



Agora  
Microfinance  
BANKING FOR CHANGE



Annual Review  
**2022**



**Mission:**  
The Company's mission is to maximise the social returns in microfinance while providing a fair and attractive financial return to its investors.



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# Message from the Principals

As 2022 drew to a close, we had much to feel energised about at the Agora Group. Our **Zambian affiliate, AMZ**, continued its progress towards further deepening and widening its impact, and at the same time our **Indian subsidiary AMIL** began showing clear signs of recovery and even resurgence towards the end of the year.



**Gerhard Bruckermann**  
Anchor Investor



**Tanmay Chetan**  
Chairperson

Alongside, Moringaway demonstrated that it had built a stable business model and was not dependent on scale for its financial results. All three of our Group companies are operating well as we enter 2023, and we have expectations of a bright year ahead for all of them.

In India, AMIL had faced the brunt of the pandemic in 2020 and 2021, and its financial results were severely impacted especially in the later year. While 2022 still ended in a small loss, the Company has done enough to indicate that its recovery is strong, and the later months of the year were consistently showing positive results. We expect this to be cemented in 2023, with a number of innovative approaches bearing good results. As we entered 2023, AMIL was already in the process of designing a new risk-based system for product pricing, alongside expanding its range of products as well as its geographical spread. A new model of a remote CO for fully digitised transactions in remote areas was also being tried out. Most importantly, AMIL management has enabled – through a high standard of loan appraisals – the recovery of its loan book. Its current portfolio, loans given after the pandemic – have now been operating at near zero loss for over a year (PAR30 at around 1%). As this goes to print, AMIL continues to show strong resurgence during 2023, and we congratulate the staff and management for achieving these results. Going forward, we are working towards further strengthening AMIL's digital capacities while also preparing to establish a social performance management system in the Company.

Alongside some key new senior management hires, this will prepare AMIL well for its future growth and expansion.

In Zambia, AMZ continues to be on a stable path to growth, consolidation and deepening of its impact. AMZ exemplifies an approach of an intense focus on understanding and meeting the needs of its clients through solutions identified internally at all levels, something that it has successfully internalised during the last few years. It finished 2022 with over 130,000 clients and a loan book of over ZMW 200 million. Its continued progress was backed by a lot of work on the back end of the business, the highlight of which was the establishment of a new middleware linking all its digital tools in operation. Alongside opening of new branches, this was one of the key initiatives carried out to prepare AMZ for a future of further streamlined data management as its operations continue to grow. AMZ's position as the premier rural financial institution in Zambia has now been well cemented, and its future lies in expanding its non-credit business lines further, especially insurance, leasing and in the future, customer deposits. We are all working together with our colleagues in Zambia to ensure continued success for this exemplary institution.

Our institutional lending arm, Moringaway also had a continued year of successful operations, with its financing being able to support institutions in Nigeria, Kenya, Cambodia, Zambia and India, including our own group companies. Moringaway continues to operate with a viable business model while offering tailor-made products to

institutions and through a judicious mix of local currency as well as USD denominated lending. The plans to scale up Moringaway further are under implementation, and we expect its reach to extend to new institutions as well as new markets in the coming year.

We are also pleased to announce the appointment of Jitske Cnossen to our leadership team. Jitske took over the role of Chief Operating Officer and is based out of Cape Town. She comes with considerable experience of supporting and managing financial institutions from her previous roles at FMO (the Dutch Development Bank) as well as other social enterprises and impact focused institutions. She will lead our expansion plans in the coming years, and we are excited to have her on board.

As always, we would like to thank the staff, management, and board members of our Group of companies, all of whom are driven passionately to make a difference in the lives of the unbanked. We hope that our progress continues and as we evaluate new markets and seek new partnerships, we remain committed to always keeping our clients at the centre of our plans.

**Gerhard Bruckermann**  
Anchor Investor

**Tanmay Chetan**  
Chairperson



All three of our Group companies are operating well as we enter 2023, promising a bright year ahead.



