockdown, doubts and fear of the unknown, the economic recession... the situation we are leaving behind was a test in every aspect. We are loyal to the values of our team and our mission, the values of transparency, proactivity, professional ethics, and positivity, the values of dynamism and humanism. This Report intends to share with the reader the unforgettable and unique moments we experienced over the past year. Narrated in the first person, this Report is a testimony of what each of us experienced in 2020. This is summary of what our colleagues and friends have experienced in their daily life at NOA and what it means "working in times of pandemic".

Today we take pride in the fact that NOA continued its mission to serve the economy uninterrupted throughout 2020 by financing thousands of small entrepreneurs, farmers and families. We take pride in the professionalism and consistency of each of our colleagues, as well as in the loyalty of our customers. So, whatever happens in the future, we shall look at these memories retrospectively not only as an evidence of what NOA's staff and customers had to experience during such challenging moments, but also as a lesson for the future and the values that each of us represented in the service of our mission supporting the country's economy.



*In May 2020, NOA's staff made a video clip of an iconic song of Albanian music- "In Our Home". It represents a beautiful moment and an evidence of solidarity among us and towards the customers.*

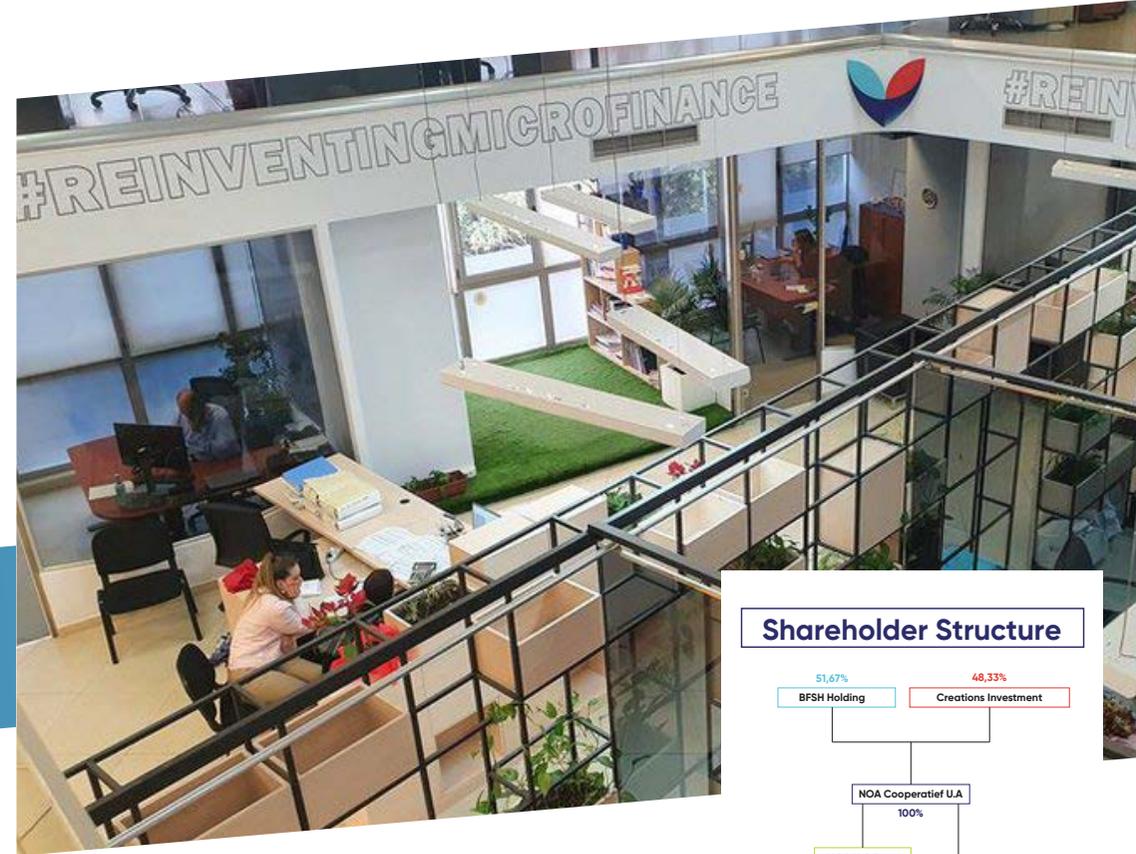
# NOA, a corporate ambition

Originally incorporated as a USAID project, NOA assumed in 2020 the current denomination. Since then, NOA has, for 23 years, invested in financial development and in support of creating new jobs, thus contributing directly to improve the lives of Albanian business, farmers and families.

