



# 2023 Impact Report



A short Word from ...

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&

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**T**he word “impact” conjures images of spectacular, sudden, change. When it comes to the social and environmental impact, however, nothing could be further from the truth. Successful impact is a process of accretion: lasting achievements take time to build. Furthermore, reliably measuring progress is a science in its own right.

In the past three years, the Baobab Group has focused on understanding and measuring impact in its activities, joining leading micro-finance industry groups Cerise-SPTF and the European Microfinance Platform (e-MFP) as well as commissioning impact assessments from trusted providers 60-Decibel and MicroFinanza. In 2023, we continued these partnerships, with impact assessments (MFR) conducted for Madagascar, Côte d’Ivoire and Mali. The latter two subsidiaries also benefitted from Summary Performance Reports (60dB), as did Burkina Faso. Based on customer surveys that are analysed against broader country data, these reports serve both to point out areas of strength and identify areas for further attention.

By illustrating for our talent, with metrics, how valuable their work is, impact reporting helps galvanise teams to engage and improve. Just as “impact” can be misleading as to its pace, the word can also suggest a purely external force. This is far from being the case. Impact consists of long-term positive outcomes that result from local interactions. This is why in 2023, the Baobab Group also focused on encouraging each subsidiary to explore and undertake impact initiatives suited to their specific community. The result has been a wealth of projects to promote health and gender equality, reduce carbon emissions and more.

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# Our History



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

## 2005



### The foundation

The Baobab story begins in 2005, with the foundation of Microcred, supported by Positive Planet (formerly PlaNet Finance) via its Chairman Jacques Attali, and co-founder Arnaud Ventura 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.

### The vision

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.

## 2006

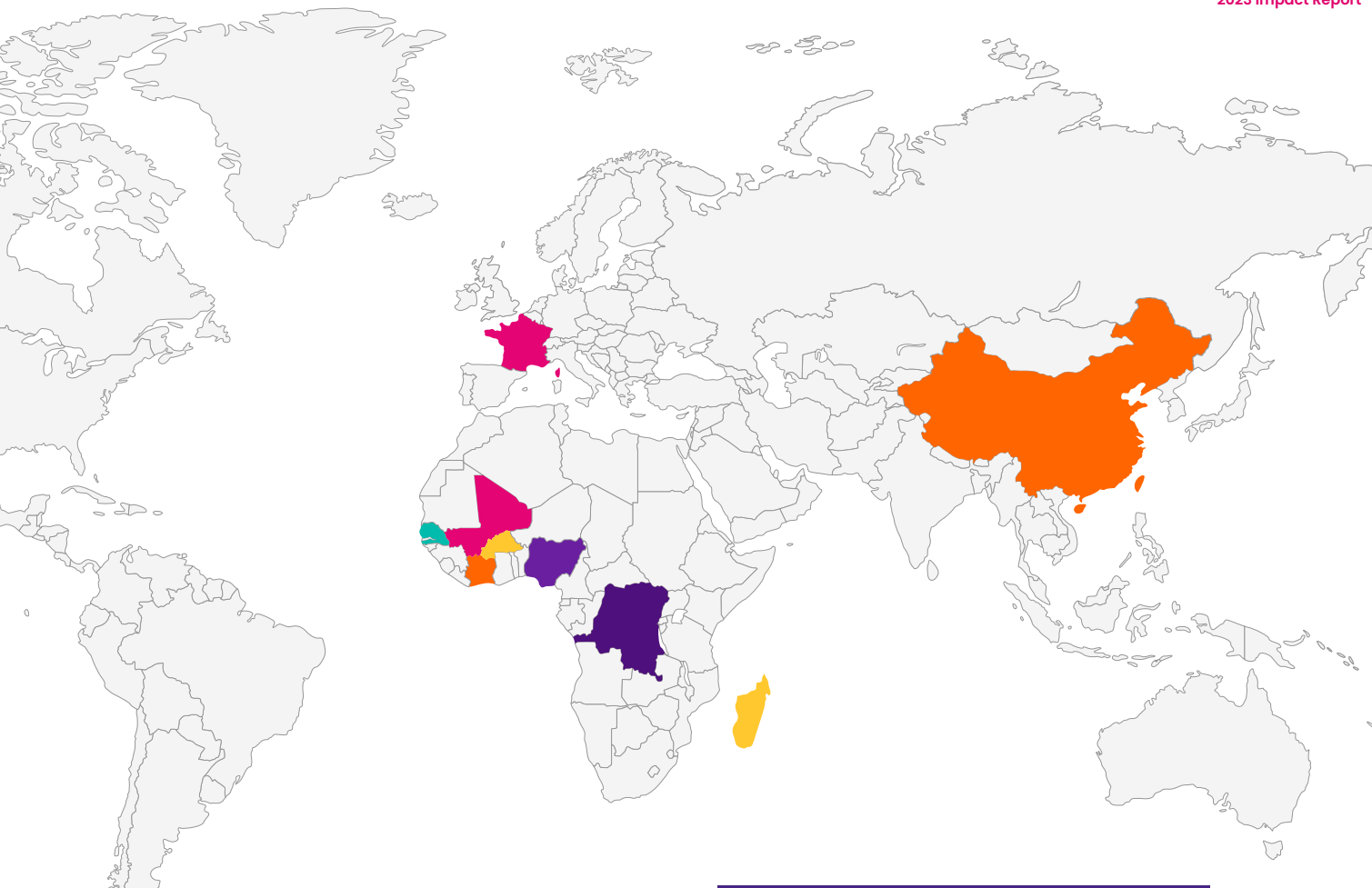


### Launched in China

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.

## 2007





**2018**

## Looking ahead

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.

## Microcred becomes Baobab

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.