# Corporate Structure

**Investing companies:**

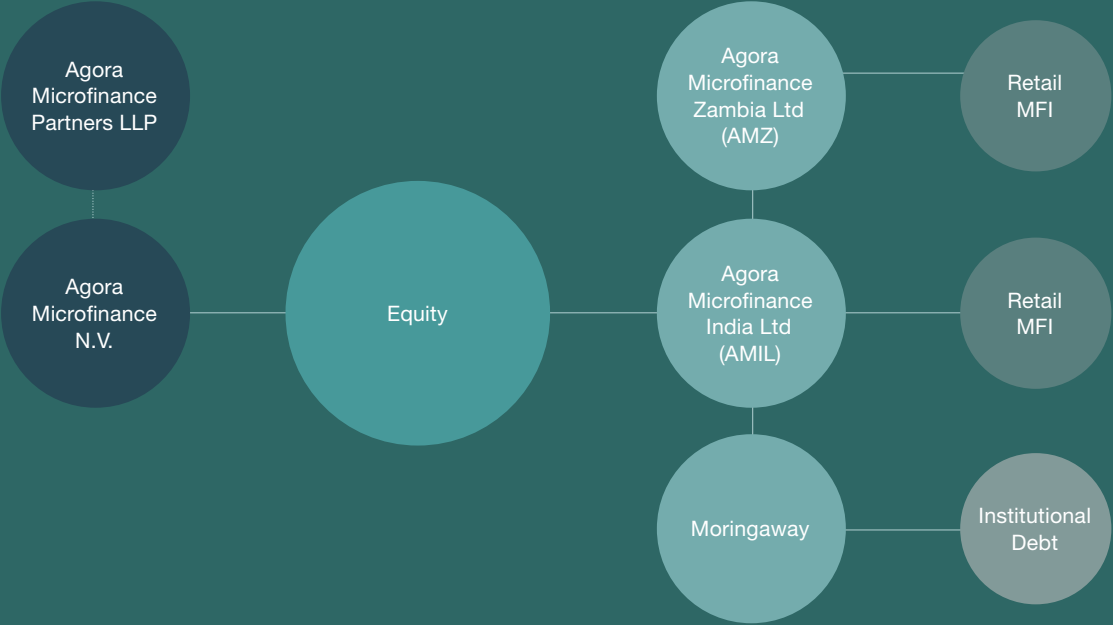
Agora Microfinance N.V., Moringaway  
Agora Microfinance N.V., a Dutch domiciled holding company invests in equity of financial institutions  
Moringaway, a Mauritius GBL1 Company, provides short-to-medium term debt to microfinance institutions

**Equity investees:**

Agora Microfinance Zambia Ltd,  
Agora Microfinance India Ltd

**Financial advisor:**

Agora Microfinance Partners LLP, is a financial advisor registered with the Companies House and regulated by the Financial Conduct Authority in the United Kingdom



Agora Microfinance Botswana Proprietary Ltd (AMB)  
\*Agora Microfinance Botswana Proprietary Ltd was registered during the year and is awaiting its operating license.





