



Agora  
Microfinance  
BANKING FOR CHANGE

Agora Microfinance N.V.  
Annual Review  
**2021**



**Mission:**  
 To maximise the social returns in microfinance while providing a fair and attractive financial return to investors



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# Message from the Principals

Another year of navigating the pandemic comes to a close. For us at Agora, with staff and organisations across different countries and continents, it has meant learning a new way to collaborate at work. Like the rest of the world, we are getting used to a more virtual way of working across teams – and so far, it seems not to have had much of an impact.



**Gerhard Bruckermann**  
Anchor Investor

Our progress continued during the year and much of our plans moved forward as envisaged, though expectedly there were a few setbacks too due to the pandemic, that were difficult to avoid.

Our subsidiaries took substantial forward steps during the year, despite the challenges of the new normal. **Moringaway**, our dedicated facility for institutional debt, more than trebled its portfolio during the year. Our debt portfolio now exceeds US\$15 million and includes exposure in 5 countries, 3 of which are in Africa. The longer-term goal of the facility is to extend its coverage to more (African) markets while achieving the twin objective of viability as well as lower cost of funds for microfinance institutions, especially those with a strong social footprint. We will continue extending our reach during 2022.



**Tanmay Chetan**  
Chairman

Our Zambian partner, AMZ, is firmly established as the country's premier rural microfinance institution as well as the largest retail operator by customer numbers.

Our Zambian partner, **Agora Microfinance Zambia (AMZ)** is now firmly established as the country's premier rural microfinance institution. In addition to being the largest (by customer numbers) retail operator in Zambia, it possesses a long track-record of financial viability as well as strong asset quality. Almost 90% of its clients are rural, mostly small farmers, and its depth of reach is indicated by its average loan size of just US\$90. During 2021, AMZ opened new branches, added new products (notably farm equipment leasing), converted all its offices to solar, and undertook a number of technology upgrades, including the operationalisation of a real-time geo-tracking tool for its field operations. At the same time, AMZ grew substantially during the year and finished the year with over 125,000 active clients – up 55% from the previous year. Its loan book has also grown proportionally and now exceeds US\$10 million. Its progress on non-credit products also continued, with its health insurance product with over 20,000 active policies, and over 36,000 mobile money transactions carried out during the year. In summary, we could not have expected better results for 2021, and the strong progress positions us in an ever-stronger position for future consolidation.



During 2022, AMZ will take some substantial steps with the clients at the centre of its plans. Of these, perhaps the most significant would be the reduction in interest rates for customers, with the plans being to lower effective rates substantially for clients with a longer track record with AMZ. Other products will also have lower effective rates, bringing the overall reduction in cost to clients by about 10% across all loan products. Another new initiative being operationalised as we speak is a farm equipment leasing product, which seems to have overwhelming demand but suffers from a lack of capital. The product is currently in trials and will likely be launched during the year. Other upgrades in technology, establishment of a Social Performance Committee, and further improvements in efficiency as well as trials of more eco-friendly strategies in operations are all planned for 2022. Alongside all the above, we expect to keep growing and reaching more clients deeper in the market during the year. It will be an exciting, eventful year by all accounts.

Meanwhile, the situation continued to remain challenging at **Agora Microfinance India Limited (AMIL)**, where the devastating second wave of the pandemic early in the year undid the recovery that our team had managed in the preceding months. As a result, our operations were pushed further behind, and it now looks like a longer road to recovery than we had initially hoped for. On the slightly positive side, by September clients had begun making monthly payments as their livelihoods slowly began to recover. The financial impact from the pandemic will only become clearer during 2022, after most of the restructured loans have run their course. In any event, we continue with the belief that over time AMIL will revive its operations and begin growing again, beginning 2022. More on this will follow in due course.

