

# QUARTERLY REPORT Q2 2019

REGMIFA / REGIONAL MSME INVESTMENT FUND FOR SUB-SAHARAN AFRICA

## MANAGER'S COMMENT

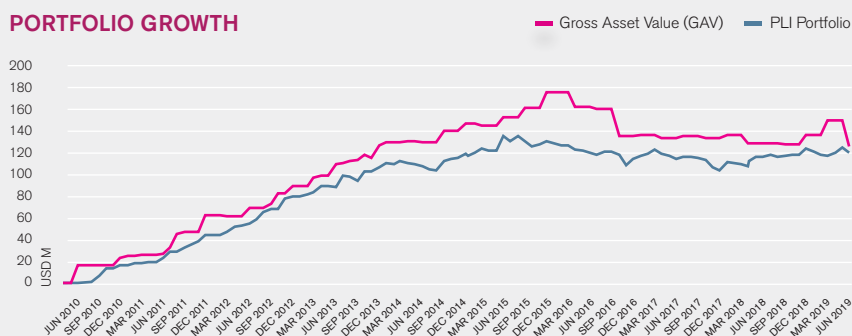
The Fund closed Q2 2019 with a loan portfolio of USD 117.4M outstanding (up from USD 114.8M at Q1 2019) as a result of the strong disbursement during the period of USD 15.3M to 9 institutions across Nigeria, Ghana, Senegal, Burkina Faso, Tanzania, Uganda, Zambia and South Africa. The Fund has essentially maintained its position in terms of countries (19), PLIs (48) and total investments (87) from Q1.

The SSA regional macroeconomic outlook continues to slowly strengthen across a number of markets, but a potential slowdown in China in the near to medium term could result in softer demand for commodities and, accordingly, lower commodity prices and GDP growth. The GAV dropped significantly in Q2-19 due to the maturity of ~USD 21.6M in B shares at the end of Q1-19.

## FUND FACTS

GAV	USDm 123
NAV	USDm 114
PLI Portfolio	USDm 117
Senior Debt	97%
Sub Debt	3%
Cash	USDm 13.1
Number of Countries	19
Number of PLIs	48
Number of Investments	87
Average exposure per PLI	USDm 2.4
Maturity remaining	17.0 months

## PORTFOLIO GROWTH



## INVESTEES INDICATORS\*

Total Assets	USDm 50
Gross Loan Portfolio	USDm 38
Number of active borrowers	39,479
Asset Growth	4%
Debt/Equity Ratio	3.9
Portfolio Yield	43%
Operating expense ratio	29%
Operational self-sufficiency	116%
Return on Equity	15%
Return on Assets	3%
PAR > 30 days	7%

## NUMBER OF LOANS DISBURSED

Since Inception	303
Q2 2019	9

## LATEST INVESTMENTS

Since Inception	USDm 392
Q2 2019	USDm 15

## IMPACT MEASUREMENT

### THEMES

Micro-enterprises	55.8%
Small and medium enterprises	34.4%
Large enterprises	2.4%
Education	0.9%
Immediate household needs	4.1%
Housing	1.4%
Other	1.0%

### SECTORS

Agriculture	9.8%
Production	4.3%
Trade	58.4%
Services	18.0%
Other	9.5%

## KEY INDICATORS

**163,214** microentrepreneurs reached

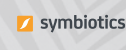
**55 %** women

**29 %** rural

**56 %** micro-enterprises

**79 %** individual loans

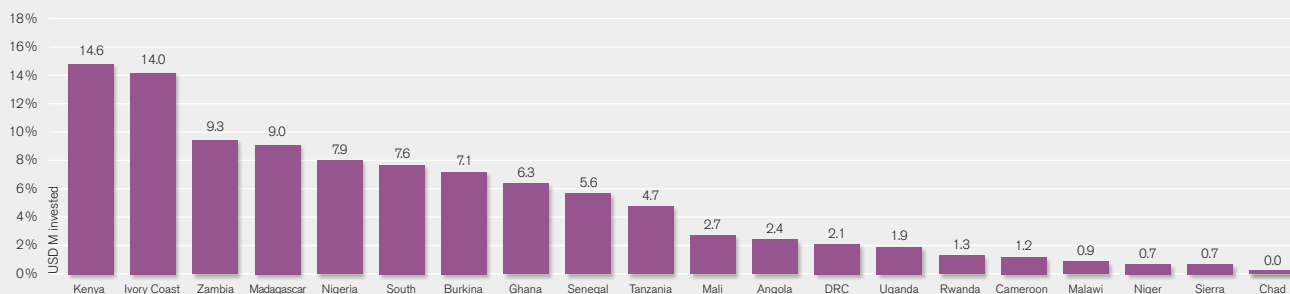
REGMIFA, a development finance initiative supported by



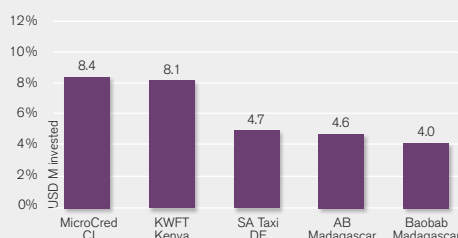
\* Data presented are averages across PLIs in the portfolio for period ending the 30 June 2019 from unaudited management reports as provided by PLIs.