# Operational and Financial Highlights

**\$36m**

Total Equity

**\$47m**

Total Assets

**1.7%**

Management Cost /  
Average Total  
Assets

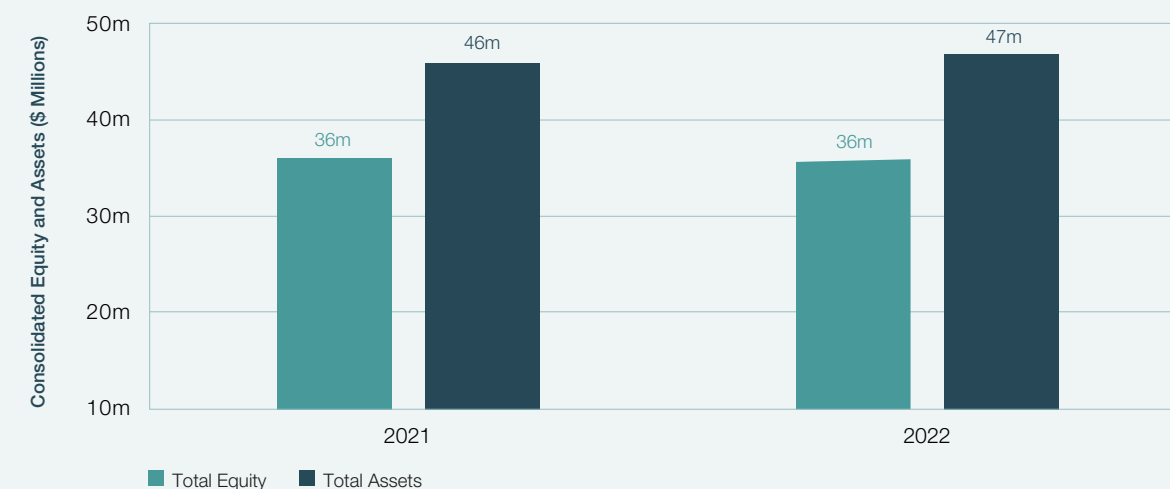
**1.5%**

Return on Equity

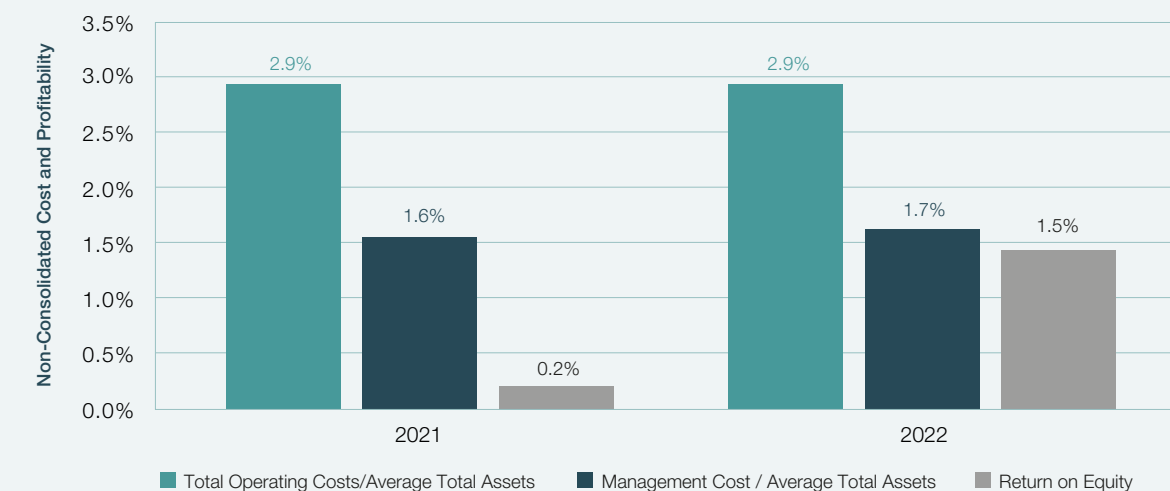


## Operational and Financial Highlights

### Agora Microfinance N.V., Consolidated



### Agora Microfinance N.V., cost and profitability, Non-Consolidated





# Operational and Financial Highlights (continued)

## Agora Microfinance N.V., Retail Portfolio

	2021	2022
Branches	40	46
Staff	396	488
Total Clients	148,142	165,958
Loan Portfolio (USD)	\$16.6m	\$17m
Average Loan Size (USD)	\$112	\$103
Clients per Staff	374	340
Cost per Client	\$47	\$33

46

Branches

165,958

Total Clients

\$103

Average Loan Size

\$17m

Loan Portfolio





# Highlights

## Agora Microfinance Zambia Ltd



Agora Microfinance Zambia Ltd (AMZ), a company limited by shares, was licensed with the Bank of Zambia in 2011 as a non-deposit taking non-bank financial institution, with the objective of providing financial service to the financially excluded (largely rural) population of Zambia.

Since its inception, AMZ has adopted the village banking model for its group lending and includes a diverse range of products such as Agriculture lending, Group lending, Small business group lending, MSME lending, Micro Insurance and Mobile money in its portfolio of offerings.

	2021	2022
No of Branches	24	30
No of Village Banks	3,812	4,733
Number of Active Borrowers Clients	126,492	148,382
<ul style="list-style-type: none"><li>• Women Borrowers (%) Clients</li></ul>	58%	54%
<ul style="list-style-type: none"><li>• No of Rural borrowers (%) Clients</li></ul>	93%	92%
Loan Portfolio (USD)	11,276,516	12,110,327
PAR 30 Days	1.47%	1.95%
Average Loan Size (USD)	89	82





# Highlights

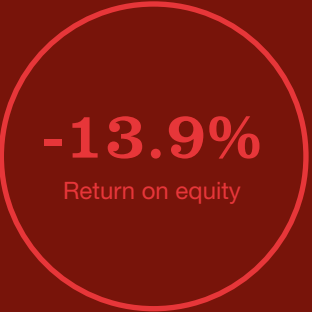
## Agora Microfinance India Ltd



Agora Microfinance India Ltd (AMIL) has been operating since 2011 and is registered with the Reserve Bank of India (RBI) as a Non Banking Finance Company (NBFC). AMIL plays a significant role in expanding financial services to the urban poor. Their vision is an urban society in which low-income communities have sufficient opportunities to improve their well-being.

They achieve this by providing affordable, convenient and timely financial services to low income urban clientele in a financially sustainable manner.