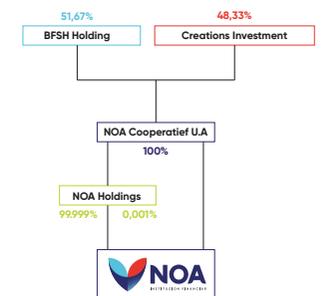
As a microfinancing institution certified by the European Commission according to the best practices, NOA is committed to an increasingly quality and transparent service, which respects the values of a society that is environmental-friendly, attentive to unemployment, human and social welfare.

NOA believes that only through building a long-term relationship with the customers reaching their financial development, we could be able to contribute to the construction of an economy based on entrepreneurship and free economy, private property and decent work, land products and respect for nature.

This corporate philosophy is shared nowadays by NOA Holdings, which is a holding company led by a small qualified staff and working closely and actively with the local management teams of the company, to promote achievement of objectives and to provide the necessary support for a healthy growth in the service of its primary mission. Meanwhile, the Board of Administration is the body that sets the governance standards and enshrines NOA's vision in the strategic terms. This Board is composed of the executive officers and managers with international experience in the field of finance and investment, providing a solid support for the sustainable development of NOA



## Shareholder Structure



**2020,  
we made it  
together...**

**T**he 2020 Report is a confession in first person from the people who are the very energy, soul and body of NOA. It is the real experiences, sincere words, personal and collective achievements that reflect the everyday life within a financial institution, like NOA, during a year full of surprises. In every testimony of the staff, I see, in my position as CEO, a reflection of an institution built on the values of good management, human respect and transparency. This is the greatest reward and achievement that any leader could ever search for. 2020 taught me how important is the accountability and partnership within a unique, but challenging business environment.

Accountability in the first place. Throughout 2020, this attribute translated into finding an appropriate balance between the normal continuation of business activity and safeguarding the health of our staff. Health comes first. Only after meeting this prerequisite, we were able to provide services to thousands of entrepreneurs, farmers and individuals who needed a vital financing for their enterprises or families. Despite sounding as antagonistic at first glance, it is indeed complementary to the specific conditions of the situation. By safeguarding our staff, we managed to provide services to our customers in an uninterrupted manner. Only by keeping our normality, we were able to ensure the sustainability of an institution that has been serving the Albanian market for 23 years. This was probably one of the most difficult decisions, but it proved our and NOA's responsibility towards our customers.

Partnership in the second place. We made it only because we worked as a team, as a single body, trusting each other. Despite travelling from one town to another was restricted; the absence of physical contact due to working remotely; the procedural, technological and financial challenges that this new situation posed for every stage of our work, thanks to the power of a sincere, professional and proactive partnership, the institution achieved to successfully end 2020, without dismissing any member of the staff, without having any problematic situation, and certainly without any regret because the lending activity did not cease for a single moment. This partnership built on the skills, ethics and commitment of everyone that, despite being working remotely, enabled NOA to inject EUR 28 million in 2020, in the country's economy.

Accountability and partnership altogether made us experience quite a 'normal' year in 2020. We managed to open new branches, to make investments in technology adapting to social distancing, as well as to provide more easier procedures and customer-friendly products. For these reasons and much more, I invite you to read the testimonies of our colleagues at NOA. At the end of the day, the real heroes are the staff together with the Albanian entrepreneurs, farmers and families, to whom they have served with dedication...



Herjola Spahiu (CEO)



## We financed tourism & agriculture when it needed the most...



**F**or the town of Saranda, 2020 presented a twofold challenge. The pandemic hit the town and hundreds of lives were lost. The vibrant life of a town where tourism is the socio-economic engine of an entire region was severely hit by the restricting rules imposing physical distancing. Dozens of entrepreneurs, hotels and restaurants, but also farmers, either closely tied to the tourist season or the travel sector, suffered significantly. In this context, NOA's funding was more vital than ever. 211 entrepreneurs and farmers were financed during 2020 with a portfolio of ALL 227 million (or EUR 1.8 million). Due to this crisis, counselling took an even greater importance. In addition to permanent financial advice, in particular in terms of post-covid restructurings, the Saranda Branch organized also several counselling workshops with the farmers, such as, for example, on the use of anti-hail nets, given the frequent damage that Saranda's agriculture has suffered recently due to climate change. The combination of our micro-finance with business partnerships that identify and introduce innovative and new products to the market and that increase production or business efficiency, is a real testimony of the potential that microfinance has in rural or socioeconomic realities like the one we are experiencing on a daily basis in Saranda. 2020 was a real testimony of how our mission and activity impacts on our town by actually serving as a guarantee of normality in the most challenging moments for our local economies.