## PORTFOLIO ANALYSIS

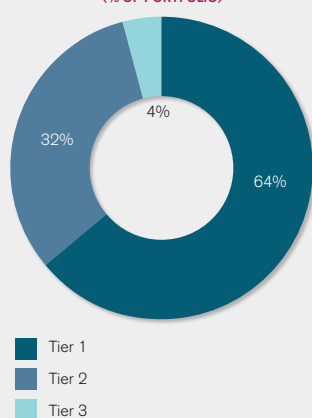
### COUNTRY BREAKDOWN (% OF PORTFOLIO)



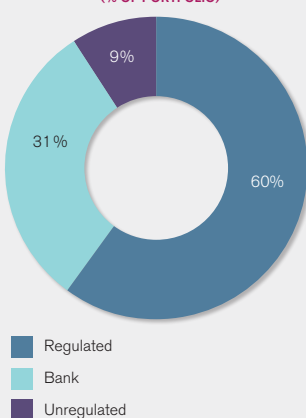
### TOP 5 EXPOSURES (% OF PORTFOLIO)



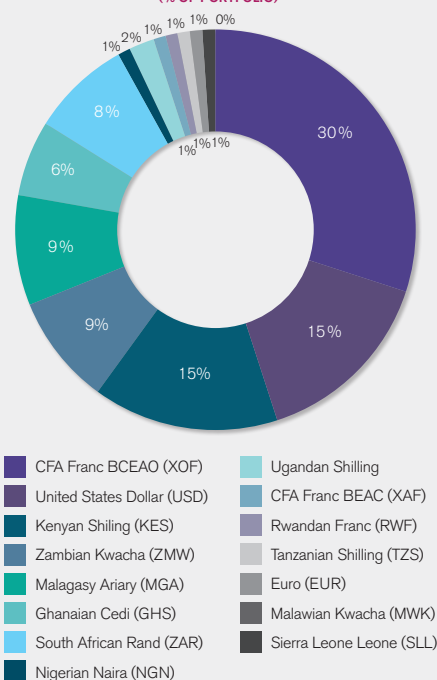
### TIER BREAKDOWN (% OF PORTFOLIO)



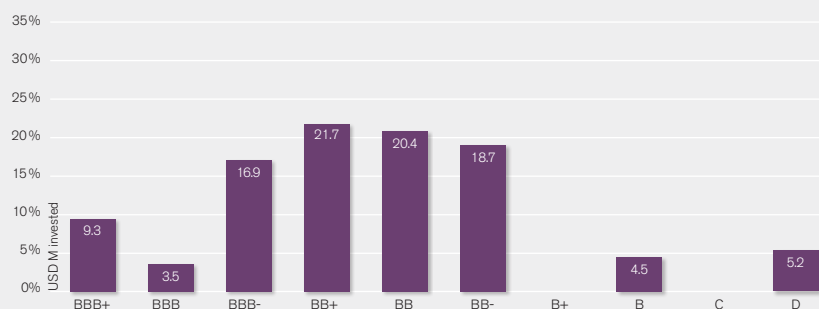
### TYPE BREAKDOWN (% OF PORTFOLIO)



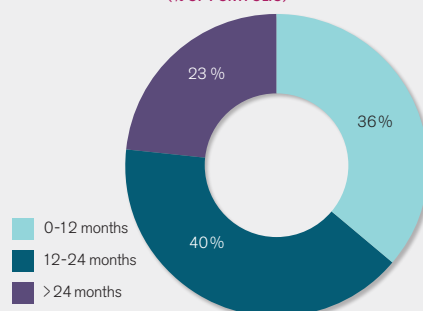
### CURRENCY BREAKDOWN (% OF PORTFOLIO)



### CREDIT RISK BREAKDOWN (% OF PORTFOLIO)



### REMAINING MATURITY BREAKDOWN (% OF PORTFOLIO)



This marketing document is issued by Symbiotics SA (registered office at 31, Rue de la Synagogue, 1204 Genève). It contains a preliminary summary of Regional MSME Investment Fund for Sub-Saharan Africa SA (registered office at 5, Rue Jean Monnet, P.O. Box 369, L-2013 Luxembourg), hereinafter "REGMIFA" or "the Fund". As per the Issue Document, the Fund qualifies as an AIF within the meaning of the Directive 2011/61/EU of 8 June 2011 on alternative investment fund managers (the "AIFM Directive") and is internally managed. As 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 Directive shall not apply to the Fund in accordance with article 2(2) thereof. As a consequence, the Fund cannot benefit from the marketing passport provided under the AIFM Directive and cannot be marketed to professional investors within the European Union under said passport. In consequence, this document is neither directed to, nor intended for distribution or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. The information and data presented in this document are not to be considered as an offer or solicitation to buy or sell REGMIFA's notes or shares. Information, opinions and estimates contained in this document reflect a judgment at the