	Dec 2021	Dec 2022
No of Branches	16	16
Number of Active Clients	21,650	17,576
• Women Borrowers (%)	94%	96%
Loan Portfolio (USD)	5,173, 932	4,908, 421
PAR30 Days	32.2%	15.2%
Average Loan Size (USD)	244	312
Return on Equity	-104.7%	-13.9%





Highlights  
Moringaway

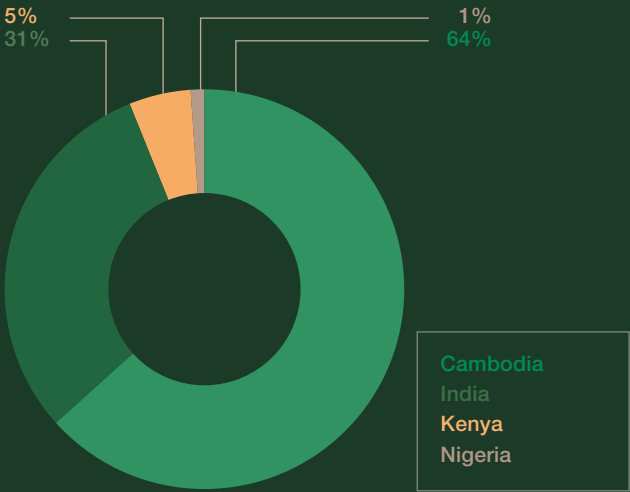
Moringaway is a wholly owned subsidiary of Agora Microfinance N.V. based in Mauritius that operates as a microfinance debt facility. It acquired its Credit Finance Licence in 2020.

Moringaway’s goal is to support socially responsible, financially stable MFIs in underserved microfinance markets to achieve optimum social and financial returns. It aims to make a considerable impact in financial inclusion by providing liquidity to institutions who work in the areas of rural finance and micro-insurance, with a focus on the use of technology to improve reach and efficiency in their work. The company operates predominantly in Africa but has some reach into Asia. Clients in these markets are mostly rural inhabitants dependent on subsistence and small farming.

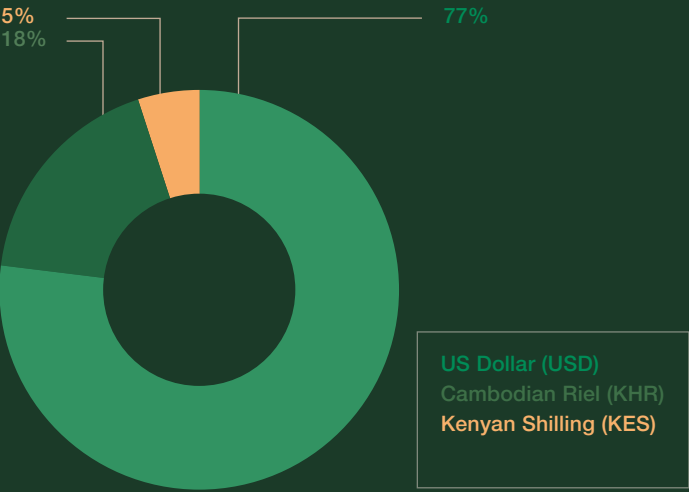


	2021	2022
Total Clients	5	5
Total Countries	5	5
Outreach to Loan clients, via Debt Portfolio	558,169	597,079
Outreach to Women Loan clients, via Debt Portfolio	75%	74%
Loans Outstanding (USD)	\$ 15.4m	\$ 12.3m
Gross Interest Yield/Average Total Assets	8.80%	5.57%
Return on Equity	30.14%	14.84%
Equity/ Assets	34%	38%

Country Exposure



Currency Exposure





# First 10 years of Agora



Agora Microfinance became operational in 2012, with the creation of Agora Microfinance N.V. in the Netherlands. This was preceded by the creation of the financial advisor, Agora Microfinance Partners LLP, in London in 2009. During 2009-2012 the Agora Group was still operational – much of the pre-op work in Zambia, and acquisitions in Cambodia and India were all underway during this period. By the time AMNV was established at the end of 2011, the Group was ready to invest in the 3 countries directly.

## 1. Summary 2012-2022

During the past 10 years the Group has achieved many milestones, the more important ones were

- Successful acquisition and exit in AMK Cambodia
- Establishment of Agora Microfinance Ltd (AMZ) as a market leader in Zambia
- Development of Moringaway into a viable lender to financial institutions
- Sustenance and establishment of Agora Microfinance India Ltd (AMIL) despite external shocks
- Creation of a viable business model at the Group level

In every country of its operation, Agora aims to create local market leaders, institutions that are grounded in their countries as important parts of their national financial fabric and operate on commercial standards and governed by their local regulations. Importantly, the Group has succeeded in building an impact-first approach, where access to the unbanked and monitoring the impact of its work takes precedence over all other priorities.