**2024**



# Baobab's Mission and Vision Statement

## Our Mission

To empower small businesses in Africa



## Our Vision

To become the leading financial services provider to small businesses in Africa.

We place the customer at the heart of our strategy and enhance financial inclusion to shape a brighter future



## Our Values



### Proximity

We are close to our customers and staff members, and easily accessible



### Simplicity

We keep things simple, understandable and efficient



### Commitment

We strive to establish a relationship of trust with our customers and employees



### Transparency

We are committed to being transparent and accessible to our customers



### Integrity

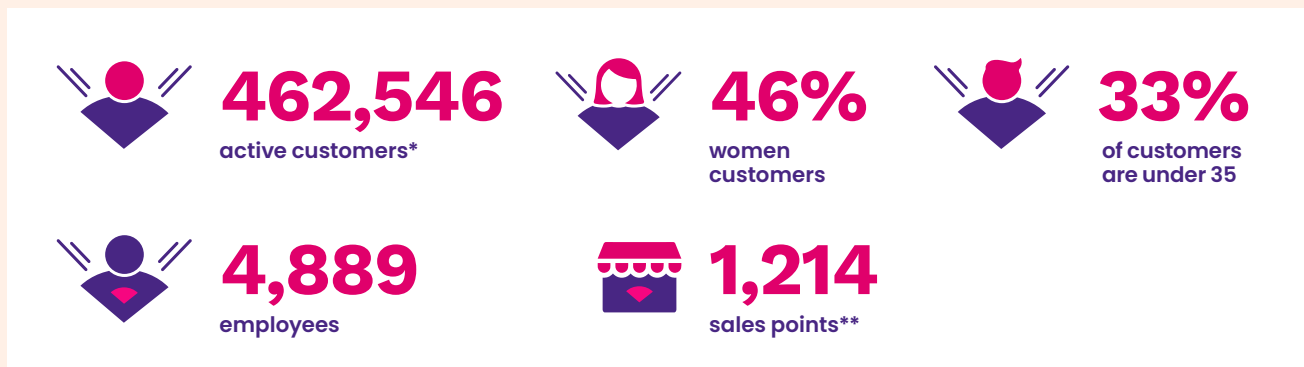
We are honest, respectful and fair

# Our impact at a glance

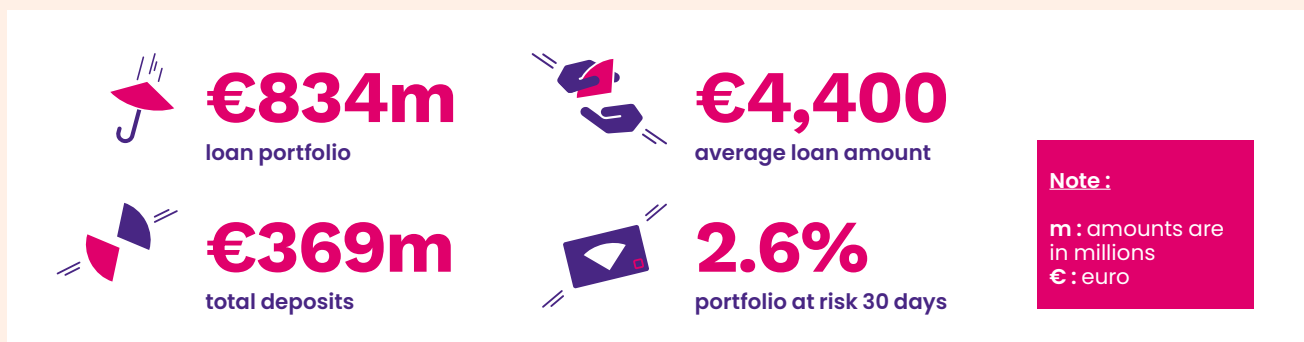
**B**aobab is a financial services group with operations in seven countries on the African continent and one province of China. Via its subsidiaries, Baobab provides financial services to half a million micro entrepreneurs and small businesses, **fulfilling its mission to empower small businesses in Africa**. 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 & also pay-go solar products via our subsidiary Baobab+.



## Operational outreach key figures



## Financial key figures

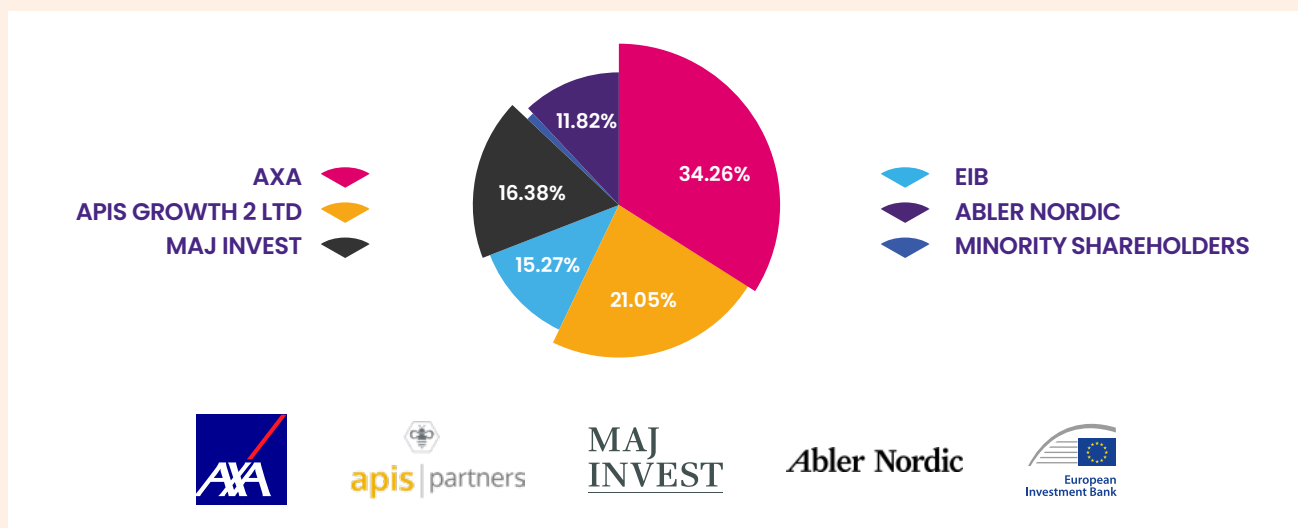


\* An active customer is a person or a legal entity having done a transaction on a Baobab account over the last 12 months.  
\*\* Sales points includes our branches and our network of banking agents.