**Janulla Kekezi**  
Director, Saranda Branch



## 24/7 at the service of Albanian entrepreneurs & families

The pandemic was a difficult and unprecedented situation for us all. However, the positive, optimistic spirit and strong determination was key to overcoming the obstacles posed by the situation. 2020 motivated us to be close to, help and support any individual or business to overcome this extremely difficult situation both socially and financially. We did not interrupt our support at any moment. We reacted very quickly by assessing the financial situation, identifying the customers' needs and how we could best support them.

Businesses are one of the most important components of the economic chain and proudly admit that our customers have managed to maintain the performance of their businesses thanks to their dedication and determination by not giving up in front of the obstacle faced during such tough time, as well as thanks to our close support, as an important partner of their journey. Like businesses, the individual is also the core of a healthy society. To make our contribution and have a social impact, we stayed close to the individuals with financing of their personal needs. We also supported long-term investments for some of the businesses for which the pandemic created opportunities for expansion, especially in retail and production of food products and pharmaceuticals sectors.

Overall, 2020 taught us how important it is to be close to our customers on a continuous basis, how important it is for them that we speak their language, live their dreams, support their opportunities.

**Jonilda Hoxha**  
Director, New Ring Branch



## A human commitment...



Managing Team

2020 was an unprecedented year. It was a test not only for the economies, but also for the institutions of each sector. For NOA, for all our colleagues, for our customers and for all our collaborators, it was a period full of unknowns, beyond the normality of an ordinary year. However, we feel very proud, in moral and professional terms. Together with our staff we achieved a series of successful initiatives during the year; we reached the institutional objectives, and, above all, we had no health consequences for our staff, customers or collaborators.

The year we left behind was very important, in terms of numbers, as we managed to inject EUR 28 million into the Albanian economy targeting small entrepreneurs, farmers and families with liquidity needs. About 3,150 entrepreneurs and farmers, as well as about 8,200 families and individuals benefitted from the financings. This amount brought NOA's active portfolio to EUR 44 million, or 8% more than the previous year. Additionally, due to the newly situation created, over 2,800 financings of our customers, representing about EUR 10 million in the total loan balance of the Institution, were rescheduled. We have never been so proud before of our work and of being "open to businesses" anytime, everywhere and for any need...

Providing services uninterruptedly was made possible thanks to the strong dedication and commitment of each employee, both at the head office and local branches. Processing of thousands of new financings and rescheduling existing ones, while safeguarding and guaranteeing all safety conditions for customers at the company's premises, developing the technological tools to work remotely, and uninterrupted provision of corporate financing, were factors that altogether contributed for NOA and all its departments to make it successfully to the end of 2020.

But this was not all. We also had new developments. We opened a new branch in the northern town of Peshkopia; expanded the network of partners by exploring new and unserved segments from other financial institutions; created successfully new payment channels for our customers by being ever closer to them and expanding our territorial reach; improved the online applications for applicants to apply from the comfort of their home, at any moment. We did not stop expanding our staff by conducting active recruitment and constantly creating job opportunities for young people.

As an eyewitness and as part of the company's management team, I cannot forget to mention the joy, positive energy and motivation brought to us by the birth of children, especially during the lockdown of March/April. The solidarity and sensitivity towards one another, the unique investment in human and professional development, the commitment to serve and support Albanian entrepreneurs, farmers and families, everything in our work took a completely different value in 2020. In microfinancing, we serve best to our customers, and our families likewise. We contribute to a better future for us, our children and our country.

## Business, a growth engine...

When we talk about the analysis of 2020, we would definitely start with the hardship brought about by the pandemic. Likewise, NOA's business analysis cannot start otherwise. Besides the challenges we all faced due to the pandemic, the regions, a new concept introduced by our company, had additional challenges of their own. By the end of 2020, however, we were able to pass successfully the hardships, thus laying down a comparative basis for further development of each region. The communication between the head office and the branches and vice versa was noticeably improved. The branches work became more tangible and visible. The management messages could be delivered faster to each sales employee. This helped to increase the quality of reporting and also made it easy to share experiences between branches and employees.

Another important aspect was the branches were able to consult and confront the daily problems and issues at work and apply solutions already tested and applied by another branch for a long time. Thus, it became easier for branches to exploit more alternatives to find solutions. None of the branches is now left like an "island" at the "mercy" of hardships. The argument "do it like we have always done it before" cannot be used anymore.

Additionally, the concept of regions provided a new basis for identification with the respective region, which increased sales staff incentives, healthy competition between regions, and also expanded the vision of branch directors enabling them to look at things in a broader view, the impact that the respective branch has on the performance of the region and of the company.