In an exciting new development, we looked at a few markets during 2021 and have decided the location of our next greenfield operation – **Botswana**. We carried out multiple scoping visits to the country during 2021, once we had shortlisted it as a potential location. While Botswana is economically relatively better off than many other countries in the region, we have identified rural populations that have little access to financial services and believe that a mid-sized microfinance institution will address this gap well. Botswana is a well-regulated market with supportive policies in place for foreign owned financial institutions, which makes it a friendly market to conduct business in. Initial work on company set up and licensing application is expected to be completed in the first half of 2022, and we keep our fingers crossed for the start of operations before the new year is out.

In conclusion, we are delighted at the progress made with Moringaway and AMZ during the year, both of which exceeded their own plans and are on course for many milestones in the months and years ahead. While AMIL has been set back by events outside of its control, we are extremely hopeful that it will recover, and do so strongly. We will continue backing AMIL in the coming years. Our new operation in Sub-Saharan Africa forward and if all goes well, we should be in a position to report on its operations at this time next year.

We would, as always, like to wish our customers, supporters/investors, and the management and staff in our different operations much success during 2022 and hope that the challenges from the pandemic will ease for our colleagues and customers alike.

**Gerhard Bruckermann**  
Anchor Investor

**Tanmay Chetan**  
Chairman

# Corporate Structure

**Investing companies:**

Agora Microfinance N.V., Moringaway

Agora Microfinance N.V., a Dutch domiciled company investing in equity of financial institutions

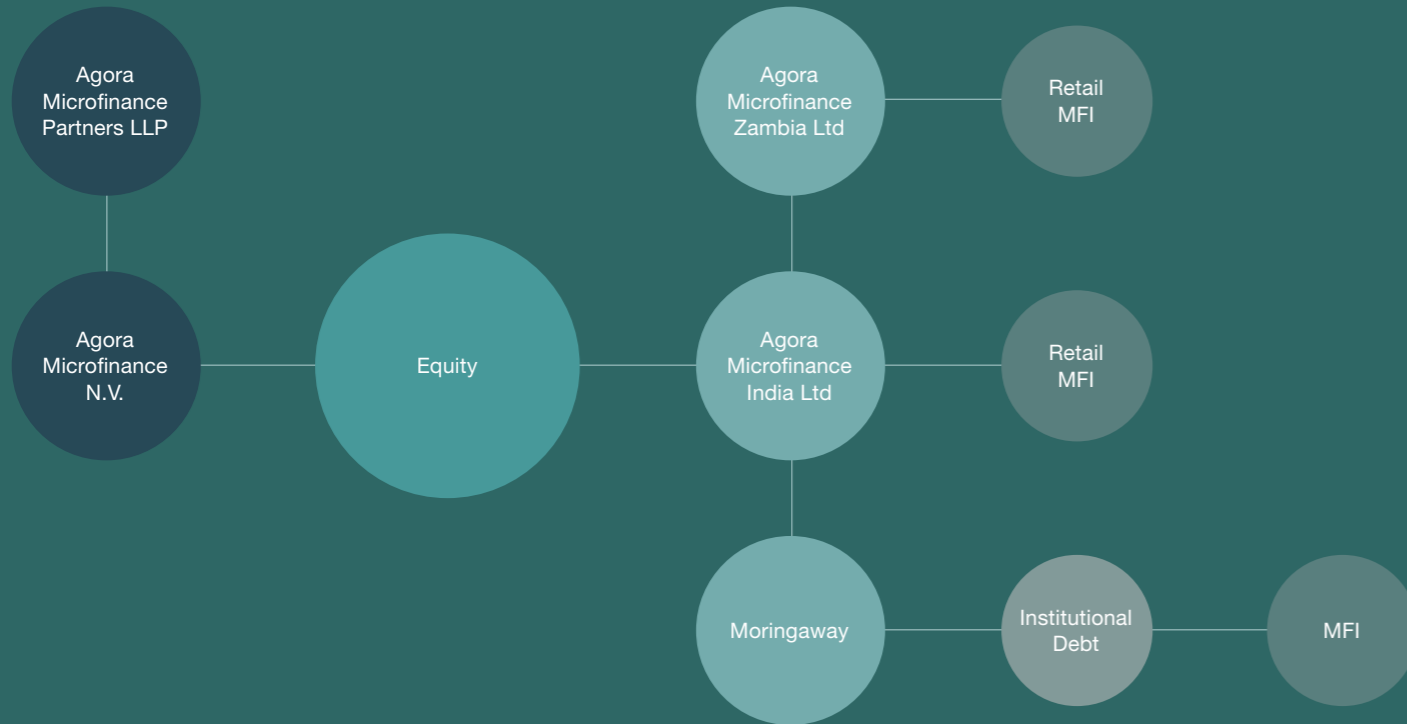
Moringaway, a Mauritius GBL Company, provides short-to-medium term debt to microfinance institutions

