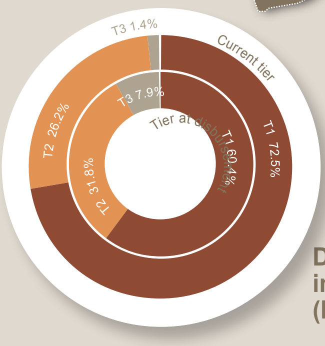
regmifA

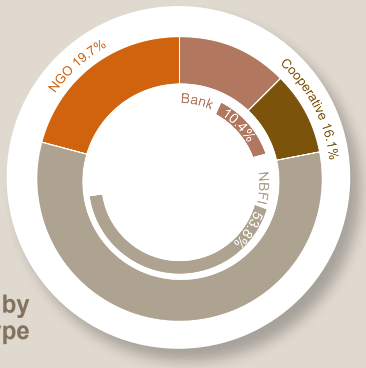
Regional MSME Investment Fund for Sub-Saharan Africa

QUARTERLY FACT SHEET Q4/2012

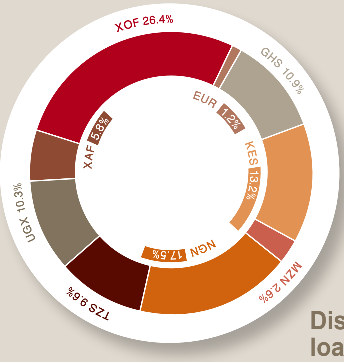
GAV	87.90m
NAV	73.46m
PLI Portfolio	77.95m
Cash	6.98m
Countries	12
PLIs	27
Investments	54
Clients	156'131



Distribution by institutional size (by invested volume)



Distribution by institutional type



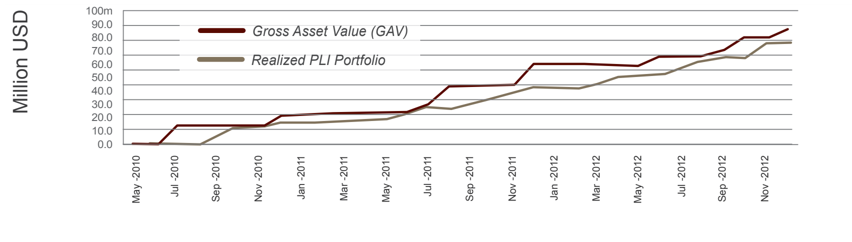
Distribution of loans by currency

Investment Manager Comment

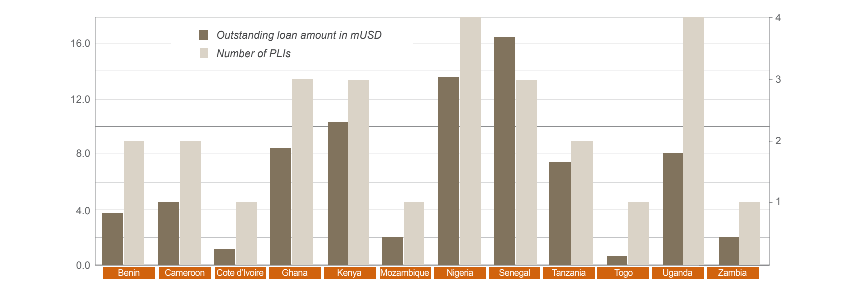
Inflation and local reference rates continue to decline in East Africa. Inflation stood at around 3% in December 2012 according to Central Bank of Kenya statistics - a significant drop from the peak of 19.7% recorded in November 2011 and the same pattern was seen in Tanzania, where inflation stood at 7.1% in December 2012. The economy is projected to continue to improve in the region, with growth being fuelled by the recovery of the agricultural sector and more stable energy supplies. However, food price increases and the March 2013 presidential elections in Kenya will need to be monitored and could have a major impact on micro entrepreneurs. In Ghana, very peaceful presidential elections were held in December 2012 and government actions should ensure macroeconomic stability and a continued favorable investment climate in 2013. However, the impact of the country's large deficit and consequent local currency depreciation on micro entrepreneurs should be monitored. Nevertheless, Central Bank regulations and supervision of NBFIs should reduce over indebtedness risk in urban areas in the long run. In Nigeria, terrorist attacks continue to affect the economy in the north of the country while economic growth continues to boost the economy and the microfinance sector in the south. The situation remains tense in Mali, where the Prime Minister was dismissed in December 2012 and international military intervention is planned for 2013. Nonetheless, MFIs in southern regions of the country are mostly unaffected. While the economic outlook in Zambia remains good, the Bank of Zambia has introduced interest rate caps for commercial banks and NBFIs (between 9% and 42%). This decision was not expected and will strongly impact banks and microfinance institutions as yield in Zambia in 2012 was between 50% and 90%. As a result, negotiations with the Central Bank will take place in 2013 and new business models will have to be developed.

