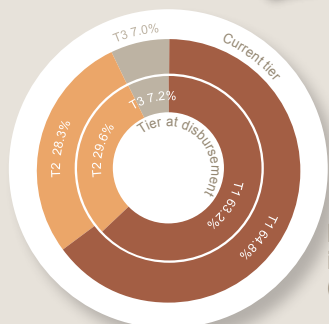
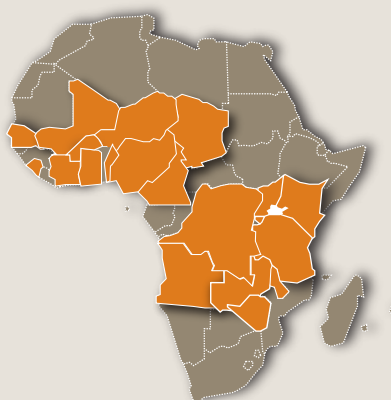
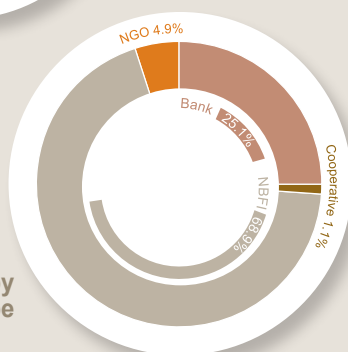


GAV	132.4m
NAV	118.9m
PLI Portfolio*	114.6m
Cash	16.8m
Countries	20
PLIs	52
Investments	99
Clients	188,404

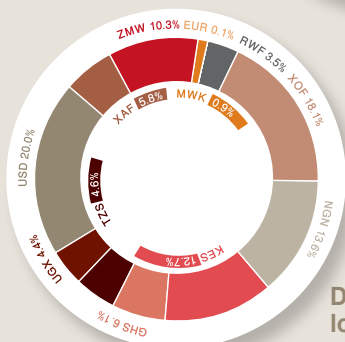
* Nominal at disbursement, hedged against currency fluctuations.



Distribution by institutional size (by invested volume)



Distribution by institutional type



Distribution of loans by currency

Investment Manager Comment

2016 proved to be a challenging year, rife with currency instability and macroeconomic uncertainty. GDP growth in SSA is predicted to rebound to 3.5% in 2017, notably due to improvements in oil exporting economies, as commodity prices are expected to stabilize.

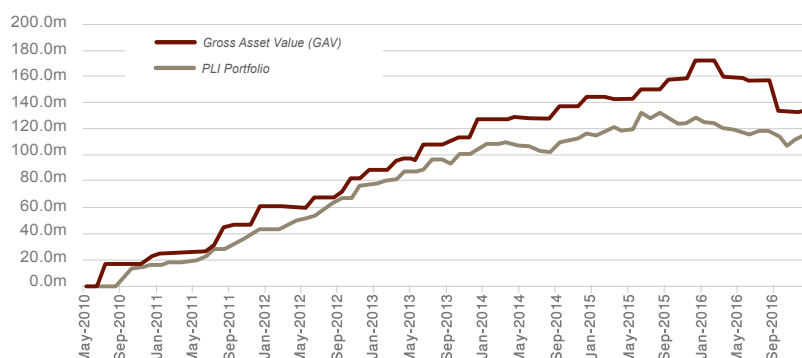
Given immense untapped market potential, the DRC remains a promising growth market for REGMIFA, though political uncertainty and regulatory risk remain high: in September 2016, regulatory reserves for current account deposits increased from 9% to 12%, and minimum capital requirements for banks will triple from USD 10m to USD 30m by September 2017.

In Nigeria, the growth rate fell in 2016 (2.11% in Q4), alongside high inflation, currency devaluation, and USD scarcity. While international lenders have slowed down the pace of lending to the Nigerian microfinance sector, PLIs' performance remained relatively stable during the tumultuous year.

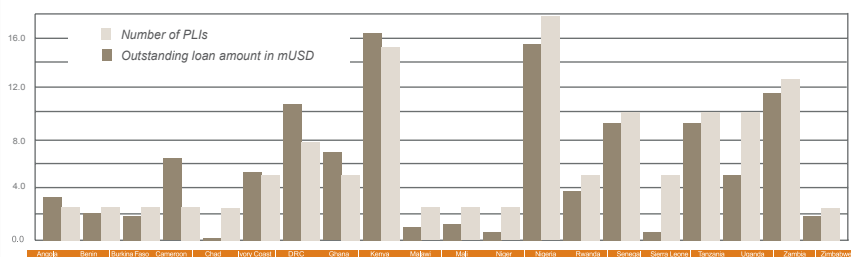
In 2017, relatively high and sustained growth of 6%-8% for the Ivory Coast, Senegal, and Burkina Faso is expected, although neighboring Nigeria's economic instability could continue to hamper West Africa. Ghana's smooth elections in November 2016 renewed confidence and secured the necessary conditions for investment and growth.