**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



# Operational & Financial Highlights

**\$36m**

Total Equity

**\$46m**

Total Assets

**2.0%**

Management Cost / Average Total Assets

**0.2%**

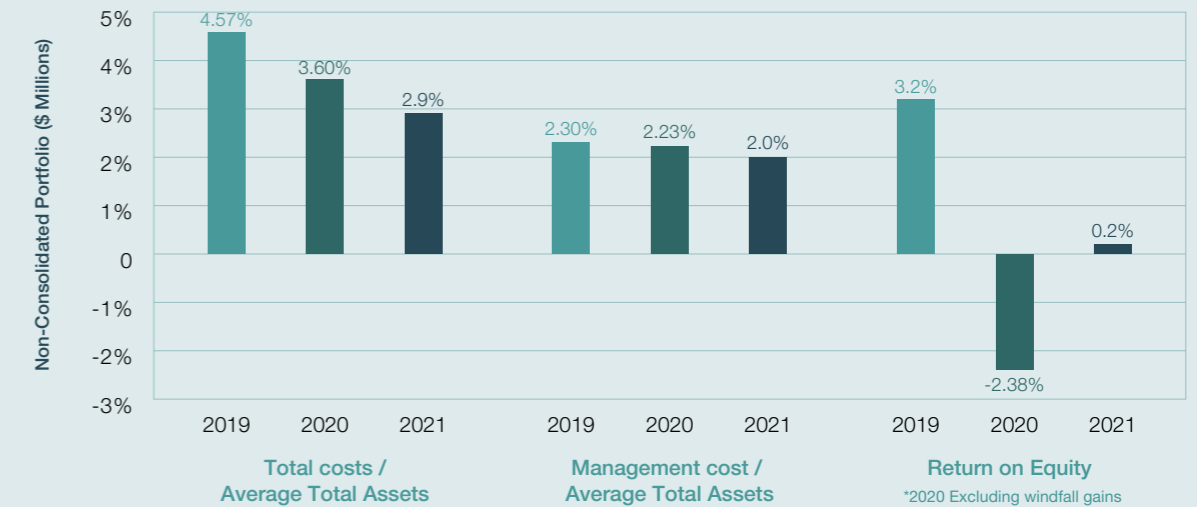
Return on Equity



**Agora Microfinance N.V. Portfolio, Consolidated**



**Agora Microfinance N.V. Portfolio, Equity Portfolio**



# Operational & Financial Highlights

(continued)

Agora Microfinance N.V. Portfolio, Equity Portfolio

	2019	2020	2021
Branches	33	36	40
Staff	264	329	396
Total Clients	79,642	105,665	148,142
Loan Portfolio (USD)	\$12.0m	\$11.9m	\$16.6m
Average Loan Size (USD)	\$150	\$112	\$112
Clients per Staff	302	321	374
Cost per Client	\$47	\$37	\$47

**\$16.6m**  
Loan Portfolio

**40**  
Branches

**148,142**  
Total Clients

**\$112**  
Average Loan Size



# MFI Highlights

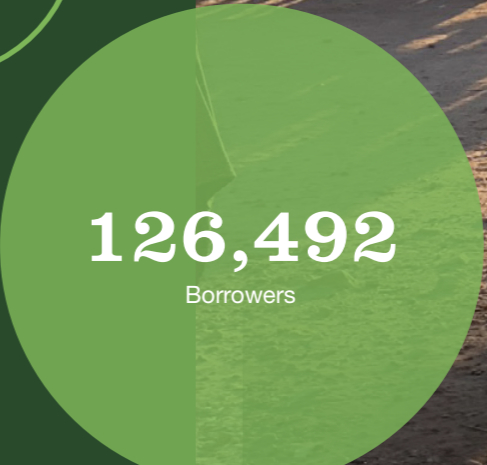
Agora Microfinance Zambia Ltd

Agora Microfinance Zambia Limited (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.



