



# 2022 Impact Report





# Table of Contents

**04**

**Our  
History**

**09**

**Our  
Contribution  
to SDG**

**26**

**A glance at  
Baobab Senegal**

**06**

**Our  
Key Figures**

**19**

**Meet our  
colleagues  
& clients**

**28**

**Our  
Standards**

**07**

**Our  
Impact Figures**

# Our History

## From seedling idea to thriving ecosystem: How Baobab became a leader of digital financial inclusion

**T**he Baobab story begins in 2005, with the foundation of Microcred, supported by Positive Planet (formerly PlaNet Finance) via its Chairman Jacques Attali, as well as shareholders AXA Group, the European Investment Bank (EIB) and the International Finance Corporation (IFC). We started with the belief that everyone deserves access to fair finance. And we set out to provide just that, with a range of fair financial services.

From Microcred's first loan in February of 2006 (funding a fruit and vegetable stand) to the launch of instant loans via our mobile app, the Group's vision has always been to fuel the ambitions of people, so that great ideas and communities can flourish.

After starting operations in Mexico in February 2006 (exited 2010), the second country we offered loans in was Madagascar (November 2006). Since this landmark moment, the Baobab Group has never stopped growing and developing on the African continent. We are also proud to have been the first Microcredit Company in China: in 2007, we launched operations in the

province of Sichuan. Currently, the Group operates subsidiaries in Burkina Faso, China, Democratic Republic of Congo, Ivory Coast, Madagascar, Mali, Nigeria and Senegal.

In 2018, we cemented this by taking the name Baobab. Strong and resilient, the African baobab – or 'tree of life' – thrives in harsh conditions, providing food, shelter and water to millions. Committed to supporting its customers beyond financial services, the Group founded Baobab+ in 2018 to offer non-financial solutions. Today, Baobab+ brings access to light and digital technologies—two drivers of economic development—within reach of rural populations.

Moving ahead, Baobab is deepening its roots in the local communities it serves. We're combining the best aspects of automation and scaling with the intimacy born of our unparalleled network of field agents to connect people through trust, in life and in business.

And the best part is that by continuing to flourish itself, Baobab can extend its efforts to ever more entrepreneurs, supporting a virtuous circle of shared prosperity in the communities we serve.



## “ Amplifying impact through collective action ”



**Hervé Guyon**  
Baobab Group  
General Counsel

**You performed several country-level impact audits in 2022. What's the added value of this exercise?**

**Hervé:**

The benchmarking aspect is also valuable, because it helps us identify areas where industry solutions exist that we can learn and apply—and where we should be sharing our ideas. There are also both 'hard' and 'soft' benefits to putting things in black and white for our teams. Seeing the cumulative impact Baobab has on populations reinforces a sense of shared purpose, while having specific figures motivates everyone to meet new and higher targets.

**Bianca:**

Each year we commission Social Ratings conducted by the industry gold standard, MFR, for two or three subsidiaries, namely Burkina Faso and the Democratic Republic of the Congo (DRC) in 2022. These audits cover systems, processes, and results, so we get a truly granular look at what we're doing right and where we can make concrete improvements.

**Baobab joined several industry associations in 2022, was this coincidence or part of a larger picture?**

**Hervé:**

Inclusive finance is an area that is still taking shape, with new and exciting developments – like Green Microfinance. Thanks to our benchmarking, we are now able to analyse our own experience more effectively and contribute to the industry conversation, as well as gaining insights from our peers. In 2022, we joined SPTF and the European Microfinance Platform, two key industry initiatives.

**Bianca:**

For us it was very important to 'walk the talk' first and foremost. So, the bigger picture is being more organised internally so we can benefit from these interactions. The point is to pool our knowledge so that microfinance can do a better job of financing the underbanked to help them prosper and contribute to a thriving economy.