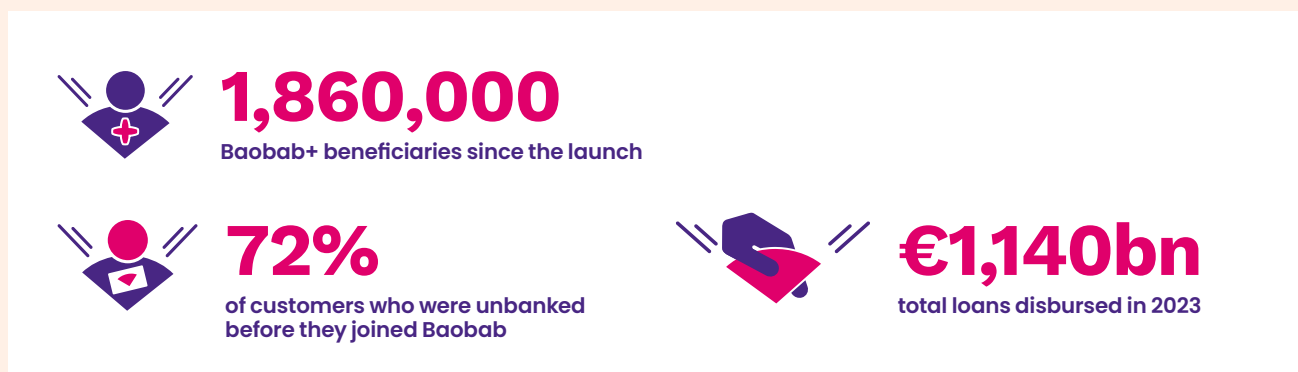




## Our Governance



## Social impact



# Our contributions to SDGs



## No poverty



## Quality education

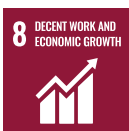
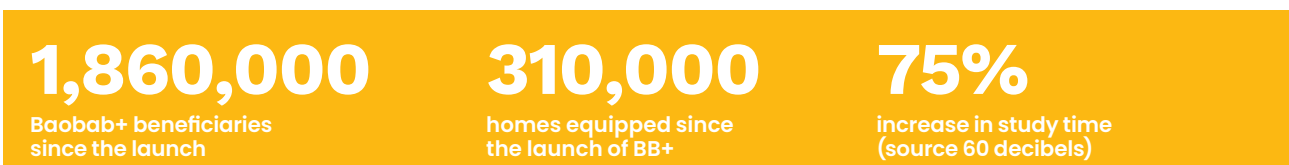




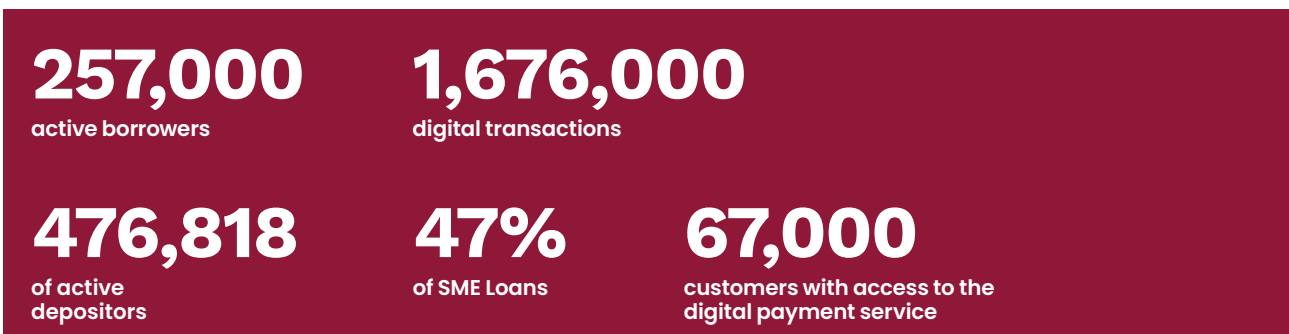
## Gender equality



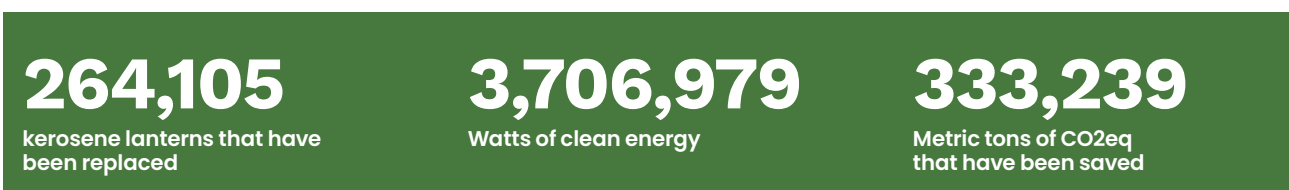
## Affordable and clean energy



## Decent work and economic growth



## Climate action



# Cultivating Financial Awareness in Africa



**By providing flexible financial services adapted to micro and small businesses, Baobab empowers small businesses and encourages innovation.**

**B**aobab serves underbanked populations on the African continent and in the Chinese province of Sichuan in the growing industry of microfinance. Like the tree we are named for, Baobab enhances the social fabric of communities and grows both by strengthening the trunk and putting out shoots. As the microfinance industry matures, we are refining our operating model through digitalisation and professionalisation to be the best possible financial partner for small businesses in the countries where we operate.