	2019	2020	2021
No of Branches	15	20	24
No of Village Banks	1,491	2,590	3,812
Number of Active Borrowers	52,383	80,556	126,492
• Women Borrowers (%)	60%	56%	58%
• No of Rural borrowers (%)	93%	92%	93%
Active Mobile Money Agents	1,300	1,660	3,600
Active Voluntary Micro-Insurance Clients	2,088	6,414	20,051
Loan Portfolio (USD)	5,083,335	5,479,242	11,276,516
PAR 30 Days	1.17%	1.71%	1.47%
Average Loan Size (USD)	97	68	89



# MFI 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.

	Mar 2020	Dec 2020	Dec 2021
No of Field Offices	15	16	16
Number of Active Borrowers	27,259	25,109	21,650
• Women Borrowers (%)	88%	87%	94%
Assets Under Management (USD)	6,865,173	6,397,869	5,281,521
Average Loan Size (USD)	261	254	243

\*All operational data includes own portfolio as well as securitised portfolio and business correspondence arrangements.

2020 ratios are for the period 1st April 2020 - 31 December 2020.

Previous ratios are for the period 1st April - 31 March for each respective year.

**16**  
Field Offices

**20,351**  
Women Borrowers

**\$243**  
Average loan size

**21,650**  
Borrowers





# MFI Highlights

## Moringaway

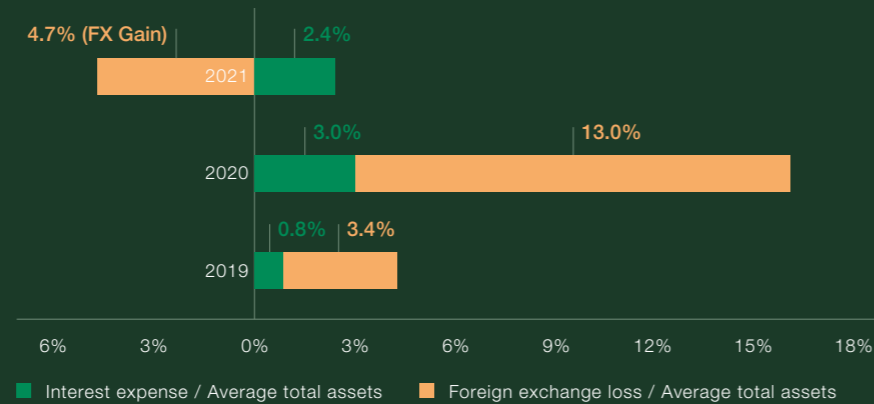


Moringaway is a wholly owned subsidiary of AMNV based in Mauritius that operates as a microfinance debt facility. It acquired its Credit Finance Licence in 2020.