It was difficult, of course, especially in setting standards, benchmarking, distributing targets, transferring customers from one region to another. However, thanks to the positive, cooperation and teamwork spirit, we overcame such difficulties successfully. These successes were useful to make it easier to transmit the same collaboration and team spirit to branch directors and sales staff.



*Managing Team*

The continuous communication between the branch and the head office, the combination of work in the field and in the head, office has enabled regional directors to serve as mentors for branch directors in their personal development, staff management and enhancing leadership skills. This has significantly helped in maintaining a satisfactory turnover of sales staff, which also indicate the growth trend for each of the branches and meeting the expectations of the company. The regional directors learnt also from the branch directors on how to manage different situations in the branch office, making more concrete and tangible the daily work of the branches.

We are proud to admit that the hard work done during the year was rewarded with the results achieved in 2020. Notwithstanding the pandemic, the regions managed to increase the portfolio by 8%, or EUR 3.1 million serving to 11,400 customers. On the other hand, in coordination with the colleagues following up loans, we achieved to maintain a very good level of credit portfolio quality, thus creating opportunities for the continuous increase of lending and consequently the growth of the portfolio in 2021.

In 2021, the legacy of good results in the past year is bearing fruit. We have more consolidated regions, more experienced regional directors meeting the expectations the organization. The branch directors are more straightforward of how they want the image of their branches and the needs for staff management. For these reasons we feel proud to have created a solid and functional team of regional directors, and to have contributed a little bit to the positive business continuity of the company.

## NOA, IT technology-based institution



**A**t NOA, we have highly promoted the use of new information technologies in support of our activity. Our most important target in 2020 was to improve IT Infrastructure and services in order to create new capacities to serve business needs and, at the same time, to serve the customers everywhere and at all times.

The pandemic showed us that Technology is the future and at NOA, we were certain about this from the very beginning of our business. Covid-19 pandemic taught a lot. We started to understand better the new technologies and their importance. Despite we had implemented some of them in our company, we had not exploited them to the maximum. At the end of 2019 and throughout 2020, NOA did to ceased, not even for a moment, to provide services to its customers, while respecting all the rules imposed by the pandemic. This was achieved thanks to our commitment to serve our customers and thanks to the technological investments our company has made. The new technologies that NOA uses proved to be efficient by facilitating and accelerating many of our business processes making us proud for being up to par with the technological advancement.

**DURING 2020, WE, AT NOA, COMPLETED SEVERAL PROJECTS THAT ARE QUITE NEW FOR THE MARKET AND FOR OUR COUNTRY. IT IS WORTH MENTIONING SOME OF THE INVESTMENTS AND ACHIEVEMENTS OUR TEAM HAS MADE:**

### **Virtualization of physical infrastructure:**

A huge project realized with the deployment of the most recent and innovative technologies of the time. This project met the current and future technological needs of the business growth.

### **Contact Point:**

An ambitious project that simplifies communication between NOA and its customers by using a single communication channel. Our focus is on customer service, therefore, we developed platforms to "bring us" closer to them.

### **ESignature:**

Simplifying and accelerating the electronic signature of documents. It is a novelty for the microfinance market by mixing technology with the real needs of the customer.

### **My Account:**

This provides customers direct access to complete information about their loan, as well as the option to apply for a new financing. We safeguard security and increase the opportunities for our customers to find the necessary services online.

All these technological developments not only facilitate a lot our work, but also focus on NOA's primary goal: to serve customers as professionally as possible and at all times; and to demonstrate that NOA leads by example by integrating technological developments in microfinance. Teamwork has always been the key to success for us in completing the above-mentioned projects and of many others that are still in-process.

We will continue to invest in technological developments and innovations that increase efficiency, bring us closer to our customers, improve our service and provide the highest level of information security.

**Tonin Lleshi**

*IT & Administration Director*

## Reaching our customers anytime, everywhere!



We understood long ago that the investment that a company can do in designing diverse products or automated processes are not enough. Yet, it should not lose its focus, its long-term priority: the “customer”. The customer plays a key role in the success and the sustainable growth of a business. The customer is the one who dictates the needs for change.

The Albanian society is focused on the consumer behavior, market behavior, demand and typologies of different customers.

2020 started with intensive business activities, the right pace of investments and number of customers. Despite such positive kickstart of the year, the situation changed completely and significantly due to Covid-19 pandemic. The pandemic caused a country-level emergency. Nevertheless, we are proud to say that we managed to keep it up with our customer service.