In Kenya, tensions are increasing before the Q3 2017 elections. The commercial banking industry is still adjusting to a 14% rate cap, as borrowers find accessing credit more difficult. However, the overall economic outlook is positive. In Zimbabwe, bond notes were issued in November 2016 in an attempt to ease the liquidity crisis. Bank queues have shortened as debit card usage increases. Hedging costs remain volatile and continue to impact pricing and REGMIFA's portfolio development prospects, notably in Cameroon and Mozambique, while Zambia's market stabilization has reduced hedging prices.

Portfolio Growth



Invested Portfolio



Top 5 Country Exposures

Country	Volume USD	% of Portfolio
Kenya	16.5	14.4%
Nigeria	15.6	13.6%
Zambia	11.8	10.3%
Democratic Republic of Congo	10.8	9.4%
Tanzania	9.3	8.1%

Top 5 PLI Exposures

PLI	Volume USD	Country	% of Portfolio
KWFT	11.5	Kenya	10.0%
ACEP Cameroun	6.6	Cameroon	5.8%
FINCA DRC	6.0	DRC	5.2%
MicroCred Senegal	6.0	Senegal	5.2%
Advans CI	4.7	Ivory Coast	4.1%



QUARTERLY REPORT

Q4/2016

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

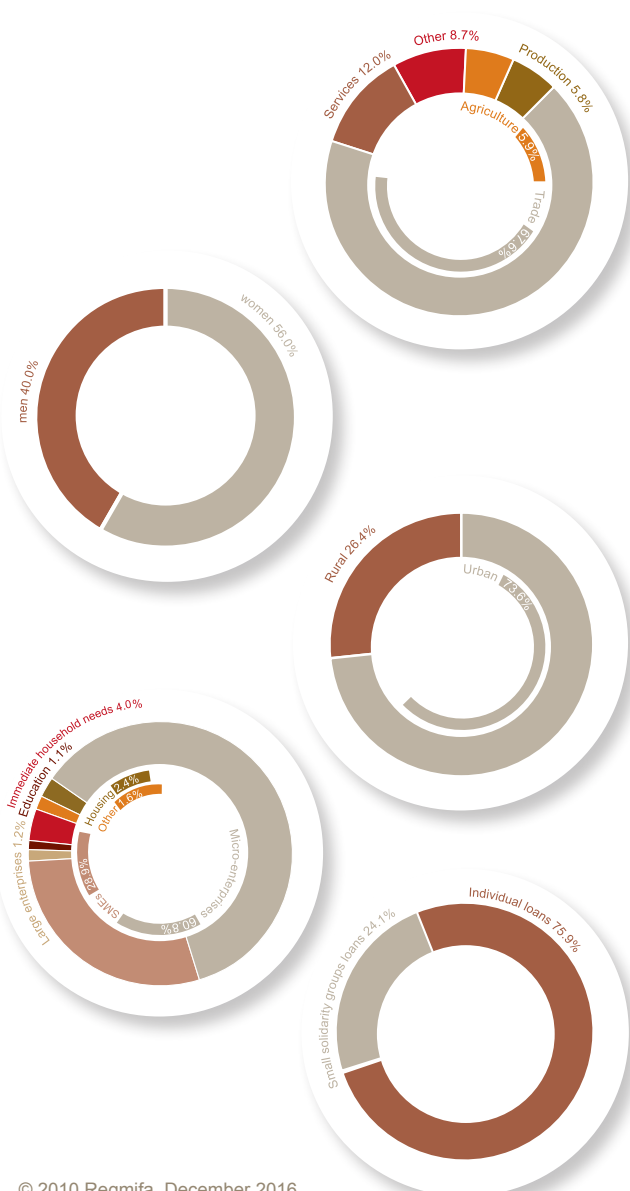
Portfolio Outstanding (USD)	114.6m
Number of Partner Lending Institutions	52
Number of PLI branches (avg)	41
Client retention rate	94.47%
Portfolio Loan Average (USD)	1,597
Estimated Total Micro Clients	188,404

Invested PLI Portfolio

Invested PLI profile	Simple Average	Median
Total Assets (USD)	41,936,067	24,242,547
Gross loan portfolio (USD)	32,042,041	16,696,080
Number of active borrowers	58,813	19,519
Average loan size (USD)	1,597	903
Debt/Equity ratio	3.73	4.29
Portfolio yield	39.57%	41.46%
Portfolio operating expense ratio	29.98%	29.40%
Operational self-sufficiency	102.88%	104.29%
Return on Equity	-3.30%	8.44%
Return on Assets	-0.50%	1.65%
PAR > 30 days	6.91%	6.11%
Write off ratio	4.24%	1.49%