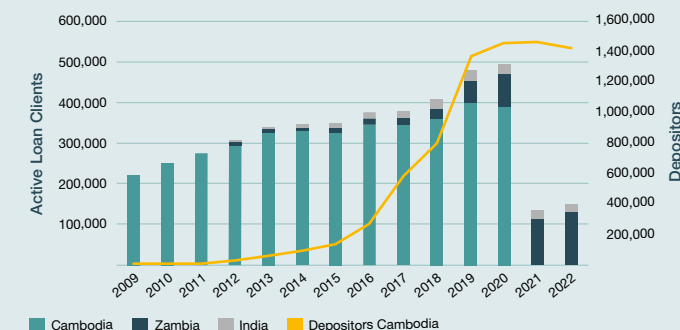
## 2. Group's performance 2012-2022

### 2.1 Access to finance

Since its inception in 2012, the past 10 years have seen the Agora Group companies successfully provide financial services to millions of clients. Most of our operations provide collateral free finance at the doorstep of clients. Our footprint across various geographies has been long-lasting and in the past decade (as on end 2022) our operations reached almost 0.5 million active loan clients as shown right.

Importantly, one of the main achievements of the Group was the building of the deposit business at AMK in Cambodia. As can be seen in the above chart (line), the Cambodian operation was reaching close to 1.4 million depositors at the time of Agora's exit in 2020.

Agora Group: Reaching the Unbanked



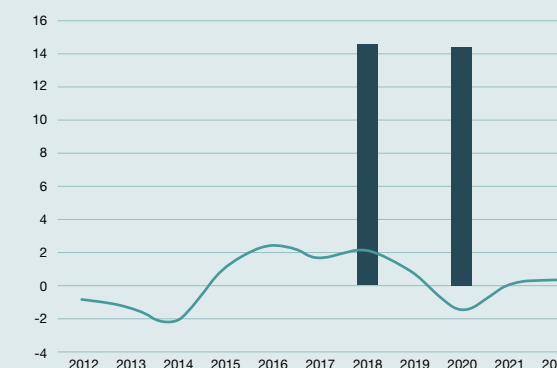
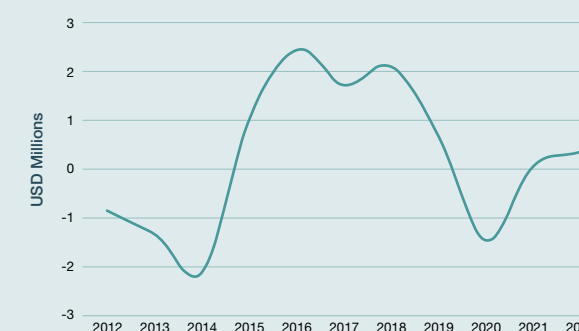
### 2.2 Operational and financial performance

The Group has had positive operating results since its break-even in 2015 in every year barring 2020, when the impact of the pandemic in India was felt at the Group level as well. Since then, while the Group has made small profits during 2021-22, its results have been affected by the impact of Covid-19 in India. This is expected to move towards a much more improved picture from 2023, as the Indian operation stabilises and begins registering positive results.

As mentioned, overall net profit levels were boosted substantially by the sale of AMK during 2018-2020.

Altogether, the Group had an overall annualised Return on Equity of **13.2%**

Operating Profit



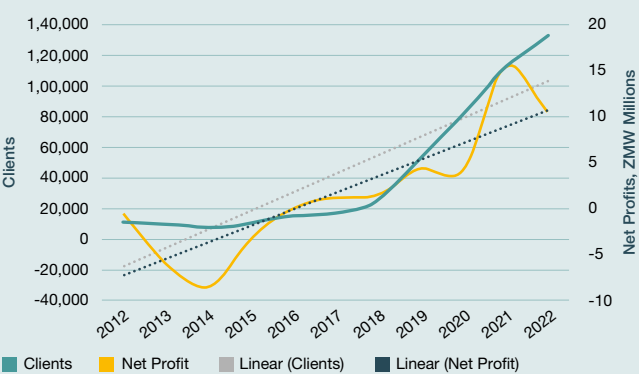


2. Group’s performance 2012-2022 (continued)

2.3 Other highlights and achievements

Undoubtedly, the biggest highlight of the past decade has been the **establishment of AMZ** as a large, viable and a well-run institution. Even if its path forward contains many new challenges, AMZ has proven that viable rural microfinance is feasible in Zambia, contrary to the assumptions (and examples) that existed about the market at the time of AMZ’s creation. Despite a difficult initial period, AMZ is today one of the region’s best regarded microfinance institutions. With new shareholders, deposit license, substantial upgrades of systems and processes all being planned at this time, we can aim to see AMZ emerge as an established success story in the coming decade.