During this difficult period, we managed to continue with the phases of a crucial projects for our company- Transformation of the call center- which included:

1. Strengthening human resources capacities in the respective specialized structure to have quality service to customers and third parties.
2. An in-depth review of certain processes, strategies, campaigns and reports in order to provide adequate services to our customers.
3. Contacting intensively the portfolio of our customers to understand the level of difficulties and to check for any possible alternative solution
4. Flexible products for customers who were in need of liquidity due to the current situation.
5. Developing digital platforms to be closer to the customers everywhere and anytime.

Our goal over the years was to be a partner in the development of our customers. We strived to pass successfully the challenge or unprecedented difficulties, and 2020 proved that.

NOA has main target is the customer. The diversity of our services was tailored for the entire target group. While providing products tailored for our customers, we have maintained an ethical and professional communication which helped us lay the foundations for a long-term and healthy relation with our customers, and this was also the key to our success in the market where we operate.

Although 2020 was an unprecedented year, we are happy to say that we closed another successful business year with an increasing portfolio of our customers and partners.

**Blerta Selamaj**  
Director, CRM/Products & Business Support

## Covid-19 & impact on lending



The social and financial impact of Covid-19 was immediately perceived in every segment of the economy and in each of us at NOA. The lockdown measures introduced to prevent the spreading of Covid-19 unfortunately deteriorated some of our customers solvency, since they had to suspend their activities as a result of such measures. Among them were customers from the business group and employees group.

Despite the difficult situation created, we were not short of energy and determination to make any problem faced daily into a major driver pushing us to find quick and fit solutions. Despite the lockdown and social distance rules, we managed in a short time to well-organize all the respective structures and teams in charge of decision-making and implementation of strategies under this situation. Likewise, the infrastructure, the operational processes and the implementation plan focusing always on the needs of our customers, was in full compliance with the Decision of the Bank of Albania.

There were about 2,700 loans whose payment schedules were postponed during the lockdown period of March-May, following a careful assessment of the financial impact that the pandemic had on our customers' activities. We were in close contact with this group of customers even after this period and we have relieved them with a second or third postponement of payments, especially those businesses that suffered the most the consequence of the pandemic by suspending for a longer period their business activities.

We have modelled solutions for our customers by offering them several options for adjusting the payment schedule to their financial forecasts, such as in the form of moratoriums, grace periods or irregular payment options, accordingly with the forecast of their cash flow. Such solutions and adjustments were not only offered to the group of customers who needed to postpone the re-payments of their existing loans, but also to the group of customers who needed financing. After the March-April period, we applied a restructuring strategy for customers severely hit by the pandemic in the long run.

In December 2020, the group of Covid portfolio accounted for 20.1% of the total portfolio, from 29% that it was in June 2020, i.e., the maximum for the period until now.

In the majority of our customers, we noticed that the facilities offered by NOA, in the form of postponing the re-payments, had a positive effect in the recovery of their businesses helping them go back to normality and restart payments of loans.

The key to successful management of this situation within the expectations of the company is the team spirit intertwined with the high professionalism and responsibility of each of us towards the health safety and needs of our customers.

**Aurora Elezi**  
*Director of Credit Recovery*

## Agriculture is a priority!

The year we left behind was a particular year full of challenges, unknowns and surprises. The farmers continued working, despite the difficult conditions, at the peak of the pandemic, choosing to risk and not to lose the crops for which they had worked hard for months, while at the same time they had to take care to safeguard their health. We, as NOA, were in the front line of service being as close as possible to our customers, to those farmers who needed us, our financing, our advice and support. We did not stop serving to those farmers who knocked at the doors of our organization.

During 2020, we financed over 1,200 farmers with a fund of ALL 674 million. Although we had to face an unusual year, our lending service was uninterrupted at any time. It translated into a 20% increase in the volume of disbursements compared to the previous year, while the total Agro Loan Portfolio increased with 6.5%.

Our uninterrupted work is based on what we believe and communicate every day. Being long-term partners to the entrepreneurs means, for us, not only to finance, but also to be close to our customers when they need it the most.

The pandemic was hard to predict. We knew when it started, but we could not tell when it would end. As an organization, we committed ourselves to finance, restructure, and even adapt our products to the needs of every Albanian farmer who trusted us and works hard with an ambition and desire to develop his farm.

So today, after a year of hard and challenging work, I am proud to say that it is our values and our uninterrupted work that makes the difference in the market, thus making us a leader in financing, counselling and supporting the Albanian farmer.



**Fatmir Nikolli**  
*Director of Agro Segment*

## Anytime close to the families



2020 was a difficult year both socially and economically for Albanian households and consumers. The restrictive measures had a negative impact on both the companies/businesses which had to suspend their business activity, or worked with reduced capacities and hours, and the employees of these companies/businesses. The reduction of household income, while the fixed costs of home/car/study loans or other monthly liabilities, adding here the health costs increased due to the pandemic, made a large number of people suffer a financial crisis and be insolvent and unable to pay the monthly bills.