We aim to meet the needs of African entrepreneurs by simplifying banking, bringing the financial tools they need to fulfil their true potential within reach. Since speed is of the essence in the populations we serve, we offer simple application processes, with rapid approvals and transfers. Our goal is to create a pool of lifelong clients who can move from small loans used for working capital towards increasingly large loans as their business grows and their credit history gains credibility.

This involves constantly reconciling our social mission with the financial imperatives of loan underwriting. To this end, we have developed a hybrid approach to risk management that blends on-the-ground tracking of our customers' businesses with best-in-class monitoring and data scoring tools. We believe that maintaining close relationships with our customers is the best way to manage credit risk, allowing us to identify and tackle problems early on to forestall the spiral of non-payments.

To reinforce the human component of lending decisions, we invest in initiatives to strengthen the skills of local teams in risk analysis and segmentation. At the same time, we are constantly upgrading our IT capabilities to produce new digital products for lending. In this way, we combine algorithms with human discernment to offer credit decisions and disbursements even more quickly.

Our mobile app exemplifies our customer focus with an approach that goes beyond micro-credits to include payment functions and mobile money features. We continuously explore the potential for new partnerships with local players as a way to provide our clients solutions for the way they live, combining industrial scaling with local adaptations for the benefit of all our markets.

By combining the best aspects of automation and scaling with the customer intimacy of a rich on-the-ground network of agents, Baobab builds resilient portfolios that address local needs and meet global standards. After all, it is by flourishing itself that Baobab can extend its efforts to even more entrepreneurs and help build wealth in communities.

# Our Social Performance Management (SPM)



## Striving to uphold microfinance industry standards & best practice

Since day one, Baobab has been committed to upholding responsible financial inclusion practices in the microfinance industry, and following the latest standards as set out in the Client Protection Pathway (CPP), and the Universal Standards for Social and Environmental Performance Management (USSEPM) managed by Cerise - SPTF (<https://cerise-sptf.org/>).



All Baobab subsidiaries formally adhere to the CPP, and endeavour to be continuously active on the Cerise-SPTF list of Financial Service Providers committed to Client Protection.

Aligned with its commitment to those standards, Baobab strives to integrate equally the 5 key pillars of SPM: clients, highest governance (board members and shareholders), staff, environment, and community. To promote social performance in every step of its operation, 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 SPI self-assessment to evaluate and monitor its SPM progress and achievements. SPI5 is an industry recognised tool that helps microfinance institutions assess and monitor their level of implementation of the USSEPM and CPP.

Since 2021, Baobab has continuously measured the social impact of its operations via Social Rating and/ or Impact Assessments performed by third party partners. In total, 7 Social Ratings and 9 Impact Assessments were performed in the past 3 years, and each Baobab subsidiary has received at least one.

In 2023, Baobab Ivory Coast, Baobab Mali, and Baobab Madagascar each received a Social Rating and a Social Impact Assessment performed by Microfinanza. Baobab Ivory Coast and Baobab Madagascar both scored sBB+, while Baobab Mali scored sBB in their respective Social Rating. These scores reflect “adequate social performance management and client protection systems, and satisfactory alignment to the social mission” (according to Microfinanza score scale). All 3 achieved an overall impact score score of 4/5, which reflects “high probability of making a positive impact on the lives of the clients, and good alignment of impact results with the mission and theory of change” (according to Microfinanza score scale).

In 2023, in the newly updated SPI5 tool, the environmental dimension has been given greater weight, reflecting the microfinance industry’s increased attention to environmental impact alongside social impact.

In alignment with this industry evolution, Baobab will embark on the journey to assess its carbon footprint in order to better monitor and reduce it.

At the same time, Baobab will continue to measure the impact of its activities, to improve weaknesses identified, and adjust its SPM standards and practices to follow the evolution of the microfinance industry standards.



# Our gender-focused initiatives



# Ampela, an initiative of Baobab Banque Madagascar



Baobab Banque wanted to put Malagasy women, the backbone of the Big Island's economy, at the heart of its mission to transform Madagascar's socio-economy. Through the AMPELA project, which means "woman" in the Malagasy language, Baobab Banque Madagascar supports the empowerment of women and promotes gender equality in the entrepreneurial environment, in line with its values of financial inclusion.

## Women at Baobab Banque

Today, 51% of Baobab Banque customers are women, i.e. over 155,000 female customers. However, the average amount of credit granted to women is much lower than that granted to men. This is a major obstacle to the development of these women's activities. The AMPELA project aims to bridge this gap and provide these women with greater support in their development.



## This project is based on 3 key levers:

### Access to skills

The common challenge faced by micro and small businesses in the informal sector in particular is that of labour standards and governance, resulting in a lack of competitiveness that makes them highly vulnerable. Women-owned or managed businesses are no exception. With various local and international partners, Baobab Banque is building up an ecosystem of experts, coaches, mentors and female role models who will enable us to respond to this challenge in a significant and impactful way.



### Market access

The ecosystem being built around work standards and governance will also be a platform for connecting female business leaders (owners of leading SMEs or managers of large groups, aggregators of major value chains) with women at the bottom of these value chains or owners of start-ups. Connecting these two ends of the value chain will go a long way towards solving the market access problems faced by all these women, particularly in agricultural value chains such as in the Menabe region, where Baobab Banque is piloting the AMPELA project with the Groupement des producteurs d'Arachide du Menabe (GPAM), a group of 37 cooperatives and associations with a total of 8,000 members (the majority of whom are women producers).