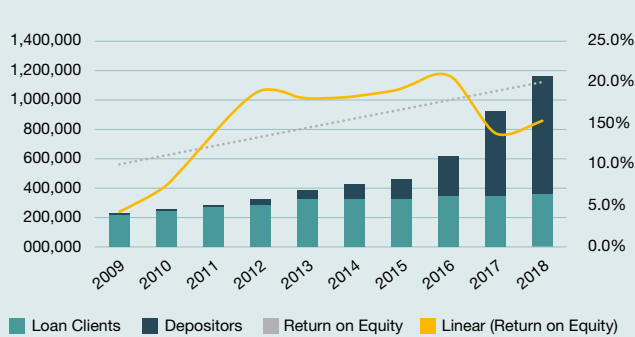
AMZ: Growth & Viability



The graph shows the initial difficulties in getting the business model right, and as a result there was very little growth during 2012-2017. This was a period of high loan losses and high operating costs. This can be seen as a period of learning for AMK, during which it slowly improved operating efficiencies and created a strong portfolio, after which growth has been robust, even exponential during 2018-2022. The ability of AMZ to manage this growth without a drop in operating quality is critical, and therefore it is investing substantially at present in information systems that provide it with the tools for more effective management.

The other consequential highlight of the decade was the **acquisition, turnaround, and eventual sale of AMK**. Our period of shareholding saw AMK move into deposits and agency banking, create a micro-insurance subsidiary/business, and expand its reach even further to every corner of Cambodia. Its success, and its sale, presented the Group with the opportunity now to invest in expansion as well as diversification of the business through Moringaway. Our period of control in AMK began at the end of 2009, when there was an agreement in principle with the erstwhile shareholders for our acquisition of AMK, and our first round of exit (and cessation of control) took place in 2018. A snapshot of AMK’s growth and financial performance during this period can be seen below.

AMK: Acquisition to Exit



Aside from AMK and AMZ, the Group acquired Moringaway in 2018. The idea was for Moringaway to complement the work on the equity side and enable the Group to reach further and wider. While it is still early days of its establishment, Moringaway has created a viable portfolio and has lent to some 6-8 institutions thus far (including AMZ, AMK and AMIL).

2.4 Social Performance and Impact

Agora Group companies have been at the forefront of establishing and integrating scientific, data driven social performance and impact measurement systems. AMK in Cambodia was a pioneer in this area, and AMZ has now created the structures and systems to push forward its social performance. Both institutions have been recognised internationally on their work, the most recent being the 60-Decibels global research on microfinance impact that ranked AMZ as #6 on its impact on clients amongst 35 African microfinance institutions. A standardised Group level approach to social performance is now under consideration during the proposed expansion of activities.

Agora in 2030: building the future of inclusive financial services

3. Vision 2023-2030

Agora was initially established with a view to make a meaningful difference to financial inclusion in Africa, focusing on low-income families directly and helping to improve their access to good quality financial services. In this quest, considerable progress has been made in Zambia. Later on, Moringaway was introduced within the group to also reach clients indirectly while ensuring liquidity for the group.

A refreshed vision for the next 7-10 years looks beyond the current operations of AMZ, AMIL and Moringaway. There are **5 themes** to this vision

3.1. Expanding direct reach

Small value financial services have the potential for large improvements in the lives of the more entrepreneurial clients; however, for most other clients they usually help in small, incremental ways. Generally, the most immediate value is cash-flow smoothening and smaller – though valuable – improvements in livelihoods and well-being.

Therefore, reaching larger numbers of clients is a key objective as it will create a greater degree of impact – both entrepreneurial and incremental.

Agora will aim to create/acquire financial institutions in **up to 10 countries over the next 7 years**, beginning in the Zambian neighbourhood. The markets that will be considered include Botswana, South Africa, Malawi, Rwanda/Burundi, Lesotho, Tanzania, Mozambique and Uganda, amongst others. Several countries will be explored during the next two years and companies incorporated wherever possible, in preparation. Once two countries receive their licenses, we will look to establish a small team in the region, most likely in South Africa or Zambia.

3.2. Creating/building market leaders

Agora will aim to create market leaders in reach (to the lowest income populations/women), efficiency, financial performance, product range, and cost to customer, and ultimately in its impact. This is Agora’s goal in general, to create excellence through its work and thereby impact the clients as well as the market positively. In our experience, it takes about 3 years to establish a good standard of operations – consistent and context specific policies and procedures, general financial discipline in operations, appropriate credit risk assessment practices, and efficient portfolio management. For a greenfield operation, this can be achieved with an investment of around US\$ 3 million per operation/country. The second phase, once the above is achieved, is to expand





Agora in 2030: building the future of inclusive financial services (continued)

into non-credit products (insurance, mobile money, leasing and deposits). Depending on the regulations, this can be achieved with further investment (in systems and processes) and scale in the loan business that provides a critical mass for non-credit product offerings. A deposit license will usually take longer because of regulatory and capital requirements in most countries, but should be possible in a number of countries amongst the ones mentioned above.