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## NIGER

# MEET MR. WALIO LABO

### ABOUT NIGER

Niger is one of the hottest desertic countries in the world. It is a landlocked country located along the border between the Sahara and Sub-Saharan regions, slightly twice the size of France. Despite holding the largest uranium deposits, Niger is one of the poorest countries in the world ranked last in the world on the United Nations Development Programme's Human Development Index due to multiple factors such as food insecurity, lack of industry, high population growth, a weak educational sector, and few prospects for work outside of subsistence farming and herding. Indeed, Niger has the highest total fertility rate of any country in the world, averaging close to 7 children per woman in 2016. This rapid birth rate continues to exacerbate youth unemployment. The economy centers on subsistence crops and livestock, with agriculture contributing approximately 40% of the GDP and providing livelihood for over 80% of the population. The largely agrarian and subsistence-based economy is frequently disrupted by extended droughts and desertification common to the Sahel region of Africa. The Nigerien government continues its attempts to diversify the economy through increased oil production and mining projects but the fall in commodity prices has reduced profitability. The potential for inclusive finance is high, but the microfinance sector is moderately competitive with the two largest players being ACEP and Credit Mutuel.

### ACEP NIGER

Following a very successful year, the new management of ACEP Niger is on track to consolidate its position as one of the key Microfinance players in Niger. ACEP (Agence de Crédit pour l'Entreprise Privée) Niger was created in May 2012 and disbursed its first loan in 2013. As part of ACEP International, a network supporting socially-oriented MFI's in various African countries such as Senegal, Cameroun, Madagascar and Burkina Faso, ACEP Niger receives MIS technical assistance as well as management and procedure related support. Investisseurs and Partenaires (I&P) is the main shareholder, while ACEP International is the anchor representative. ACEP shareholders are strongly committed to job creation, therefore ACEP Niger focuses on micro and small entrepreneurs. It respects the seven client protection principles and endorses the SMART campaign. In line with its social mission, ACEP does not require any compulsory savings and provides quality service to clients via a time efficient disbursement process focusing on cash flow analysis. It offers limited but accessible products in the country and operates via three branches located in the capital Niamey and a fourth, 600 km away, in Maradi, Niger's second economic hub. However, limited product diversification has proven problematic given ACEP's concentration on urban trade. It now aims to develop mobile and Islamic finance in the future.

### MR. WALIO LABO

After finishing his pharmaceutical studies in Tunisia, Dr. Mounkaila Moussa's dream was to open a laboratory of medical analyses in his hometown of Niamey, the capital of Niger. However, the initial investment needed for a laboratory being too high, he first started by opening a small pharmacy in 1997, with the financial help of his father-in-law. It took him 7 years to generate enough profits to purchase his first analysis machine. In 2004, Walio Labo finally opened and today it is one of the four laboratories in the country to perform a wide range of blood, urine and bacteriological tests. The laboratory is even open 24 hours a day, 7 days a week to be able to satisfy the high demand. It employs 15 people, all certified laboratory technicians. Dr Mounkaila had been taking loans from a commercial bank, but its procedures were cumbersome and lengthy, so he couldn't rely on them specially when the machines broke down, due to the very wide oscillations in electrical current which burn this extremely sensitive equipment. Therefore, when ACEP approached him two years ago to offer him a loan with faster service, he immediately knew that they could help him replace the damaged machines quickly and maintain his level of service. After a first loan of USD 10,000 which he reimbursed without delay, he is now on a second loan cycle of USD 17,000 and is looking forward to continue growing with the help of ACEP Niger.

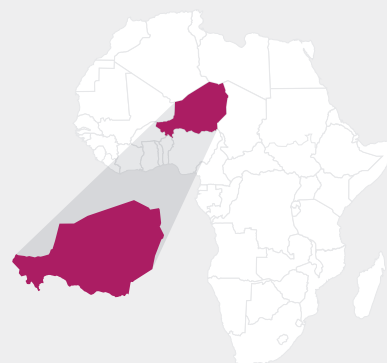
POPULATION  
**19.9 MILLION**

GDP PER CAPITA  
**USD 412**

REAL GDP GROWTH  
**5.1%**

POP. LIVING IN POVERTY  
**23.4 %**

HUMAN DEVELOPMENT RANK  
**189/189**



SDGs addressed by the Fund

#### Contacts

#### Registered Office

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Grand-Duchy of Luxembourg

#### Investment and TA Facility Manager

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CH-1204 Geneva, Switzerland

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



## FUNDING STRUCTURE\*



## NOTES

Instituto de Crédito Oficial

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