**And how are you translating what you've learned into action to strengthen impact at Baobab ?**

**Hervé:**

First, we've worked extensively with IT to automate data gathering. Currently, 80-90% of our KPIs have been automated. Second, we're continuing to train teams at our subsidiaries so that reporting on impact becomes fully integrated. In 2022, 60% of subsidiaries reported their KPIs to the Board, and we're aiming to improve in 2023. And lastly, we continue to emphasize the SDGs, because they are such a concrete way to link incremental change to major societal goals

**Bianca:**

In 2022, all subsidiaries formally adhered to the Client Protection Principles (CPP) sponsored by Cerise and SPTF, an industry standard to promote Responsible Financial Inclusion that sets out a detailed framework and pathway for improvement. Currently, we're reviewing and updating our social goals, policies and KPIs.



**Bianca Le Thanh**  
Microcred China  
General Counsel

# Our Key Figures

Baobab is a financial services group with operations in seven countries on the African continent and one province of China. Via its subsidiaries, Baobab provides financial services to half a million micro entrepreneurs and small businesses, **fulfilling its mission of broadening access to funding among those underserved by traditional banks**. Our global range of products includes loans, savings solutions, transaction and daily banking services, as well as innovative banking products like mobile payments, digital nano-loans & pay-go solar products.

Burkina Faso | China | Côte d'Ivoire | France (HQ) | Madagascar | Mali | Nigeria | Democratic Republic of Congo | Senegal



\* An active customer is a person or a legal entity having completed a transaction on a Baobab account over the last 12 months.  
\*\* Sales points includes our branches and our network of banking agents.

# Our Impact Figures



**65%**  
of customers who  
were unbanked before  
they joined Baobab



**48%**  
% of women customers



**€1.032 bn**  
total loans disbursed in 2022



**1,560,000**  
Baobab+ beneficiaries  
since the launch





# Our Contribution to the SDGs

## Primary SDG Contributions



## Secondary SDG Contributions





**65%**  
of customers who  
were unbanked  
before they joined  
Baobab



**€4,569**  
average loan  
disbursement in 2022



**€1.032 bn**  
total loans disbursed in 2022



**43%**  
women colleagues

*Sew*



WOMEN IN AFRICA

In 2022, Baobab promoted gender equality through the Women in Africa Program, in which Baobab Senegal employees mentored nine Senegalese women as they prepared their pitches to compete for funding in this pan-African programme. We also partnered with Sew, a Meta initiative, hosting the hybrid-format training for women entrepreneurs both online and at our agencies.



**48%**  
women customers



**39%**  
women managers



**28%**  
of our app  
users are women



**75%**  
Increase of study time  
(source 60 decibels)



**260,000**  
homes equipped  
since the launch



**1,560,000**  
Baobab+ beneficiaries since the launch

## “ Baobab+ energizing a virtuous cycle of development ”



**Alexandre Coster**  
Co-Founder and  
CEO of Baobab+

**Can you tell us briefly what Baobab+ does and where?**

**B**aobab+ provides pay-as-you-go solar and digital solutions to rural and peri-urban populations where grid service is non-existent or spotty in Senegal, Mali, Côte d'Ivoire, Madagascar, Nigeria and the DRC. Founded in 2018, the project grew out of my years of experience at Baobab. I used to see kids walk miles to do their homework under streetlights, which is clearly not safe, and people who would have to stop work at dusk.

**Impact is obviously at the core of Baobab+. What does this mean in practical terms?**

Access to energy is critical to development, and in Mali or Madagascar, close to 80% of the population lacks access to electric power. On the material needs side, using Baobab+ solar kits, adults can work longer, just as children can complete their homework and so do better in school. Light also means physical security for many. Solar lights are safer than kerosene, and better for the planet. This is also true of our new and very popular cookstoves, which launched in 2022 and generate carbon credits for Baobab+ as well as safer, energy saving ovens that reduce CO<sub>2</sub> and toxic fumes.

**What about the economic side?**


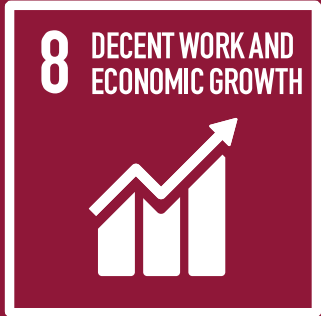
Through our partnerships with Orange and MTN we drive access to digital technology and payment systems, especially mobile money, a huge factor in development. Many of our customers never had access to the formal economy before.