3.3. Financing other (microfinance) institutions: Moringaway

The third piece of our vision is to expand our reach and contribution through financing other promising or impactful institutions. These could be typical rural MFIs or others such as banks, Fin-techs or institutions providing finance to small businesses. The long-term goals of Moringaway are to

- Support institutions working on financial inclusion in impactful ways (rural outreach, SME financing or via use of technology)
- Create local currency options with better risk sharing than currently possible in the markets
- Create a viable business model by combining USD based portfolio with a diversified currency mix
- Aim to progressively lower the cost of funds in the markets of operation
- Create liquidity within the group structure

Moringaway has made some progress on the above in the past 2-3 years, but its portfolio is still largely exposed to Group companies (including AMK, a previous Group company). Its Group exposure is mostly in USD, which provides a platform on which it can further expand and diversify. In the coming years, Moringaway will aim to reach many new markets and create a vibrant, performing portfolio in an efficient manner.

In a stable state, Moringaway will maintain within a 25%-50% USD portfolio on which other currencies can be loaded, to create a natural hedge. While most other currencies will likely move in the same direction, the USD position will provide cover for losses. In good years, the local currency positions will yield a superior result, and therefore will cover past/future losses as well.

Moringaway will aim to build at least a USD 50 million portfolio in this period, to create a stable business model.

3.4. Establishing an evidence-based system for Social Performance and Impact measurement

The vision is to build a standardised approach at the Group level in a structured, centralised manner. Our experience of the past decade suggests that if left at the independent, subsidiary level the focus on social performance gets distracted due to operating challenges (including of achieving viability) and the approaches in different countries might also vary substantially without a way to align them to a common approach to thinking about social performance and impact.

Therefore, a strong research base will be created at the Group level, focusing, amongst other things on the following

- Direct outreach to the lower income, vulnerable/marginalised and to women in general
- Suitability of products and processes to achieve the above
- Tracking of client well-being over time
- Participation of women in decision making across all levels in the Group
- Client and staff satisfaction

The Group structure will assist in creating a scientific, verifiable system in all our subsidiaries and affiliates.

3.5. Technology and Fintech

In recent years, the revolution in payment technology has created new opportunities in improving access to finance through the use of innovative, technology driven distribution systems, including agent banking and mobile banking. While most of our current rural clients are still yet to adopt mobile technology in their daily lives, this is set to change in the coming decade. Each of our operations have worked to develop appropriate technology in their delivery of financial services, usually responding to the opportunities that exist in their respective market contexts. To become a more pro-active than a reactive entity, Agora will look to invest a high-quality technology operation that can not only enhance our own retail operations but also provide appropriate solutions to other financial institutions. Technology will therefore be an important component of our future strategy.

Team Profiles

Holding Company & Financial Advisor



Tanmay Chetan  
Group CEO

Tanmay is one of the founding promoters of Agora, and oversees its operations as the Group CEO. In his current role he manages the equity investments (Chair of Boards of the three investees) and also handles the Advisory Company as its Managing Partner. His additional roles include Chairing the Supervisory Board of AMNV and he is also a Director of Moringaway. In his role Tanmay focuses mainly on the development and execution of strategy at different levels of the structure. He brings considerable prior experience of microfinance operations, consulting and ratings.



Roanna Peat  
Group CFO

Roanna is responsible for the financial control of AMNV as its Managing Director. She has been with Agora since 2017 and is based in The Netherlands. She brings many years of international experience across a range of industries including Financial Services, Oil & Gas, Energy and Real Estate.

Roanna is a Chartered Accountant with the Institute of Chartered Accountants of Australia and New Zealand and holds a bachelor's in accounting and economics and Diploma for Graduates from the University of Otago, New Zealand.



Jitske Cnossen  
Group COO

Jitske has been a member of Agora's team since 2019, serving as a director of the Board in Zambia. In February 2023, Jitske was appointed as the Chief Operating Officer for the Group. In this capacity, she will lead Agora's expansion in the Southern African region, while also providing support in other areas of work within the Group.

She brings considerable experience of financial inclusion in Africa. In the past she has worked in various roles with the Dutch Development Bank (FMO) including as an Investment Officer for Africa.



Team Profiles (continued)



**Yacine Jacobs**  
Finance Controller,  
Agora Microfinance N.V.

Yacine joined Agora as Finance Controller in 2021. She brings with her many years of experience in the manufacturing and Real Estate Industry.

Yacine is a Chartered Accountant registered with the South African Institute of Chartered accountants and holds a Honours Bachelor of Accounting Science from the University of South Africa.