While many banks and financial institutions showed liquidity uncertainties and restricted their lending activities in the post-pandemic period, NOA, whose mission is the growth and strengthening of Albanian businesses and families, did not suspend its lending activity for all three segments where it operates: Small and Medium Enterprises, Agribusinesses, Individuals.

NOA supported financially about 8,200 individuals, in 2020, with a financing portfolio of ALL 944 million, thus marking a 31% increase of the Individual Segment Portfolio compared to the previous year, while maintaining the quality parameters of the loan portfolio.

Given the pandemic situation, NOA expanded the range of financial products for individuals by enabling digital financial products, for a higher quality and security of service.



Online application on the website for individual loan and online feedback to the application made.



Application at any point that has a partnership with NOA, for products with preferential prices.

In addition to the continuous financial support for the Albanian family and consumer, NOA launched an awareness raising/counselling campaign with the slogan "Smart lending" focusing in particular to the inform the individuals on a sound, calculated lending without risking overexposure to solvency, while keeping sound loan repayment and household income ratio. By increasing the focus on the family and promoting development and welfare of the individual and of the family, NOA is expanding, also in 2021, the range of products offered to this segment, and the network of its partners. Where there is no branch office of NOA, we have enable the possibility to purchase consumer products through the financing in installments by NOA.

**Endrita Buci**  
*Director of Individuals Segment*

## An uninterrupted and proactive communication



**A**t a time when the level of immigration in the country remains concerning, when you hear that the desire of every young people in Albania is to build a future abroad, at a time when the uncertainty for a “better” life is questioned across the globe by the pandemic, at NOA, we wish to see the “light at the end of the tunnel”. Having this in mind, we developed and launched our 2020 campaign under the motto “Choose Albania, Choose the Business”. This was a campaign unlike any other we have done so far.

We are a microfinance organization and our mission and desire are to help any entrepreneur, farmer or family who wants to invest in this country, believing that Albania offers a lot, but one has to find the right way to get the best of everything.

Our 2020 campaign was a campaign intended to reach our customers and make them sure that we are close to them, wherever they are and whenever they need us, in good but also in the dark days. Our aim was to restore the confidence and feeling of security. We believe that through new technologies, persistence and adequate funding, businesses could and should run as smoothly as possible.

The campaign started with a first phase where we wanted to communicate to everyone to #ChooseAlbania, as a reminder of the good things our country can offer and not to see emigration like the “salvation”. Moreover, we wanted to thank and point out the work of those who have already made investments in the country and who have the ambition for development believing that this country will be even better, if we invest in knowledge, skills and entrepreneurship. This was the focus of #IChose. The decision of all those of our customers who believe that Albania will offer a better future.



In conclusion, I would like to mention the intellectual effort invested in the country, NOA's staff, who has decided to work and give to their homeland all their expertise, values and commitment, appreciating that our country is the ideal place to grow, develop professionally and live quietly “at home”.

**Elona Cauli**  
Marketing & PR

## Technological developments, an unavoidable solution

Collaboration is one of the keys to NOA's success. We consider both internal and external collaboration (with our important partners) as crucial. Building fruitful collaborations requires making the most of opportunities and also finding the most advanced solutions that can provide optimization, automatization and efficiency. One of the most recent collaborations we would like to mention is the one with EasyPay.

At the beginning of 2020, exactly when entire Albania was in lockdown, we managed to introduce this service and put it in operation. With this service, the businesses have the possibility to receive payments from NOA's customers through the EasyPay service points all over Albania. The most particular aspect of this case is that the most important developments carried out in NOA-EasyPay information systems were made in a very short time and in the conditions of lockdown. Real-time and unrestricted in time interaction and collaboration between the IT teams of both companies was the key to this achievement. Such alternative payment method is really helpful for our customers enabling them to receive payments in real-time.

Over the months, the number of Easy Pay transactions has been increasing (over 4,100 transactions from May to December 2020). Now, it is the easiest method and the most preferred one by our customers to make loan repayments and this can be also done in the evening, weekends or holidays. This was made possible thanks to several points of access set up across the country and the extended service schedule. Nowadays, the highest number of payments on Saturdays and Sundays is made through EasyPay rather than through NOA's desk. During the technical development stage, the Systems Development Unit designed, in addition to the real-time display of the Easy Pay payments in the Core System, also the confirmation, at the same time send by an SMS, confirming the payment made.