Social Outreach

Client and Product Information	%Total	Clients
Distribution by Activity		
Agriculture	5.9%	11,076
Production	5.8%	10,919
Trade	67.6%	127,404
Service	12.0%	22,567
Other	8.7%	16,438
Distribution by Gender		
Women	56.0%	105,509
Men	40.0%	75,346
Distribution by Location		
Urban borrowers	73.6%	138,660
Rural borrowers	26.4%	49,744
Distribution by Lending Methodology		
Individual loans	75.9%	142,952
Small solidarity group loans	24.1%	45,452
Distribution by Product Type		
Micro-enterprises	60.8%	114,462
Small and medium enterprises	28.9%	54,448
Large enterprises	1.2%	2,216
Education	1.1%	2,097
Immediate household needs	4.0%	7,625
Housing	2.4%	4,545
Other loan portfolio	1.6%	3,011



10 KEY INDICATORS (2016*)

Population	186.1 million
Pop. living in poverty	70%
Human dev. rank	152/187
GDP per capita	USD 5,900
Real GDP growth	-1.7%
Inflation rate	15.3%
Forex hedging costs (36m)	18.7%
Private credit (% of GDP)	14.2%
Foreign aid	USD 2.5 billion
Remittances	USD 21.1 billion

*or latest available

REGMIFA Investors



Mr Livinus Umeh

Country: Nigeria

The largest economy and most populous country on the continent, Nigeria has a resource-rich economy with significant hydrocarbon resources. Oil and gas account for 98% of export earnings and 80% of government revenues. While Nigeria has steadily grown over the last decade, the recent drop in oil prices has put pressure on the country's trade balance and GDP growth. High poverty levels and a lack of productive job creation remain major challenges for current president Muhammadu Buhari. With a strong savings culture and significant entrepreneurship, Nigeria has huge potential for microfinance, which formally began in the late 1990s. In 2005, the industry witnessed the establishment of microfinance banks (MFBs), an institutional vehicle for privately owned, deposit-taking microfinance institutions. Today, more than 800 MFBs are registered; their regulation and supervision by the Central Bank has been improving since 2010, with new prudential ratios and guidelines to prioritize organic growth. Competition is high for saving products, but even in major cities, competition and market penetration for business loans remain low in both the micro and SME segments, with a low risk of over-indebtedness.

PLI: Advans Nigeria

La Fayette Microfinance Bank Ltd. (Advans Nigeria) is a small, Tier 3 state MFB licensed by the Central Bank of Nigeria. Incorporated in May 2012, the MFB currently provides financing to micro-, small, and medium enterprises (MSMEs) in the state of Oyo, and more importantly in Ibadan, Nigeria's third largest city. The PLI's mission is to target MSMEs in Nigeria's urban areas, where studies show that only a tenth of entrepreneurs have access to credit. Advans Nigeria offers a full range of financial services to micro-entrepreneurs and has gradually been expanding its services to SMEs, which today account for 8% of the MFB's portfolio. Non-credit products include savings, credit insurance, and payments solutions. As the 6th African affiliate of the Advans Network, the MFB has benefitted from the group's experience, coupled with a good lending methodology to rapidly grow its presence in Ibadan, where competition from other MFBs is scarce. Portfolio quality has remained good and the PLI became profitable after 2.5 years of operations.

Client Story: Mr. Livinus Umeh

Mr. Livinus Umeh, CEO of Livico Ltd., started his motor lubricant factory in 2001 in Ibadan, when he realized that imported oil products were not adapted to the hot and humid southern Nigerian weather. With about a thousand USD borrowed from friends and family, he developed his own lubricant product and set up the first production unit in a rented basement. His product line had great success and his business grew rapidly. In 2012, when he learned about the presence of Advans Bank in Ibadan, he contracted a first loan with the PLI. Four years later, Mr. Umeh has received a more significant loan that allows him to sell in 10 cities across 4 states through distributors and to open a shop in Benin City. His product line has over 10 different lubricant products, adapted to cars, motorbikes, and generators. He has 35 employees, mostly women, and is seconded by his wife in running the company. Mr. Umeh has several projects in mind for the coming years: he would like to open more shops in major Nigerian cities and would also like to internalize the production of the plastic bottles that he sells his lubricants in.

Contacts

Registered Office
5, rue Jean Monnet
L-2013 Luxembourg
Grand-Duchy of Luxembourg

Investment and TA Facility Manager
Symbiotics S.A.
Rue de la Synagogue 31
CH-1204 Geneva, Switzerland