**And how do you measure the impact you have?**

As a 100% digital company we have very complete data, which we analyse. We also work with social impact measurement experts like 60+ decibels, which produced an Impact Report on Baobab+ Madagascar in 2022, a critical step for meeting our customers' needs more effectively and responsibly.

**What are your big ambitions in the near term?**

Two things on the immediate horizon. Firstly, we plan to scale up our larger solar-powered system suitable for entrepreneurs who need to plug in a freezer, hairstyling equipment or woodworking tools. These 'Productive Use' units are offered to qualified candidates alongside Green Microloans from Baobab. Second, we will be focusing on profitability, to make sure we can keep reaching the many who can benefit from Baobab+.



**220,318**  
number of active borrowers



**476,818**  
number of active depositors



**28,000**  
mobile app active users



**750,000**  
digital transactions in 2022



**47%**  
SME Loans\*

\* if the dibursment is above 20K€, and above 5K€ in Nigeria, we identify the customer as SME.

## “ Putting people at the heart of digitalisation ”



**Simon Pierre Behr**  
Digital Channel  
Lead

**You oversee the development of Baobab’s mobile application; how would you say this digital tool contributes to social impact?**

**D**igitalisation at Baobab is really about giving our clients the freedom to access, on their own terms, the financial services we offer and the money in their account. We aim to design a user experience (UX) that makes this process as inclusive and transparent as possible for everyone, and I like to think this has positive impact in their daily lives.

**Can you give us an example of how UX contributes to inclusion?**

With hindsight, we know it’s key to avoid copy-pasting traditional banking apps. In 2022, we did a lot of fieldwork to understand the technology and apps our clients use in order to build products they can easily understand. For example, we can avoid discriminating on literacy by using familiar icons, and facilitate usage of our app by replicating navigation patterns from those they frequently use.


**And what about the services themselves?**

Basically, our mobile app and the digital services offered through it help our clients save time and money. Currently, users in all countries can consult account details, check their latest transactions, and transfer funds for free to other Baobab accounts. In certain countries, they can also transfer money between their Baobab accounts and mobile money wallets! Because so many of our customers are solopreneurs, taking the time to visit a branch for these services can be costly in terms of transport, but also having to close the shop while they are away. Also, 48% of Baobab customers are women, who often have the added constraint of childcare.

**What are you working on now?**

For one thing, we’re thinking beyond our mobile app to give our clients access to Baobab services via channels they trust and use every day are already familiar with – especially WhatsApp and USSD. On the UX side of our mobile app, we have a few ideas in the pipe, like implementing audio assistance in local languages. Beyond the basics, we’re adding features in countries as fast as their infrastructure permits, from the instant transfers and TAKA nanoloans already available in Nigeria, to fluid transfers between Baobab accounts and mobile money wallets, especially via our partnership with WAVE in West Africa.



  
**43%**  
women trained

  
**2,755**  
Number of active employees  
on the Baobab Academy online  
training platform

  
**1,007**  
Number of  
managers trained

  
**109,170**  
Number of hours of  
training attended

  
**3,936**  
Number of employees  
trained in 2022





# 194,052

Number of kerosene lanterns that have been replaced



# BAOBAB GREEN FOR POSITIVE FUTURE



# 255,809

Metric tons of CO<sub>2</sub>eq saved

## A huge Success for Baobab Services' First Team Reforestation Effort!

On 24 September 2022, 50 employees brought their families for a day planting trees in the Mbao Forest in partnership with Lead Senegal to foster carbon sequestration and biodiversity in the reserve. The group, which set out before dawn, exceeded their targets, planting more than 1,200 seedlings in the morning before breaking for lunch and environmentally focused activities suited to kids, teens and adults. After a bus-ride back to town, the 200 participants returned home, muddy but fulfilled!.



# 2,354,019

Number of Watts of clean energy



# Meet our colleagues & clients





**RAKOTONIRINA Sanda  
Maeva Annick**  
Portfolio Manager  
Baobab Banque  
Madagascar

**How does your work positively impact the daily lives of our clients?**

In a country like Madagascar, plagued by poverty and unemployment, my day to day job allows people, especially my clients, to dream of a better life and to increase their income. My job allows my clients to start their own business thanks to a credit and to achieve their projects. Baobab Banque provides their clients with the means the necessary funds to start but also to develop and expand their activities.