## Access to financing

The success of the first two levers is a sine qua non for genuine, sustainable financial inclusion. This system of 3 interconnected mechanisms enables Baobab Banque to make a more significant contribution to the financing of women entrepreneurs by overcoming the constraints linked to the solid guarantees required to access a certain amount of financing, which today creates a glass ceiling for women entrepreneurs that Baobab Banque wishes to address through this initiative.



## First review

The AMPELA project has had a positive impact on women's work in the local agricultural sector, particularly in peanut growing, chosen for its extensive value chain. All the players in the value chain are involved, from farmers to collectors, processors and growers. Over the past two years, more than 3,000 women from this sector have been supported through training and diversification of their activities. Baobab Banque has also provided 13 women's groups with financing tailored to the agricultural sector. Today, over 110 women have benefited from loans to support the development of their businesses. Baobab Banque intends to continue this initiative in the years to come. For 2024, the institution plans to extend its support to women in sectors other than agriculture, and to develop partnerships with new women's groups.



# Credit Jappo\*, an initiative of Baobab Senegal



## What is Jappo ?

In finance, group credit refers to simultaneous financing granted to several members of an organised group. This form of credit is often used in projects where multiple entities or individuals are involved and require funding.

Credit Jappo is specifically aimed at members of a cooperative or association. The idea is that each member of the group benefits from the financing to contribute to the collective project's realisation. This type of credit offers advantages in terms of risk distribution and ease of management for lenders, as they assess the financial strength of the group as a whole rather than each individual member. However, it also involves collective responsibility, meaning that each member is generally responsible for repaying the entire loan, even if some members fail to fulfill their financial obligations.



\* Jappo means «Together» in wolof

## What are the benefits for Baobab Group ?

Addressing the needs of a large portion of the population not yet served by microfinance (particularly in rural areas), through the principles of solidarity guarantee.

- Financial inclusion targeting rural areas;
- Dealing with current fierce competition;
- Risk management;
- Mobilisation of savings;
- Economic empowerment of female entrepreneurs.

## Who are the types of businesses that are taking advantage of Jappo ?

- Trade or regular income-generating activity: For this type of financing, repayments are monthly and the duration varies between 4 and 12 months;
- Cattle or sheep farming: This is an activity mainly aimed at targets in rural areas who are primarily engaged in agriculture. For this type of financing, repayment is made in a lump sum, with the duration ranging from 3 to 8 months;
- Poultry farming: Seasonal income-generating activity, with repayments made on a bi-monthly or quarterly basis;
- Agricultural campaigns and market gardening: Mainly during agricultural campaign periods

## What is “la caisse de solidarité” ?

Solidarity constitutes the main guarantee of credit within the group. Whenever one or more members in the group fall behind, the other members are obliged to contribute (Solidarity Fund) the overdue amount for repayment. It thus facilitates the realisation of solidarity. The fund serves as a means of anticipation in case of delays. It involves making regular payments at well-defined intervals to guard against potential delays. Ultimately, it will be subject to sharing among the members, and a new fund is opened for another cycle. Borrowing members must repay during the ongoing credit cycle, failing which they will not be able to benefit from credit again.



# Meet The Women Sowing Senegal's Future

Courtesy of IFC, [www.ifc.org](http://www.ifc.org)



**Women in Senegal are reinventing rice farming techniques to confront climate change and ensure food security. Through entrepreneurship and activism, they are reinventing themselves, too.**

Empowering women rice farmers with access to finance and training is key to strengthening Senegal's food security, according to Sérgio Pimenta, IFC Regional Vice President for Africa. «Agriculture is Senegal's main driver of economic growth, and IFC is committed to supporting the agriculture and rice value chains in Senegal.»

Much of Senegal's domestic rice is produced in the Senegal River Valley, where cousins Ndobou Sene Fall and Aby Diop cultivate rice and other crops on a rust-red, 10-hectare field in the rural village of Mboundoum Barrage. As in the other rice-growing areas of Senegal, crops are planted in carefully irrigated rows of soil rather than in watery rice paddies.

## Pursuing gender equality

Financing from Baobab Group, an IFC client that provides financial services across West Africa, has helped their family adapt its farming techniques to climate change. In the past several years, Fall has received five loans ranging in size from FCFA 400,000 (about \$667) to FCFA 6 million (about \$10,000). Her cousin, who farms on two hectares adjacent to Fall's land, has also received loans from Baobab.

The loans have allowed them to work around the problems caused by heat and unpredictable rainfall by managing pests that plague the harvest and purchasing seeds that withstand high temperatures. Rice breeders are creating new varieties that can endure changes in climate, and when smallholder families like hers can access these seeds, it benefits everyone, she says.

IFC's financing for Baobab is through IFC's Base of the Pyramid Platform (BOP), which helps financial services providers deliver critical funding to small and informal businesses, and low-income households. The BOP is backed by pooled first-loss guarantees and local currency financing from the International Development Association's Private Sector Window.

Opportunities for private sector development are also expected to result from the just-launched Senegal River Valley Development and Resilience Project, a joint World Bank and IFC initiative in Senegal and Mauritania, which lies on the other side of the Senegal River. The World Bank's \$195 million contribution will help address the many climate challenges affecting communities on both sides of the Valley and hindering the region's socioeconomic development.

Baobab Group has made it a priority to help Senegal's women rice farmers increase their productivity, says Baobab Senegal Deputy CEO Serigne Bamba Mbacke Diop. The volume of loans disbursed to women farmers increased by 54 percent between 2021 and 2023, and the company's training and support programs are geared "to strengthen [women farmers'] financial autonomy." Targeted initiatives include training to improve environmentally-friendly production techniques; access to insurance products adapted to the different types of crops and climatic realities; and advocacy to facilitate their access to land, in addition to facilitating access to finance.