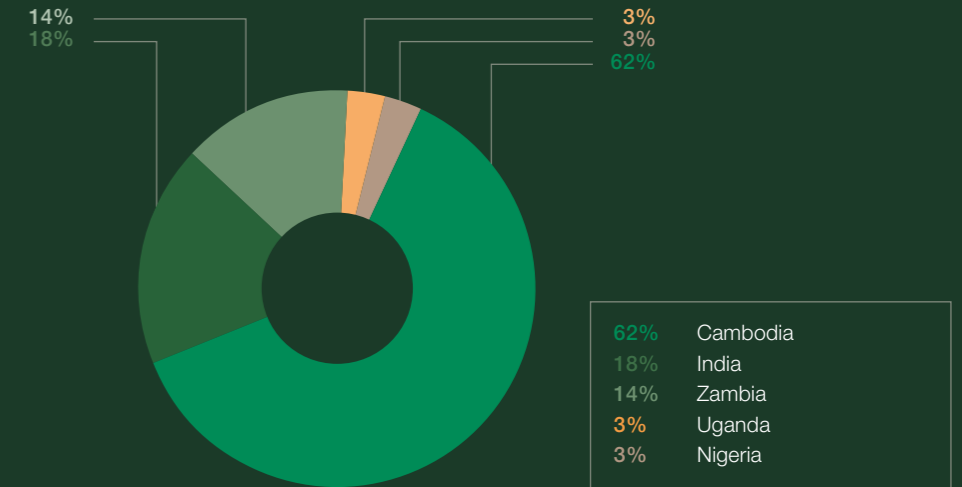
Moringaway's goal is to support socially responsible, financially stable MFIs in underserved microfinance markets to achieve optimum social and financial returns. It aims to make a considerable impact in financial inclusion by providing liquidity to institutions who work in the areas of rural finance 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.

	2019	2020	2021
Loans Outstanding (USD)	\$1.9m	\$3.3m	\$15.4m
Gross Interest Yield / Average Total Assets	7.9%	11.6%	8.8%
Financial Expense / Average Total Assets	4.2%	16.0%	-2.3%
Operating Expense / Average Total Assets	4.9%	3.3%	1.3%

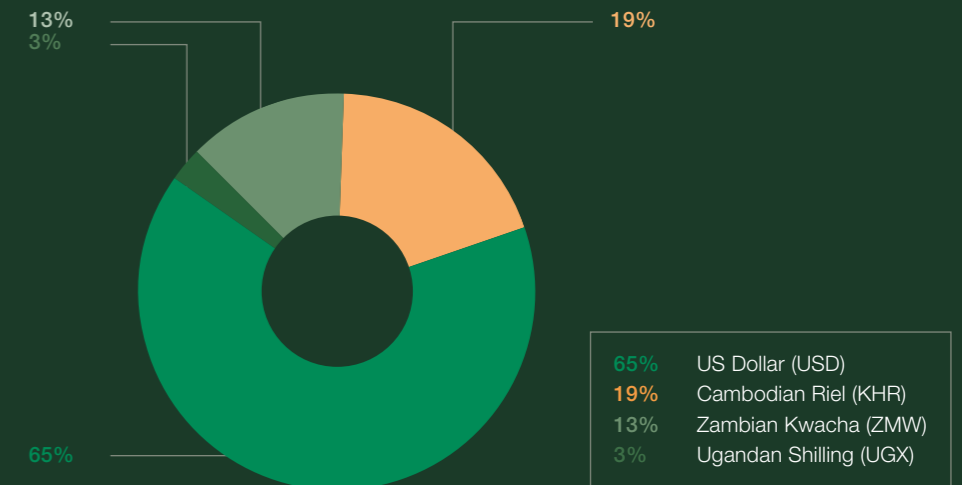
### Financial Expense / Average Total Assets



### Country Exposure



### Currency Exposure



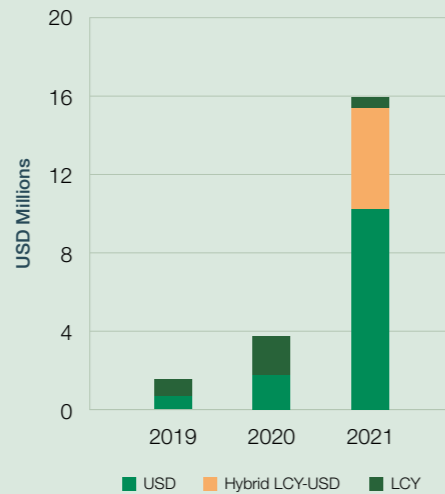
# Moringaway marches forward in 2021

The year 2021 saw substantial growth in our debt (Moringaway) portfolio, which now exceeds \$15 million with exposure in Nigeria, Zambia, Kenya, Uganda, India and Cambodia. Further investments are under active consideration in other frontier markets and Moringaway is set to continue expanding during 2022. In our 2019 Annual Report we had explained the thinking behind the Moringaway model and outlined its plans briefly. Two years on, we revisit the model and the plans and take stock of the progress of the past two years.