**What does your work involve on a daily basis?**

My job is to be a representative of the bank. First I have to meet, convince and listen to the customer's needs in order to offer them the most adapted offers. It also involves keeping close to customers, following up on their activity and their development.

**What do you appreciate most about your job?**

I am really proud when I see my clients progress and grow in their livelihoods, as well as seeing their assets increase.

**Do you have an example of an achievement for a client that you are particularly proud of?**

I have a short story about a customer who is very special to me. Initially, his business was to sell eggs... His credit request was for Ar 1,500,000 with 12 months for repayment. He made a credit to increase working capital for his small business. After 5 months, the client was able to complete all his repayments because, instead of making one payment per month, he decided to make a deposit of a certain amount per week.

This is what we agreed together. At the same time, he saved a large amount of money for the development of his activities. Now he can borrow a much larger amount than when he started his activities. I am so proud of him!

**Your final words**

At the end of the day, I would like to encourage my colleagues to assist and advise their clients well, because when they succeed, this will become their own pride and success ... Being a portfolio manager is not an easy job, and requires a lot of will and perseverance. May the force be with you! ■



**Cassandra Gwehi**  
Social Performance  
Management  
Coordinator  
Baobab Nigeria

### What is your exact title?

**M**y exact title is Social Performance Management Coordinator. Locally, I am referred to as the Social Performance Manager. My daily work revolves around impact.

### What does your daily work consist of?

My scope of work cuts across the five stakeholders of SPM with a little more focus on Client Protection, E & S Management and Corporate Social Responsibility/Community impact project.

### Which achievement are you the most proud of?

One of my proudest moments is when I see that our clients now have access to clean energy. Initially, we didn't have a "green" product at Baobab Nigeria especially with all the industrialization and population in the country which imply lots of toxic emissions. We decided to leverage our customer base to promote clean energy through the Group partners. This was a very major project for our SPM unit in 2020 as we were also directly involved in coordinating the importation of the solar devices and processing documentations. I am happy that today we have a green product being accessed as top-up loans by most of our existing customers. Whenever I walk into a branch and see a solar loan stand I feel proud that our clients now have access to renewable energy.

### What is the next key project for you?

We were offered a TA opportunity on ESPM by one of our international lender partners. The main objective of the TA is to strengthen the Environmental and Social Performance Management of selected microfinance institutions. The Group SPM Manager has been actively involved right from the onset in making sure that we seize the opportunity. By April the consultants will be visiting Baobab Nigeria to carry out a field visit and a training need assessment as the first lap. I believe that through this project, SPM is going to be well-tailored across Baobab Nigeria from leadership level to loan officers. It is also very interesting because training has been prioritized this year so the TA package is timely.

### Your final word

I love my job and it's been a very rewarding experience working in the impact space as we learn new things every day. Our Baobab network of clients is expanding day by day and it's such a great resource that is being harnessed in order to impact lives.

Thank you to the entire Baobab team and I wish all of my colleagues a very fruitful year ahead.



Baobab DRC customer since 2021

## Marie Jeanne Mujinga

Shopkeeper

**M**arie Jeanne, 61, runs a retail business selling food and non-food products in the heart of the capital, Kinshasa. Her main customers are private individuals who live close to her shop. When Marie Jeanne had the idea of starting a business, she didn't hesitate for a second. At the beginning, she chose to finance herself with her own funds and small savings. Very quickly, her business developed and she found that she needed more financing to purchase her goods.

Marie Jeanne learned about Baobab through a portfolio manager who suggested that she apply for a loan at the closest branch. At first, she was quite hesitant, but when she asked other Baobab clients, she received many positive reviews. A few days later, Marie Jeanne finally decided to submit her first credit application and received quickly her first approval. "Baobab helped me to develop my business. Thanks to this financing, I was able to add new items at the request of my customers. This had a positive impact on the financial health of my business."

Marie Jeanne is very satisfied with the support she received from Baobab. Moreover, she regularly recommends Baobab to her friends and family. Her goal over the next five years is to open new shops in the country's major cities, once again with the financial support of Baobab.