Five loans of increasing size  
**\$667 → \$10,000**  
**54%** increase in loans to women farmers between 2021 and 2023





# Meet our colleagues & customers





A word from ...

## Sarah TANC WATTEEUW

Baobab Group Human Resource Director

### “ Meeting the challenge of moving forward together ”

#### Can you say a word about your strategic focus as Group Human Resource Director?

To categorize broadly, I see four main areas. First, training—to continue promoting from within, we must ensure robust career paths by investing in quality training. Second is identifying future leaders and ensuring that succession plans are in place. Third comes performance management—how do we find the right combination of tools and incentives to promote excellence. Last is compensation—which must be competitive and equitable to attract and retain talent.

#### How did strategic priorities translate to action in 2023?

2023 focused on the human component of success. Notably, we convened all heads of learning together in person for the first time, to discuss on key topics and equip them to serve as advocates within their respective subsidiaries. Our initiatives were centered around onboarding, professional development, and management training (middle and senior managers). We achieved a record production of content for our on-demand learning platform, both new and revamped from other formats. The first Baobab Academy catalogue has also been published which proves to be yet another step of promoting learning at work as a key priority.

#### Any noteworthy changes within the human resources department?

Many! We are revising our toolset. On the software side, we've looked at new options, plus unused features of existing tools, consulting with subsidiaries to identify inefficiencies. Lightening administrative tasks frees up bandwidth for interactions. In terms of processes, we performed a high-level review of Baobab's leadership model and finalised a new Ethics Charter. Working with our subsidiaries, we

adjusted performance reviews to better identify potential leaders for the 'New Generation' programme and updated our salary tables in several countries to always be competitive and equitable in order to attract and retain talent.

#### What about the Group's digital transformation?

When you alter employees' daily routines there are consequences. Together with the CTO\* and COO\*\*, we distilled lessons from projects that launched well and poorly. We've worked on expectations by explaining why, how, and what changes are coming. We're developing on-demand training modules—currently for the Core Banking System. We also tested having local champions to promote the new systems on a day-to-day basis. It's critical that people get familiar with new tools and processes, and know what to look forward to, such as a better work-life balance thanks to productivity.

#### Baobab Academy: long-term scaling for our know-how and culture

Last year, we launched a group wide in-person training programme to be held for the first time in April 2024. The course will bring together employees from all subsidiaries, from the branch network, the head offices and executive committee (one each). The curriculum will combine concrete skills development, fostering shared values, nurturing Baobab Group's corporate culture, and facilitating interpersonal connections. It will complement existing successful programmes such as the middle manager programme. For now, the inaugural cohort brings together a select group of our most promising and high-performing employees. However, as our organisation expands, we aim to build a broad curriculum with a significant in-person component to support career growth, mobility and engagement.

\* CTO : Chief Technology Officer  
\*\* COO : Chief Operating Officer





A word from ...

**Ngandu**

Merchant, Baobab client since 2017



**“ Thanks to the institution, I have been able to overcome lots of obstacles ”**

Ngandu, an entrepreneur based in Lubumbashi, owns wholesale and retail stores with a clientele made up mainly of passers-by and local residents.



His entrepreneurial rise began modestly, selling items from a small table in front of his house, a local practice known as “Ligablo”. Today, he has expanded his business to successfully run two boutiques, a testament to determination.

He discovered Baobab through former customers and employees of the former Oxus Bank, which later became Baobab. Although he was not initially inclined to use credit, a difficult financial period prompted him to submit an application to Baobab, which was approved. The credit enabled him to successfully boost his business.

Ngandu is very satisfied with the services provided by Baobab, a satisfaction he doesn't hesitate to share by recommending the institution to his family and friends. Thanks to the institution's financial support, he has been able to boost his business and overcome a number of obstacles, including major medical expenses linked to a serious health problem in his family.

Although very confident about the future, he prefers not to engage in long-term projections, concentrating instead on the immediate challenges of the current year. His main objective remains to grow his business while finalizing the construction of his home.





A word from ...

**Karidja**

Merchant, Baobab client since 2011



**“ Without Baobab, I wouldn't be where I am today ”**

Based in Abidjan, Karidja specialises in the sale of clothing, household linens and hardware products. She began her entrepreneurial journey by pursuing her passion for hairdressing, while selling hair highlights.



Initially reluctant to take out loans, Karidja found in Baobab a source of confidence and support. Baobab's financing and support enabled her to successfully diversify her activities.

For Karidja, what sets Baobab apart from other financial institutions is the human aspect of its customer relations. She says: "Thank God, I came across some nice people when I didn't want to take out loans. Without Baobab, I wouldn't be where I am today. Nobody in my circle would have financed my business, but Baobab did".

Thanks to Baobab's support, Karidja has been able to make major acquisitions such as a car, and considers 2023 to have been the best year of her career.

Looking ahead, Karidja plans to continue developing her business, with Baobab's continued confidence and support.





A word from ...

## Guilla Lenne Venance

CEO of Baobab+ Madagascar



**“ I believe in making contradictions productive, not in having to choose one side or the other side ”**

### **What was your journey to becoming the CEO of Baobab+ Madagascar?**

With an economics background, I spent over 15 years in the microfinance sector, working as an accountant, CFO, project manager, and CEO, in Madagascar, France, and Haiti, before joining Baobab+.

### **Who inspired you throughout your professional journey?**

One of my former superiors, Aurore. She trusted me when I was 27, giving me my first CEO position. I will be forever grateful to her.

### **What was the main challenge you faced as a woman leader?**

A fairly common challenge; when you're a young, single, somewhat rebellious woman, going against certain practices, holding a position of responsibility, you need to develop a thick skin to earn respect and establish your legitimacy.

