

# QUARTERLY FACTSHEET (Q1 2020)

REGMIFA / REGIONAL MSME INVESTMENT FUND FOR SUB-SAHARAN AFRICA

## KEY INDICATORS

**176,167** microentrepreneurs reached

**52 %** women

**25 %** rural

**56 %** micro-enterprises

**81 %** individual loans

## IMPACT MEASUREMENT THEMES

Micro-enterprises	55.4%
Small and medium enterprises	35.0%
Large enterprises	2.5%
Education	0.7%
Immediate household needs	3.3%
Housing	2.2%
Other	1.0%

## SECTORS

Agriculture	9.2%
Production	3.8%
Trade	59.8%
Services	19.6%
Other	7.6%

## INVESTEE INDICATORS\*

Total Assets	USDm 53
Gross Loan Portfolio	USDm 38
Number of active borrowers	42'832
Debt/Equity Ratio	4.13
Portfolio Yield	43%
Operating expense ratio	29%
Operational self-sufficiency	114%
Return on Equity	5%
Return on Assets	2%
PAR > 30 days	8%

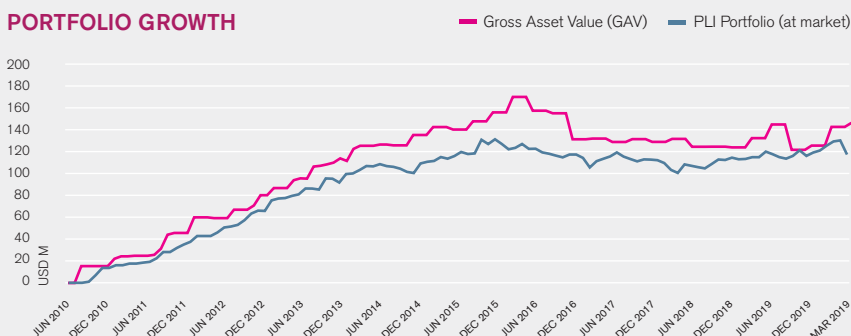
## INVESTMENT MANAGER'S COMMENT

Lending activity is usually subdued in the first quarter of the year and 2020 was no exception. Q1 2020 was particularly quiet with a total of USD 4.4M disbursed to three existing PLIs and one new PLI. There was a total of USD 16.5 M of inflows, resulting in a net reduction of the loan portfolio by approximately USD 12.1M to USD 111.0M.

The GAV rose modestly to USD 148.2M in Q1-20 thanks to the reduction of the loan loss allowance from USD 10.4M to USD 9.1M, which is mainly due to the decrease in loan portfolio. There were no redemptions or new subscriptions in the quarter.

We have started to provision for the impact of COVID-19, for countries that are specifically affected (Nigeria, South Africa) or for institutions that requested liquidity support to mitigate the impact of the payment moratoriums granted to their borrowers. However, the full impact of this crisis will take several quarters to filter through the Fund's performance. While the scale and scope of the effects from COVID-19 is not yet fully known, the investment manager has implemented a number of steps to mitigate risks. These include liquidity and solvency stress testing, in-depth assessment of country risk as well as more frequent contact with PLIs. In addition, Symbiotics actively participates in different industry & lender groups and meetings aimed at coordinating the microfinance industry's answers toward the impact of the crisis.

## PORTFOLIO GROWTH



## FUND FACTS

GAV	USDm 148.2
NAV	USDm 122.3
PLI Portfolio (at cost)	USDm 111.0
PLI Portfolio (at market)	USDm 102.4
Cash	USDm 41.4
Number of Countries	20
Number of PLIs	50
Number of Investments	90
Maturity remaining	15.8 months

## LATEST INVESTMENTS

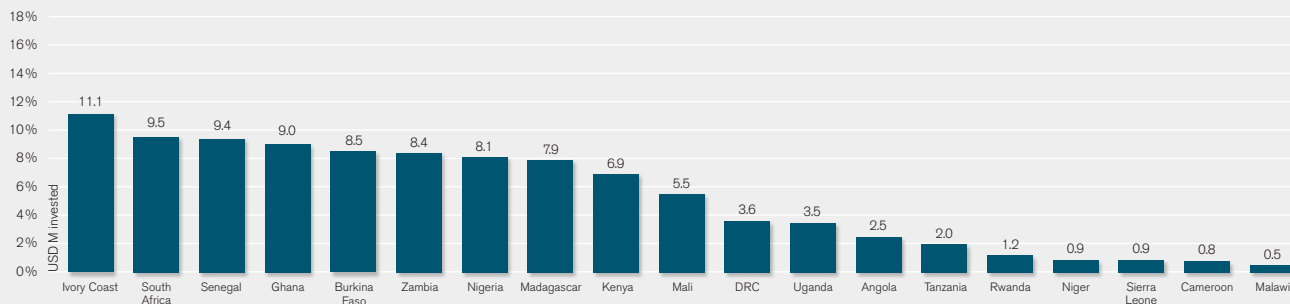
Since Inception	USDm 426
Q1 2020	USDm 4.4