**Kavya Tibrewal**  
Investment Analyst, Moringaway  
(Mauritius)

Kavya is an Investment Analyst and has been with Agora Microfinance since 2019. She is responsible for the development and scaling of Moringaway's debt investment portfolio in Sub-Saharan Africa. This includes conducting due diligence, designing frameworks and monitoring of the portfolio. Prior to joining Agora, Kavya worked in economic policy research and consulting.



**Josue Iyempermall**  
Finance Manager & Analyst,  
Moringaway (Mauritius)

Josue joined Agora as the Finance Manager & Analyst of Moringaway. In his capacity, he looks after the financial control, reporting and compliance of Moringaway and also monitors the debt and asset portfolio of the company.

Josue has over 22 years of experience in accounting. Prior to joining Agora, he has worked in project finance and transaction advisory, most recently with the Big 4/5 firms in Mauritius.

Team Profiles (continued)



**Sajia Alam**  
Management Accountant & Analyst,  
Agora Microfinance Partners LLP  
(London, UK)

As a Management Accountant & Analyst, Sajia joined Agora. She analyses key financial data in her current position to enhance financial planning. Sajia is responsible for Agora LLP's financial reporting and compliance.

Sajia has over 10 years of accounting expertise. She had worked in audit and consulting services for the Big 4 corporations in Bangladesh before joining Agora.



**Monica Santos**  
Administrative Assistant, Agora  
Microfinance Partners LLP (London,  
UK)

Monica joined Agora in February 2019 as an Administrative Support Officer. She is responsible for the day-to-day running tasks of Agora, as well as directly supporting the CEO and partners of the company with all their secretarial & administrative requirements. Monica also provides support to the accounts, communications and compliance departments.





## Investees and Leadership



**Manoj Neval**  
CEO, AMIL

During his career spanning over 25 years, worked across Microfinance, Retail Financial Services, Banking Business Correspondent, Food and Agro Processing industries and has sound understanding of P&L Management, Strategy, Operations, Finance and Business Development. He joined Agora Microfinance India Ltd as Deputy CEO in Oct, 2019 and has been working as Chief Executive Officer since April, 2020.

Prior to joining Agora, Manoj was working as Vice President for the Payments and Remittance business of Manappuram Finance Ltd, a leading Non-Banking Finance Company with pan India operations through a network of more than 3000 branches.

He has completed his MBA and is a Member of All India Management Association.



**Amandeep Singh**  
Head of Operations, AMIL

Amandeep is a seasoned management professional with over 13 years of diverse experience, currently serving as the Head of Operations at Agora Microfinance India Ltd. He is a results-oriented leader with a unique blend of skills that encompass leadership & people management, operations management, financial management, strategic business planning & implementation, risk management and internal audit.

Prior to joining AMIL, he worked with the Future Group, Fino Payments Bank and Morningstar in various positions within Business Operations, Strategy, Marketing and Risk.

Amandeep is a management graduate from IIFM, Bhopal (India).



**Susan Chibanga**  
CEO, AMZ

Susan is a Chartered Accountant with 13 years of post-qualifying experience in Zambia, 8 years have been at management level in microfinance. She joined Agora Microfinance in 2016 as a Chief Financial Officer, a position she held till her appointment as Chief Executive Officer.

Prior to joining Agora, she worked with FINCA Zambia serving in various positions within the finance department and was responsible for influencing the implementation of the finance strategy.

Susan is a member of the Association of Chartered Certified Accountants (ACCA) and holds a Bachelor of Science degree from the University of Zambia.

## Investees and Leadership



**Mwape Mwila**  
Deputy CEO, AMZ

Mwape has over 17 years' experience in Microfinance industry in Zambia. He started his career in Microfinance sector in 2001 as a Credit Officer with Care Pulse Zambia. He has worked in other institutions – Pride Zambia, Madison Finance and now Agora Microfinance Zambia. Mwape has been with Agora Microfinance Zambia since its inception. He has risen through the ranks from Branch Manager, Business Development Manager, Operations Manager and is currently Deputy CEO.

Mwape holds a Diploma in Marketing from Evelyn Hone College and a Bachelors of Arts Degree in Marketing from University of Lusaka.







**Agora  
Microfinance**

BANKING FOR CHANGE

**Agora Microfinance N.V.**

Atrium North Tower 4th Floor, Strawinskylaan 4117  
1077 ZX Amsterdam, The Netherlands

**Agora Microfinance Partners LLP**

7th Floor, 5 Merchant Square,  
London W2 1AY

Tel: +44 207 224 0597  
info@agoramicrofinance.com

[www.agoramicrofinance.com](http://www.agoramicrofinance.com)