### **Can you share a moment where you made a mistake and what you learned from it?**

Being blinded by good results. Unfortunately, you should never fully trust. It's essential to take the time to analyse things and ensure that everything is done by the book.

### **What was your first job, and what did you learn from that experience?**

Accountant. From this experience, I learned that just because you were bad at accounting in college (in 4 years of study, I never scored more than 5/20), it doesn't mean you can't excel in practice. I believe that everything is described somewhere and that it just takes time to learn and be well-guided to master things.

### **When you started your career, did you ever imagine holding your current position?**

No, not at all. I remember it as if it were yesterday when I was asked what position I would like after being an accountant. Logic would have dictated that I become a CFO, yet I found myself catapulted to the top of the organisational chart only 3 years after my first job.

### **How do you manage the balance between your career, personal life, and passions? Is there really a balance?**

It's difficult to find a balance between professional and personal life, especially when you hold a position of responsibility and have children. But you have to adapt and find that balance. For me, my professional life ends as soon as I leave the office to dedicate myself to my family. And since I'm an early riser, I can afford to go for a run in the morning, take my children to school before coming to the office.

### **What advice do you have for women not to give up, even when they are discouraged?**

To believe in their ambitions and do everything to achieve them. It's not always easy and it can take time, but there's no reason why we shouldn't succeed when we have the desire.

### **How did you build your confidence and resilience throughout your career?**

By learning from my surroundings, it has always been a good school for me. Having a guiding principle and sticking to it, no matter what...

I'll end with a quote from Angela Davis, an American civil rights activist: "I'm a feminist so I believe in inhabiting contradictions. I believe in making contradictions productive, not in having to choose one side or the other side. As opposed to choosing either or, choosing both". Being a feminist is not being one. Men, women, there's no question to ask...■



A word from ...

**Combé**

Merchant, Baobab client since 2017



**“ Baobab has played a crucial role in realising my greatest dream: owning my own boutique ”**

Combé is a shopkeeper based in Pikine, Dakar, where she runs a boutique selling tableware and fabrics. Her partnership with Baobab began modestly with an initial loan of 75,000 Fcfa (115 euros). Since then, Combé's business has flourished, and today her loan amounts to 2,000,000 Fcfa, the equivalent of 3,000 euros.



“I'll never forget the day I opened my store. That day, I realized just how much Baobab positively impacts my life”.

Every day, Combé invests herself in purchasing products and managing her store, an activity that is a daily source of happiness for her. Combé proudly asserts, “Baobab has played a crucial role in realizing my greatest dream: owning my own boutique”. She fondly recalls the day she opened her doors for the first time:

The strong partnership between Combé and Baobab is a constant source of motivation for her. She recognizes Baobab's significant contribution to her professional and personal success, and looks forward to the future opportunities this collaboration will bring.





A word from ...

## Zengbin

Owner of a supermarket,  
MicroCred client since 2019

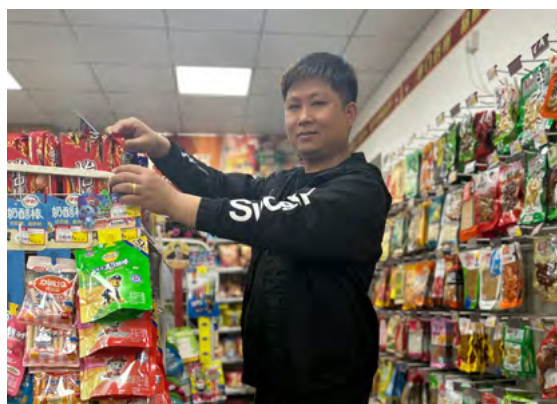


**“ I was immediately convinced, when I came across MicroCred’s Portfolio Manager, that this was just what I needed! ”**

Zengbin's supermarket is located in the city of Fengyu, in Ziyang. It has a bright storefront and a wide range of products. His employees are very dedicated and provide quality service. Zengbin sells household items and everyday consumer goods.



Initially, household items did not sell very well, but they occupied a large area, so the turnover was always very low. After some consideration, Zengbin decided to adjust the proportion of household items as well as everyday consumer goods. Following a market study, he decided to also market frozen products. Thanks to these changes, his turnover quickly tripled. However, his sales area was becoming increasingly insufficient.



“That’s when I came across MicroCred’s Portfolio Manager who came to promote loan offers. I was immediately convinced that this was what I needed!”

In 2019, Zengbin became a client of MicroCred. He was able to finance the work to expand his store’s sales area, buy new merchandise stocks, and improve the decoration.

“Do not underestimate decoration; lighting is very important for product presentation. It’s proven that this investment is worth it” he said with a smile.

Grateful for the efficiency and professionalism of MicroCred, Zengbin regularly recommends the institution to his circle.

# A glance at Impact Assessment: Focus on Madagascar



**Baobab Banque Madagascar’s overall objective is to empower their customer’s businesses by making financial services more accessible, more inclusive and more transparent.**