## NUMBER OF LOANS DISBURSED

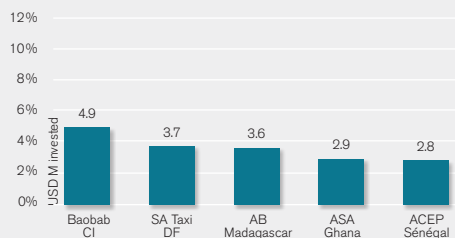
Since Inception	332
Q1 2020	4

## PORTFOLIO ANALYSIS

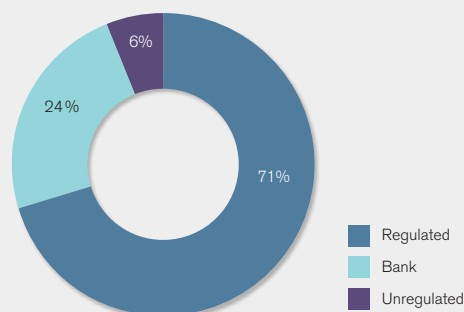
### COUNTRY BREAKDOWN (% OF PORTFOLIO)



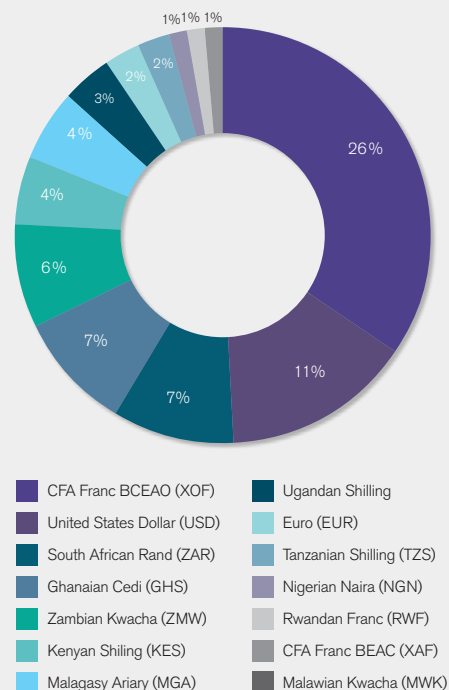
### TOP 5 EXPOSURES (% OF PORTFOLIO)



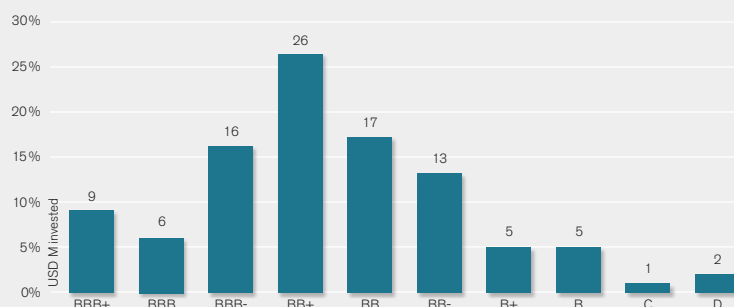
### TYPE BREAKDOWN (% OF PORTFOLIO)



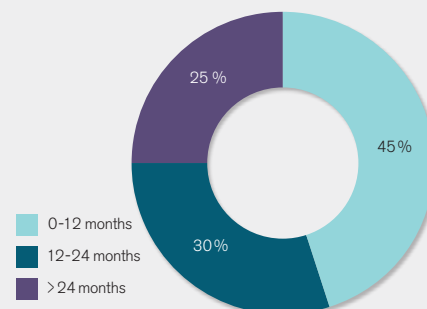
### CURRENCY BREAKDOWN (% OF PORTFOLIO)



### CREDIT RISK BREAKDOWN (% OF PORTFOLIO)



### REMAINING MATURITY BREAKDOWN (% OF PORTFOLIO)



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## SIERRA LEONE

# MEET MRS. EDNA SHERIFF

### SIERRA LEONE

Located in West Africa, Sierra Leone counts more than half of its inhabitants living below the national poverty line. The primary sector is the country's growth driver and employs two-thirds of Sierra Leone's labor force. After a decade-long civil war which ended in 2002, the economy grew substantially before experiencing a downturn due to the Ebola epidemic and the collapse of iron ore prices, one of the country's prime export products. The recovery in the mining sector (iron ore, diamonds, bauxite and rutile) and advances in agriculture (rice, cocoa, peanuts) and services are the main contributors to growth stabilization. Microfinance is still a nascent sector in a largely informal economy with high financial exclusion. Today, the sector is composed of not only traditional microfinance institutions (MFIs) but also development and cooperative banks, all providing generally small loans to micro-entrepreneurs.

**Covid-19:** A national state of emergency was declared in March 2020 including prevention and containment measures. The Central Bank held an emergency Monetary Policy Committee meeting and decided, among others, to create a special credit facility of USD 50M to support production, procurement, and distribution of essential goods. The government also secured support from the IMF of USD 21M and USD 7.5M from the World Bank.