Baobab Senegal customer since 2015

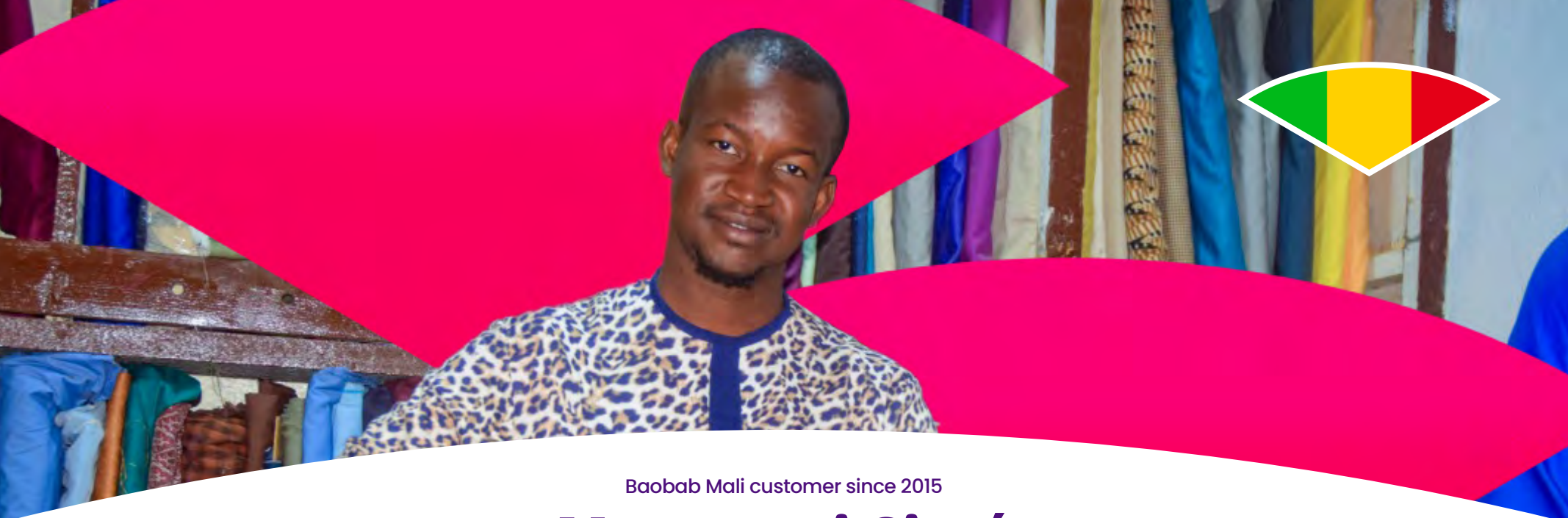
## Siki Kébé

Fabric Shop Owner

**S**iki has been in the fabrics business in Dakar for more than ten years and he has been a Baobab Senegal customer for eight. With a view to growing his business, and being in need of funds, he decided to apply for a first loan in 2015, but without much hope. In just a few days, his application was granted and he received his very first loan. “My first loan with Baobab was for FCFA 300,000 (or €457), even though I only had a small stall.” Today, his business has developed and Siki is now eligible for loans of more than FCFA 40,000,000 (approximately €61,000). “I have grown with Baobab over the years. They have provided the support I needed to really build my business.”

Since then, Siki has moved on in leaps and bounds, and has even bought the building where he first started selling his wares outside. In just a few months, he had renovated the building and put it up for rent, giving him a new source of income. He also has a plot of land where he has built his own shop, and he has hired staff. His life has completely changed in just a few years. “Today, I’m married and I have built my house, bought a car and travelled quite a lot. When I first contacted Baobab, I didn’t even have a passport”, he says with a smile.

Siki is very pleased with this partnership and is grateful to Baobab for processing his requests quickly, and for its available and responsive teams. “Baobab is and will remain my only financial partner! It has a real impact and can bring very positive change to the lives of African business people.”