REGMIFA benefitted from very strong year-end demand for debt financing in Sub-Saharan Africa, with a record high of USD 23.3m invested during Q4 2012. The Fund was able to close the year with a portfolio of USD 77.95m, with 54 investments outstanding, distributed among 27 partner lending institutions in 12 Sub-Saharan countries. 98.9% of loans are denominated in local currency. In addition to investments with 7 new partners during 2012, the Fund's growing size has also allowed it to increase positions with existing partners, resulting overall in a net portfolio growth of USD 34.5m in 2012. In terms of financial performance, for the first time since inception, the Fund achieved to cover its costs through operating activities due to solid portfolio yield, efficiciency gains and no losses from impairments.

Portfolio Growth



Invested Portfolio



Top 5 Countries exposures

Country	Volume USD	%
Senegal	15.8	18.0%
Nigeria	13.7	15.6%
Kenya	10.4	11.8%
Ghana	8.5	9.7%
Uganda	7.9	9.0%

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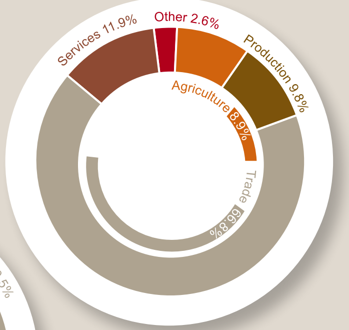
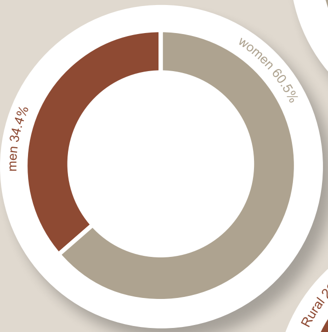
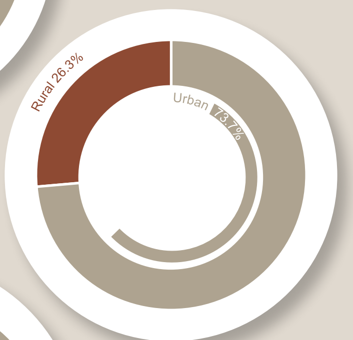
Average Social Rating ★★★☆☆

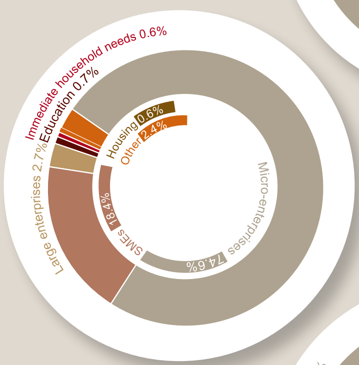
Score	Social Value	PLI social rating
100-90	Extremely strong	★★★★★
89-80	Very strong	★★★★
79-70	Strong	★★★
69-60	Moderate	★★
59-50	Poor	★
50-0	None	-

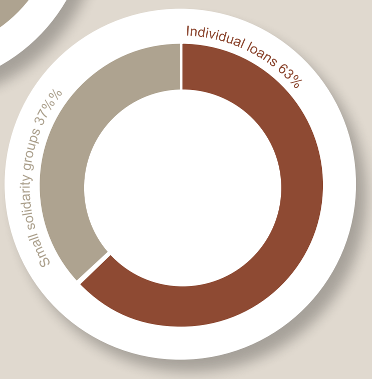
The Investment Manager uses a social rating tool containing 100 qualitative and quantitative indicators which are split into 7 dimensions: social governance, labor climate, financial inclusion, client protection, product quality and diversity, social responsibility to the community, and environmental policy.