### LAPO SL

Lift Above Poverty Organization Sierra Leone Microfinance Company Limited (LAPO SL) is an MFI that was created in 2007 as an affiliate of LAPO NGO, a Nigerian organization dedicated to promoting self-employment and running the largest microfinance bank in Nigeria, LAPO MFB. The MFI offers group loans mostly targeting women with no access to formal financing, while individual loans are aimed at more established businesses in the micro and lower SME segment. The majority of clients are illiterate micro-entrepreneurs running several businesses, including at least one in the food sector (production, trade), which is more resilient to economic shocks. Before 2014, LAPO used to focus almost exclusively on its group loan product, resulting in particularly high yields (above 70%). However, with the gross loan portfolio share of individual loans increasing, the yield is now gradually decreasing although it remains high. In 2015 LAPO Microfinance Company obtained the approval of the Central Bank of Sierra Leone to operate as a credit only microfinance company and in March 2017, LAPO obtained a deposit-taking license. Despite the slowdown in business activity during the election period of March 2018, growth has returned to a normal level since April 2018. LAPO has a large distribution network covering 13 of the 16 districts in the country.

### MRS. EDNA SHERIFF

Shoes, bags, clothes, kitchen utensils: there are many different things on sale in Edna Sheriff's shop in the center of Freetown. She orders her products in China and Turkey and sells it to wholesalers as well as individuals. The 48-year old woman aims to diversify her products to adapt to different economic situations. She used to sell construction material exclusively but as her business was not so profitable, she decided to expand her product offering. Her sales increased and she now benefits from a higher income. Mrs. Sheriff has three kids – two boys, 19 and 24 years old, and one daughter, 23 years old. As the situation is not easy with her husband, she is glad to have her own income from the shop. Although her friends are there and ready to support, they could not help her financially if needed. Therefore, she is thankful for the possibility of having access to loans and improve her business. Mrs. Sheriff has used all her savings to pay the school fees for her kids. Now that they are old enough, her dream is to study and become a business lawyer.

POPULATION  
**7.65 MILLION**

GDP PER CAPITA  
**USD ??**

REAL GDP GROWTH  
**3.4 %**

POP. LIVING IN POVERTY  
**40%**

HUMAN DEVELOPMENT RANK  
**181/189**



SDGs addressed by the Fund

#### Contacts

#### Registered Office

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**regmifa**  
[www.regmifa.com](http://www.regmifa.com)

## FUNDING STRUCTURE\*



## NOTES

Instituto de Crédito Oficial

ASN Bank

Private Investors

## A SHARES

Ministerio de Asuntos Exteriores y de Cooperación

EIB

KfW

## B SHARES

FMO

Oesterreichische Entwicklungsbank AG

EIB

Symbiotics

## C SHARES

Agence Française de Développement

KfW

Ministerio de Asuntos Exteriores y de Cooperación

Oesterreichische Entwicklungsbank AG

## FUND FACTS

Fund name	Regional MSME Investment Fund for Sub-Saharan Africa S.A., SICAV-SIF (REGMIFA)			
Fund domicile and type	Qualifies as a Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé (SICAV - SIF) under Luxembourg Law			
Regulation	The Fund qualifies as an AIF within the meaning of the AIFM Law and is internally managed. Per the Issue Document, more than 50% of the members of the Board as well as of the members of the Investment Committee shall be representatives of / proposed by Public Institutions. As a result, the AIFM Law shall not apply to the Fund in accordance with article 2(2) thereof			
Investment Manager	Symbiotics S.A. (Geneva)			
Registered Office	5, rue Jean Monnet, L-2013 Luxembourg, Grand-Duchy of Luxembourg			
Administrative Agent	Credit Suisse Fund Services (Luxembourg) S.A.			
Custodian Bank	Credit Suisse (Luxembourg) S.A.			
Inception Date	1 December 2009			
Operation Start	5 May 2010			
Initiators	KfW Bankengruppe, supported by the German Ministry for Economic Cooperation and Development (BMZ)			
Fund currency	USD			
Distribution	Annually			
Valuation (NAV calculation)	Quarterly (last calendar day of March, June, September, and December)			
Minimum subscription	USD 500,000 across all Shares and Notes			
Fund Term	Unlimited duration			
Redemption of units	Unlimited duration for Class C Shares Fixed term (2-10 years) for Class A Shares Fixed term (4-10 years) for Class B Shares Fixed term (2-12 years) for Notes			
Classes	Notes	Class A Shares	Class B Shares	Class C Shares
Features	Fixed rate or floating rate over USD 6 months Libor plus a spread. Duration: Senior: 2-6 years Subordinated: 2-12 years	Target dividend plus complementary dividend (if target dividend exceeded). Target dividend is USD 6 months Libor plus a spread agreed with the Board of Directors. Duration: 2 – 10 years	Target dividend plus complementary dividend (if target dividend exceeded). Target dividend is USD 6 months Libor plus a spread agreed with the Board of Directors. Duration: 4 – 10 years	Fixed rate target return with target dividend set in the relevant Commitment Agreement as a percentage return on the NAV. Duration: Unlimited