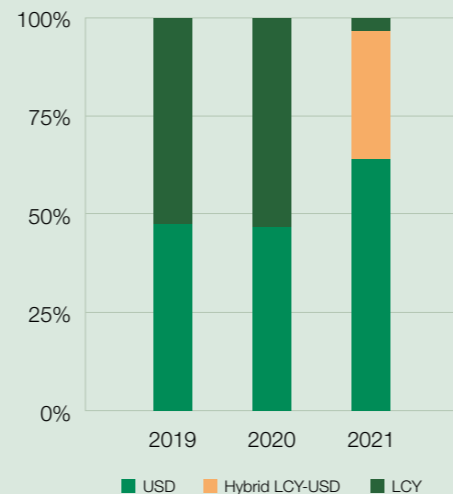
The first **two objectives** for Moringaway were to achieve growth and scale in its operations, and simultaneously build a portfolio that has about half of its exposure in USD or pegged instruments, to be able to take local currency positions with some protection against downside risks. The performance on these two parameters has been positive and the objectives have been well met, as can be seen below:

Moringaway's portfolio has grown substantially during 2021, on account of one large debt and some smaller new facilities that materialised during the year. As can be seen above and in the following chart, much of the portfolio is now in USD or pegged instruments, that provides an opportunity to build on the base and lend more in local currencies where there is demand.

**Moringaway: Portfolio Growth and Currency**



**Moringaway: Portfolio Exposure by Currency**



LCY = Local Currency

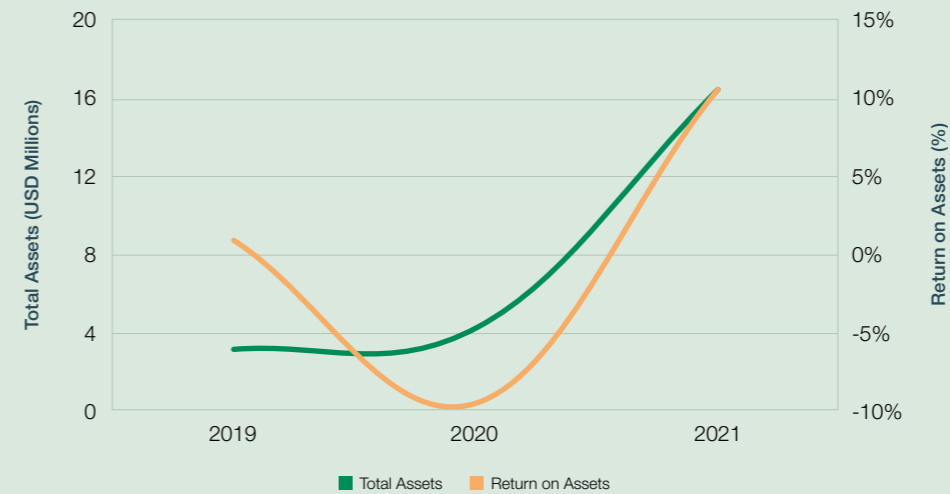
The progress of the past two years on growth and currency exposure, therefore, has been well met and Moringaway is poised to build on this in the coming years. Further objectives in the coming year relate to increased geographic diversification and continued good financial performance.

In terms of **financial performance** too, Moringaway has done exceptionally well in the past year, turning around its loss-making position in 2020, to deliver good returns in 2021, on account of its growth and the realignment of currency positions during 2020-21. The losses in 2020 were attributed to the weakening of the Zambian Kwacha; this was addressed through expansion in other markets as well as the conversion of the Zambian Kwacha position into hybrid risk sharing agreements, wherein Moringaway's share of the currency risk was limited. This has worked well for both Moringaway and the borrower thus far.