*The pandemic showed us that the Technology is the future and we, at NOA, were sure of this from the very beginning of our business.*  
*Team of Developers*

## A working day in 2020



### **"Group communication, a strong tool to overcome challenges"**

Such an unusual and unprecedented situation we had to experience in mid-March left a huge impact upon us, which will not be easy to forget. As I hear often, for the majority of people, this time was a period of relaxation from everyday work burden, but also a reflection period, as they had free time! But for us, it was indeed a dynamic period. Despite the hardship, this situation gave us more energy to successfully overcome the obstacles and to keep up with the same level of service for our customers.

For this I wanted to share with you and thank all the staff of our branch for the hard work and dedication: Joradara, Samuela, Ervis, Arjan and Elona. Being in lockdown, it was impossible for us to leave home, but we created a bridge of communication among us thanks to the use of the state-of-art technology, in this way we managed to process the requests of our customers, in particular the re-scheduling and recapitalization requests. In this way we managed to do our work. I remembered the last days of March, from 27 to 31 March, when we were in direct communication and exchanged information with one another until after midnight. By doing this we managed to finalize successfully all the processes, as if we were on normal working day.

This made us understand that the difficult situations can turn into an incentive pushing us more to find the maximum energy and strength within us. I can say with pride that we have worked hard, we were committed and determined to serve all those customers who have always evaluated NOA and chose it as their first option, as their most safe and secure partner to develop their business ambitions.

**Vangjo Mitace**  
Director, Korça Branch



### **"At any moment and in any situation, at the customers' service..."**

In a normal daily work, our interaction with the customers does not end with the processing of their requests for funding, to the contrary, it is at that precise moment that our work commences. Our daily objective is to be a long-term partner of our customers. So, in good and bad times, our professionalism and love for work will never miss, notwithstanding the unprecedented hardships, like the Covid-19 pandemic. Even in difficult times, like the one we went through in 2020, we stayed in the first line of service to satisfy every request, as if it was a normal time, even though the uncertainty and fear of the unknown that had gripped us during the pandemic, was hiding behind the facemask. As a microfinance organization, we have always been where our customers are. We did the same also during the pandemic. Despite the restrictive measures, we safeguarded safety measures to protect our health and our customers'. The many unpleasant and sudden happenings we had to face during the last year, we have managed to overcome each and any of them. We were confident that such "dark time" would pass soon and we would go back to normality.

**Edmond Binaj**  
Director, Vlora Branch



### **"A manifold challenge, but we did it successfully."**

The situation we went through was really tough! In the beginning, it was very frightening because the pandemic kneeled even the most powerful states that have much more financial and medical capacity to overcome the situation than our country. Another fear was that despite the progress the humanity has reached today, it was not able to stop the pandemic, so it had to use a medieval form, such as lockdown, in order to prevent the virus spreading. There was no other measure to stop spreading the virus, and humanity felt threatened and chose to protect itself.

The media information was huge and continuous about the situation. I have seen this information in two directions: on the one hand as positive as being informed about the situation and its progress, on the other hand, it made use suffer psychologically as Covid-19 was the case of everyday. Other information was passed on more superficially, while information on Covid-19 was analyzed in more detail.

The sector where we operate has been riskier as customer contacts was continuous. We achieved to do a very good management of the situation and we were really careful to safeguard ourselves and our customers as well. The economic situation in the country become very concerning as the economic crisis deepened.

In our branch, despite the pandemic, we did not suspend our customer service for a single moment. This experience made us to be very cautious in implementing the safety measures.

However, service continuity had its own challenges, but we did not stop serving those customers who trusted us and asked for our financial support in the most difficult times.

Their challenge was finding alternative solutions fit for the situation to keep their businesses going on.

**Jetmir Kola**  
*Director, Shkodra Branch*



### **"Two words on the pandemic and life..."**

To better describe the pandemic situation in 2020, I was to tell you a real story with an inactive customer of NOA branch in Berat. After launching the campaign "Choose Albania, choose to invest here!", in a national media, during an interview it was mentioned, among others, that NOA will inject EUR 25,000,000 into the Albanian economy, one of our customers came to the office to asks for more information on how he could benefit from the total amount of EUR 25,000,000.

The customer was convinced that due to the correctness and the loyalty he had shown over the years, he had earned the right to apply for a good part of this fund, since according to him, he and the community where he lived needed it more than ever! The Customer Service of the Branch explained to the customer that these funds are injected in the economy at national level and that NOA will continue to remain a microfinance institution and not a governmental body. He was reassured that despite our good intention, we could not finance an entire village with a single financing.

However, this case made us really proud and happy because it was the best evidence showing the high opinion and importance that our customers attach to NOA. In case of a problem, knock first always at the door of those who do the work. And this seemed to us exactly the case..