Baobab Mali customer since 2015

## Moumouni Cissé

Merchant and manager of a money transfer outlet

**M**oumouni is a young merchant based in Bamako, Mali. He first started out in business in 2007 with a notions store, before moving into fabric trading and then money transfer operations. Moumouni heard about Baobab from his father, who was a customer himself and who encouraged him become one himself. Moumouni was granted a first loan of FCFA 800,000 (or €1,215) to help him develop his business and, since he was very satisfied with the service, he applied for another loan a few months later. This time, he was able to borrow FCFA 1,000,000 (€1,520). Today, all his businesses are thriving. Moumouni has a very diverse customer base consisting of both retailers and semi-wholesalers. His fabrics come from Gambia and Togo, and he sometimes travels to neighbouring countries to meet new suppliers. As for his second line of business, money transfer, Moumouni is today a partner of one of the biggest money transfer companies in Mali.

Moumouni says: “The big difference between Baobab and other microfinance institutions is the speed at which loans are granted, the diversity of offers, and the technological innovations that Baobab provides, such as the TAKA loan and the My Baobab

mobile app.” He regularly recommends Baobab to his friends and family in order to develop their businesses. To him, it is also a way of fighting unemployment in Mali.







Microcred China customer since 2015

## Jiang Zhongluo

Vegetable seller in Chengdu

**M**r Jiang's shop is in an urban village area in Huayang city. his business is wholesale of tomatoes, asparagus, and lettuce.

Although small businesses do not have major ups and downs, they sometimes encounter working capital shortage. Mr. Jiang recalled a credit experience in his hometown ten years ago, which was also the first time he applied for a loan from a financial institution. Then, 6 years ago, a Microcred Commercial Officer came to Mr. Jiang's door and handed him the company's flyer. He needed funds to purchase goods, so he tried to cooperate with Microcre, although he was hesitant at first. Fortunately, the cooperation has continued from then until now. Over the past 6 years, Mr. Jiang has repaid each instalment on time and has never defaulted. When talking about Microcred, Mr. Jiang gave very high praise:

"It is fast and convenient. When you need funds, you can call the Commercial Officer and the loan will be arranged quickly. For so many years, my Commercial Officer has never troubled me. I don't even look at other lending institutions promoting at my store, I only cooperate with Microcred now."

Small clients like Mr. Jiang epitomize Microcred's tens of thousands of existing clients; they are also an epitome of China's 103 million private businesspersons. According to recent statistics from the China Market Supervision Bureau, about 90% of registered private businesspersons are concentrated in the service industry. In the past 15 years, Microcred has served more than 200,000 small and micro clients like Mr. Jiang in China.

# A glance at Baobab Senegal

## Business



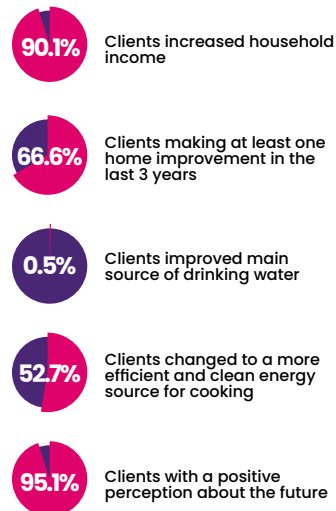
A large share of surveyed clients reported an increase in business income and assets. These changes can be plausibly attributed to the institution's intervention.



## Quality of Life



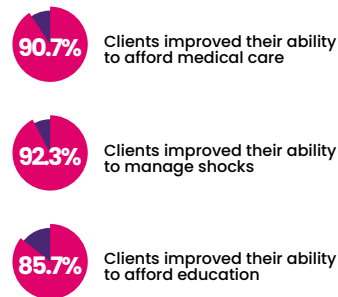
A very large majority of respondents reported positive change in terms of increased household income in the last three years, to which Baobab Senegal might have positively contributed. Over half of respondents also reported to have made specific changes to their home since joining Baobab Senegal. A large share of respondents have a positive perception about the future.



## Resilience



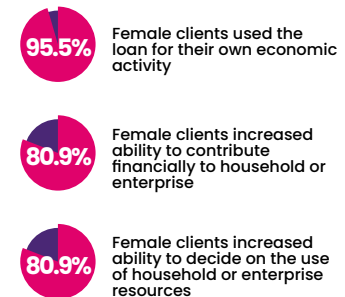
A large share of surveyed clients reported an increased ability to manage unexpected shocks as well as an increased confidence for in their ability to afford medical care and education since joining Baobab Senegal.