## 4/5

Impact Score

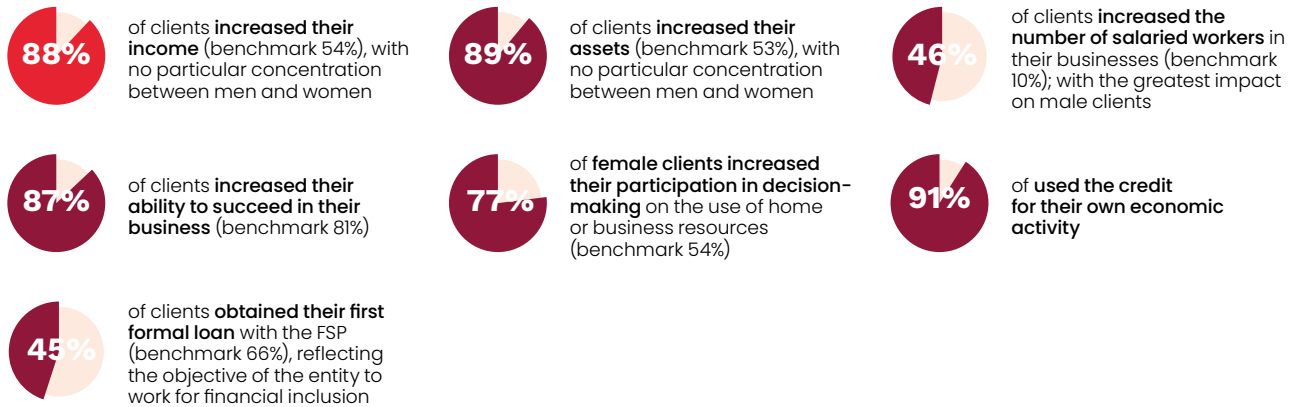
High probability of making a positive impact on the lives of the clients. Good alignment of impact results with the mission and theory of change.

Source: Microfinanza Rating (MFR)

## Business



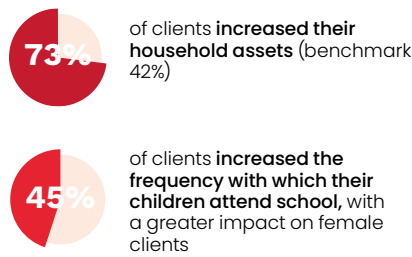
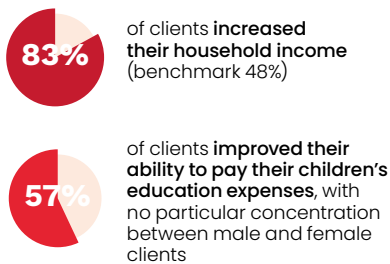
- Good impact results on clients’ business plausibly attributable to the services offered by Boabab Madagascar. In line with his theory of change, Baobab Madagascar had a positive impact on the income and assets of the business, in addition to having contributed to maintaining the number of collaborators in the financed business.
- Contributed to the empowerment of women through increased participation in decision-making in the business and home.
- Fulfilling its objective of financial inclusion, it proves to be the main source of financing for half of its clients.





## Household

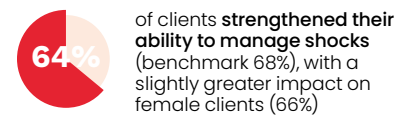
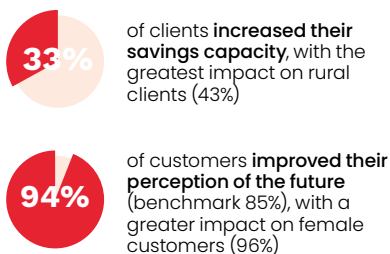
- In line with Baobab's theory of change of promoting the economic development of the household through the development of the business, levels of income and household assets have been reported to have been maintained, and even increased.
- Baobab Madagascar's financial services offer allowed improvements to be made to clients' homes.
- The impact extends to the clients' children, strengthening their ability to cover children's school expenses and increasing the frequency of attendance.



## Resilience



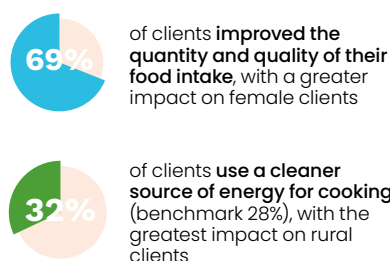
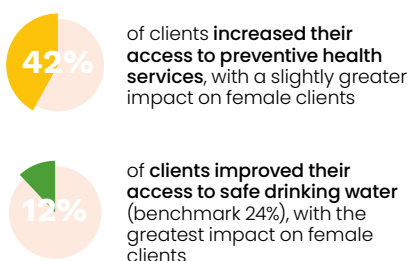
- Good impact results in terms of client resilience plausibly attributable to the services offered
- Stable capacity of clients to face unforeseen events
- Baobab Madagascar contributed to maintaining the savings capacity of its clients, in addition to increasing the number of sources of income



## Health



- Adequate impact results in terms of client health plausibly attributable to the services offered by Baobab Madagascar
- Improved the clients' sanitation system, in addition to having increased access to drinking water, mainly in rural areas
- The survey results suggest that the quality of life of clients has been strengthened, thanks to an improvement in their quantity and quality of food derived from the boost to the economic development of the business and home



# Impact Assessment Madagascar : Lessons Learned



**Hugues BONSHE**  
Country Manager  
Baobab Madagascar

&



**Hantanirina RABENARIVO**  
SPM Coordinator  
Baobab Banque Madagascar

**45%**  
**of borrowers**  
make their first formal  
loan



“ This result speaks directly to the Baobab Group’s goal of increasing financial access



**Hantanirina RABENARIVO**  
SPM Coordinator BaobabMadagascar



“ Rural populations are both especially hard to reach and vulnerable in Madagascar, so this is an important number and also an index of future resilience.



**Hugues BONSHE**  
Country Manager Baobab Madagascar

**43%**  
**of rural  
customers**  
increased their savings



# 77% of women customers

increased their participation in decision-making on the use of resources



“ It’s great to see that the Group’s work in Madagascar is increasing women’s capabilities within and outside the home

 **Hantanirina RABENARIVO**  
SPM Coordinator Baobab Madagascar



“ These results are consistent with a theory of change approach, confirming that the work we do translates into meaningful impact on peoples’ lives above and beyond income itself

 **Hugues BONSHÉ**  
Country Manager Baobab Madagascar

# 94% of customers

improved their perception of the future

# 93% of customers

improved their quality of life





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