In the coming years, we expect Moringaway to keep growing and evolving, and continue on its path to deliver better funding options to promising financial institutions in Africa and Asia, and possibly beyond. Institutions that show an innovative approach, especially to rural finance and work with small farmers and women, will remain a priority for Moringaway. Its team based in Mauritius is developing into a strong centre of knowledge and expertise, and we will continue to build it in line with the progress and growth of our institutional lending arm.

During 2022, we expect to add more markets to our portfolio, as well as new and innovative business models of rural finance, including FinTechs and other financial aggregators, thus not limiting our reach to conventional microfinance alone. Please stay tuned for more updates from us in the coming years!

**Moringaway: Growth and Profitability**



In the coming years, we expect Moringaway to keep growing and evolving with the addition of more markets and innovative business models of rural finance to our portfolio.

## Team Profiles

### Investees



**Manoj Neval**  
Chief Executive Officer,  
AMIL (Mumbai, India)

Manoj has over 25 years experience in P&L Management, Strategy, Operations, Finance and Business Development.

Prior to his role as CEO, Manoj was Vice President and Business Head for the Payments and Remittance business of Manappuram Finance Ltd, heading pan India Operations.

Manoj is a graduate in Electrical and Electronics Engineering from the National Institute of Technology, Calicut. He holds an MBA from Cochin University of Science and Technology and holds an ePGP from the Indian Institute of Management, Bangalore.



**Susan Chibanga**  
Chief Executive Officer,  
AMZ (Lusaka, Zambia)

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 has experience in strategic planning and implementation, business analysis, financial management, risk management, as well as Leadership and people management.

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

### Holding Company & Financial Advisor



**Tanmay Chetan**  
Co-Founder and Chief Executive Officer  
(London, UK)

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.

Tanmay holds a Master's in Public Administration from the Harvard Kennedy School and an MBA from IIFM, Bhopal (India).



**Roanna Peat**  
Chief Financial Officer,  
AMNV & Chief Executive Officer,  
Moringaway (New Zealand)

Roanna is responsible for the financial control of AMNV and is also one of its Managing Directors. She has been with Agora since 2017 and 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 in Accounting and Economics and Diploma for Graduates from the University of Otago, New Zealand.



**Wanjiku Wanyeki**  
Senior Portfolio Manager,  
Agora Microfinance Partners LLP  
(Lusaka, Zambia)

Wanjiku joined Agora in December 2020 as Senior Portfolio Manager and is responsible for building a portfolio of high performing MFIs in Africa, and supporting existing investees as necessary.

She brings over 15 years of extensive experience in the financial sector, including portfolio and product development, business planning and performance analysis.

Wanjiku holds an MSC Computer Science from the California State University and a Bachelor of Arts, Mathematics & Economics from the University of Nairobi.

**Holding Company & Financial Advisor (continued)**



**Cathy McConnell**  
Partner & Head of Communications,  
Agora Microfinance Partners LLP  
(London, UK)

Cathy has been with Agora since its inception and is currently responsible for the operations of the advisory company as its Partner. This includes liaison within the Group, communications and other investor relations support. Cathy possesses substantial experience in marketing, communications and enterprise management.

Cathy holds a NHD (Diploma) in Marketing from Natal Technikon, South Africa.



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

Kavya joined Agora in 2019 as an Investment Analyst for Moringaway. 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.

Kavya holds a Master degree in Economics and Business from Sciences Po, Paris and a Bachelor in Economics from the University of Delhi, India.



**Yacine Jacobs**  
Finance Controller, AMNV  
(Amsterdam, The Netherlands)

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.



**Holding Company & Financial Advisor (continued)**



**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.

Josue is a Qualified ACCA from the Association of Chartered Certified Accountants in the UK.

\* joined the company in 2022



**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.

Monica brings over 12 years of administrative experience in the financial sector.



**Agora  
Microfinance**

BANKING FOR CHANGE

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