## Gender



Gender outcomes results shows that a very large portion of female respondents have control over the loan use and reported an increased financial contribution capacity and increased ability to make decisions regarding the use of household or activity resources.



Source : MFR - December 2022

## “Resilience is key in Senegal’s impact assessment”



MFR’s ‘Social Outcome Measurement’ for Senegal conducted in February 2022 is one of two in-depth analyses co-sponsored by Baobab investor MaJInvest in 2021. We turned to Group Counsel Hervé Guyon and Bianca Le Thanh, Secretary General for Microcred China—who spearhead impact at Baobab—for their thoughts.



**Hervé Guyon**  
Baobab Group  
General Counsel

### What struck you most about the results?

**Hervé:**

That 89% of clients increased business income is a great number and an important one; knowing people are using our loans to enhance their livelihoods means we are doing the right thing. Likewise, 86% of those polled ‘improved their ability to afford education’, one of the keys to flourishing communities.

**Bianca**

For my part, I’m pleased that 95.1% of respondents report a positive perception about the future, which shows that our clients are confident they’ll be OK. Also, our gender indicators are very reassuring, with 95.5% of women using loans to finance their businesses—I look forward to comparing these numbers with those from other countries as we gather more data!

### Will you be commissioning Impact assessments for other subsidiaries?

**Bianca:**

As of 2022, Baobab has partnered with MFR to conduct reports for two countries per year, starting with Burkina Faso and the DRC. Data gathering in both countries was conducted during the fiscal year, however, corresponding Social Outcome Measurements will be finalized in H1 2023.

### What are the next steps for this initiative?

**Hervé:**

As we move forward, our goal will be to extract insights and effectively use the results to inspire our employees and enhance the processes in place at each subsidiary, as well as making our impact more transparent for shareholders.



**Bianca Le Thanh**  
Microcred China  
General Counsel

# Our Standards

## Social Performance Management (SPM)

**B**aobab is committed to upholding microfinance industry standards for responsible financial inclusion practice, as set out in the Client Protection Pathway (CPP), and the widely recognized Universal Standards for Social and Environmental Performance Management (USSEPM) managed by Cerise - SPTF, two leading global organisations dedicated to social and environmental performance management.

All Baobab subsidiaries have formally joined the CPP and are part of the Cerise-SPTF list of Financial Service Providers committed to Client Protection.

Aligned with those practices, Social Performance Management (SPM) at Baobab strives to integrate the 5 pillars: clients, board members and shareholders, staff, environment and community. Baobab endeavours to promote social performance in every step of its operations. Each Baobab subsidiary integrates in its operation a system of Environmental & Social policies and framework, with an SPM Coordinator as a focal local SPM point.

The Supervisory Board has set up an ESG Committee in order to monitor the implementation of the standards of SPM practice, to oversee SPM-related actions and reporting, and to advise the Supervisory Board on all SPM matters.

Since 2017, Baobab subsidiaries conduct annual SPI4 self-assessments to evaluate and monitor its SPM progress and achievements. SPI4 is an industry recognised tool that helps microfinance institutions assess and monitor their level of implementation of the Universal Standards and CPP.

Since 2021, Baobab undertakes to measure the social impact of its operations via a Social Rating and/ or Impact Measurement study performed by third party partners.

In 2022, with the support of Baobab shareholder Maj Invest, Baobab Senegal carried out an Impact Measurement study performed by a third party expert, which reflected excellent alignment of outreach, quality of services, and change in clients' life with its mission and objectives.

In 2022, Baobab launched a 3-year Social Rating and Impact Measurement study program as part of the target to continuously measure the Social Performance of all its subsidiaries' operations. Baobab Burkina Faso and Baobab RDC both received a Social Rating and an Impact Measurement study under this program. Baobab Burkina Faso scored sBB in its Social Rating, which reflects adequate social performance management and client protection systems, and satisfactory alignment to the social mission.

Baobab is continuing its efforts to automate the process of reporting SPM indicators to better track the performance.

Baobab will continue to adjust its SPM practices to meet the evolving standards of the microfinance industry on social and environmental performance and to measure the impact of its activities.





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