Social Outreach Aggregate Fund Portfolio

Portfolio Outstanding (USD)	77.95m
Number of Partner Lending Institutions	27
Number of PLI branches (avg)	39
Client retention rate	95.73%
Portfolio Loan Average (USD)	1'038.72
Estimated Total Micro Clients	156'131

Invested PLI Portfolio

Invested PLI profile	Simple Average	Median
Total Assets (USD)	49'521'959	35'785'506
Gross loan portfolio (USD)	34'984'848	29'861'151
Number of active borrowers	69'607	21'825
Average loan size (USD)	1'192	748
Debt/Equity ratio	4.85	3.25
Portfolio yield	43.59%	42.94%
Operating expense ratio	35.28%	30.93%
Operational self-sufficiency	110.70%	106.68%
Return on Equity	5.83%	7.60%
Return on Assets	0.39%	2.01%
PAR > 30 days	4.37%	3.07%
Write off ratio	1.57%	1.05%

Social Outreach

Client and Product Information		%Total	Clients
Distribution by Activity	Agriculture	8.9%	13'924
	Production	9.8%	15'288
	Trade	66.8%	104'263
	Service	11.9%	18'617
	Other	2.6%	4'038
Distribution by Gender	Women	60.5%	94'512
	Men	34.4%	53'636
Distribution by Location	Urban borrowers	73.7%	115'036
	Rural borrowers	26.3%	41'095
Distribution by Lending Methodology	Individual loans	63.0%	98'318
	Small solidarity group loans	37.0%	57'813
Distribution by Product Type	Micro-enterprises	74.6%	116'521
	Small and medium enterprises	18.4%	28'697
	Large enterprises	2.7%	4'218
	Education	0.7%	1'099
	Immediate household needs	0.6%	910
	Housing	0.6%	865
	Other loan portfolio	2.4%	3'821

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Investee Country Profile - Senegal

Population	**20 million**
Pop. living in poverty	**48%**
Human dev. rank	**150/187**
GDP per capita	**USD 2,300**
Real GDP growth	**4.2%**
Inflation rate	**2.9%**
Private credit	**14.9% /GDP**
Foreign aid	**USD 540 million**
Remittances	**USD 140 million**

**2012 or latest available*

REGMIFA Investors

aecid
afd Agence Française de Développement
bio Development through Investment
Federal Ministry for Economic Cooperation and Development
European Investment Bank
ICO Instituto de Crédito Oficial
FMO Finance for Development
IFC International Finance Corporation World Bank Group
KfW Bankengruppe
Ministerio de Asuntos Exteriores y de Cooperación
nmi Norwegian Microfinance Initiative
OeEB
Proparco Groupe Agence Française de Développement
symbiotics Reaching out through investments

Ms. Marie Njengue

Country

The Republic of Cameroon is a Central African country which enjoys relatively high political and social stability. This in turn has permitted the development of agriculture, roads, railways, and large petroleum and timber industries. The political outlook is broadly stable, although there are significant risks as the president, Paul Biya, has been in power since 1982. Economic growth is projected to reach 4.6% in 2013. The financial activity of the banks and microfinance institutions is regulated by the Banking Commission of Central Africa, the supervisory body of the Central African Bank Authority. There are more than 400 registered microfinance institutions (MFIs), united in a national association (ANEMCAM). However, the market is concentrated, with just five MFIs accounting for 80% of total Gross Loan Portfolio. MFIs are split between cooperatives and non-bank financial institutions and are mostly self-funded through deposits. There is an informal credit bureau established by the collaboration of several MFIs expected to be taken over by the national microfinance association.

MFI Story

The “Agence de Crédit pour l’Entreprise Privée” in Cameroon (ACEP) was established in 1999 as a project of the Government of Cameroon with Agence Française de Development and European Union support. ACEP is one of the leaders in the Non-Bank Financial Institutions’ segment in Cameroon. It quickly became sustainable and was transformed into a limited company in 2005, and received a second category microfinance license as deposit-taking institution in 2006. After 10 years of operations, ACEP continues to experience solid growth. Its credit methodology includes compulsory and voluntary savings. ACEP’s portfolio remains 100% urban focused on trading and services. Its business model will essentially remain unchanged, with yields set to remain stable at around 28%. In the upcoming years, it is expected to expand with two new branches in the north of the country, and develop products designed for people living in more rural areas, with agricultural and group loans.

Client Story

Mrs. Marie Njengue is 50 years old and has seven children, a few grand-children and three other persons for whom she is a caretaker. During her youth, she studied one year in a technical high school. Thanks to some savings she put aside after her parents passed away, she managed to start selling seasonal fruits and vegetables on a market in the capital, Yaoundé. As a result of being part of a women’s group, she became an ACEP client in 1999 and obtained her first credit of 50,000 XAF from ACEP in 2006. The loan allowed her to increase her food stocks and pay back her loan. Step by step, she succeeded in obtaining several other bigger loans of 1,000,000 XAF, which she always managed to pay back on time. This helped her to diversify her product range and to switch from the status of retailer to wholesaler. Furthermore, she was able to pay her children’s education and cover all her family’s living costs as well as to build a house in which there are two apartments, one of which is rented on a regular basis.

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