**Ardian Danellari**  
*Director, Berat Branch*

# People first

With a clear mission and vision, to invest in the development of our human resources, we were committed, despite the challenges, to adapt our recruitment process and training of new or existing staff in methods best tailored to the situation.

We, at NOA, never stopped working with dedication to our staff. In 2020, we passed successfully a difficult test and with many unknowns, but we did it. We tried not to redundant or reduce the jobs. To the contrary, we were able to hire new staff, which at the end of 2020 turn out to be 54 new recruits



Average age:



35,8

M/F ratios:



142 F & 115 M

NOA staff:



257

Staff employed during the year

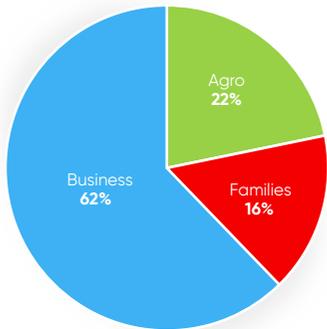


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# Financial results

Otherwise referred to as the year of unprecedented and unexpected challenges, in 2020 NOA managed to keep the balances of its organization. Even though during the pandemic we had to do twice as much hard work, job, energy, and dedication, we, at NOA never quit. We adapted to the new reality, to the new conditions dictated by the global pandemic, and we did not stop, not for a single moment, we continued to provide counseling and funding.

## Financing by segments



- **Female entrepreneur 31%**
- **Financing in rural areas 22%**
- **Trade, the most financed segment 22.8%**

Throughout 2020, NOA supported about 37,000 households, in addition to the financing of farmers, small and medium enterprises in the country.



**11,350**



**3,419**

Billion Lek



**8%**

**Disbursed loans:**

**Disbursed amount:**

**Portfolio Growth:**

Although it was an unprecedented situation, we worked hard in the field, advising each and every customer analyzing their situation and finding the best solutions.

This helped us have the loan portfolio under control, even though the situation itself did not favor anyone.

**PAR 30+ = 4.97 %**

**Par 90+= 2.43 %**

**W/off ratio = 3.74 %**

Although 2020 was an unusual year, we made a lot of efforts to introduce not only products and offers tailored to the tough situation for each business, but also to keep it up and improve the quality of service to our customers. We are engaged to provide the best standards to our customers, from the first stage of building customized products, to ensure a long-term and professional relationship with them.

"Quick and Easy" is our moto and we are committed to work in this way. This model of our service is also reflected in the following indicators :

**Processing time (TTY) - 6.5 working hours**

# Audit Report

## Independent Auditor's Report

To the Shareholders of NOA Sh.a.

### Opinion

We have audited the financial statements of NOA Sh.a. ("the Company"), which include the statement of financial position as at 31 December 2020, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year than ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, its financial performance and its cash flows for the year than ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Albania, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other matter

The Financial Statements for the year ended 31 December 2019 have been audited by another auditor who expressed an unqualified opinion on those statements on 24 August 2020.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

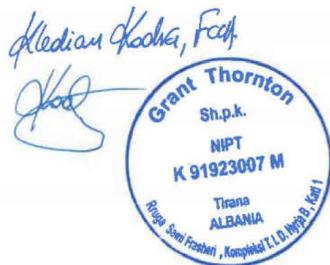
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Grant Thornton sh.p.k.**

Tirana, Albania  
26 March 2021



## NOA SH.A.

### Statement of Financial Position

Amounts in thousands of LEK

	Notes	31 December 2020	31 December 2019
<b>Assets</b>			
Cash and cash equivalents	16	354,295	327,691
Loans to financial institutions	17	338,167	540,659
Loans and advances to customers, net	18	5,082,474	4,705,878
Inventory and other assets	21	46,887	27,881
Property, equipment and right-of-use assets	19	182,873	166,320
Intangible assets	20	23,973	6,041
Deferred tax assets	15	23,003	25,716
<b>Total assets</b>		<b>6,051,672</b>	<b>5,800,186</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Income tax payable	15	7,521	11,096
Other liabilities	25	238,192	188,487
Bonds issues	23	-	81,867
Borrowings	22	4,252,620	4,244,596
<b>Total liabilities</b>		<b>4,498,333</b>	<b>4,526,045</b>
<b>Equity</b>			
Paid-up capital	26	731,839	731,839
Legal reserve	27	50,067	36,351
Retained earnings		771,433	505,951
<b>Total equity</b>		<b>1,553,339</b>	<b>1,274,141</b>
<b>Total liabilities and equity</b>		<b>6,051,672</b>	<b>5,800,186</b>

The statement of financial position is to be read in conjunction with the notes set out on pages 5 to 53 and forming part of the financial statements.



**#ReInventingMicrofinance**



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