FUND OVERVIEW AND IMPACT REPORT 2023

REGIONAL MSME INVESTMENT FUND FOR SUB-SAHARAN AFRICA S.A., SICAV-SIF (REGMIFA)

regmifA

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BOARD OF DIRECTORS 2023

Left to right:

Ms. Laure Wessemius-Chibrac (Chair), Ms. Claudia Huber, Mr. Michael Brill, Ms. Edwige Takassi, Dr. Giuseppe Ballocchi

REGMIFA remains committed to its mission of advancing economic development in Sub-Saharan Africa. Through its blended finance structure, the Fund has adeptly maneuvered through challenging market conditions in 2023 to continue supporting Partner Lending Institutions in the region.

In 2023, REGMIFA restored an open currency exposure strategy with a focus on bolstering local currency lending and increasing the Fund's outreach. Additionally, the Fund has strongly worked on spreading the adoption of client protection practices among its investees. These achievements underscore REGMIFA's steadfast promise to drive positive change and prosperity throughout Sub-Saharan Africa.

WELCOME FROM LAURE WESSEMIUS-CHIBRAC

CHAIR OF THE BOARD

We are pleased to submit the Annual Report for the year ending on 31 December 2023 and the related Independent Auditor's Report for the Regional MSME Investment Fund for Sub-Saharan Africa S.A., SICAV-SIF ("REGMIFA" or the "Fund").

TURBULENT MACROECONOMIC CONTEXT

While Sub-Saharan Africa (SSA) was still recovering from the COVID-19 pandemic, Russia's invasion of Ukraine further disrupted the global economy making it more difficult for the region to grow, attract investment and deal with social issues. High inflation has pushed more people into extreme poverty, but also has compelled central banks around the globe and in the region to raise interest rates. Throughout 2023, risk aversion has worsened, leading to outflows from emerging and frontier markets and elevated spreads. Investors' preference for safer assets and reliance on strong currencies have resulted in a funding squeeze in the region and put pressure on local currencies like the South African Rand, Ugandan Shilling and Zambian Kwacha.

This context has posed challenges for countries and institutions with liabilities in hard currency. Statistics indicate that due to COVID 19 pandemic, the median public debt to GDP ratio peaked in 2020 and has not yet returned to pre-pandemic levels (51.5% GDP in 2019 vs. 59.1% in 2022). In that context, SSA with its limited fiscal capacity to absorb shocks has experienced a very difficult year. The region's ability to attract (public or private) foreign investment and manage capital flows will be critical for sustaining economic growth and development going forward.

The current context of shrinking liquidity and increased borrowing costs makes the role of REGMIFA more essential than ever as a stable and reliable partner in the region.

REGMIFA CONTINUES TO BE A KEY PARTNER IN THE REGION

Despite facing lower spreads as a result of higher interest rates and higher hedging costs in 2023, the Fund adeptly navigated the turbulent context, marking a loan portfolio (at market) of USD 176M in 2023, up from USD 163M in 2022. Remaining steadfast in its commitment to support PLIs in Sub-Saharan Africa, the Fund disbursed thirty-six loans totaling USD 65M during the year. These loans reached twenty-six PLIs across thirteen countries, with the Fund extending its reach to a total of twenty-five countries through both direct and indirect investments.

Furthermore, the Fund successfully incorporated eight new PLIs into its portfolio, some of which were associated with innovative business models, including two fintech companies and one deal linked to sustainable agriculture in Côte d'Ivoire. Additionally, the Fund continued its support for PLIs with assets totaling less than USD50M, focusing on smaller tier 2 and tier 3 institutions, which constituted 40% of the investments made in 2023.

ENHANCED DELIVERY OF LOCAL CURRENCY FUNDING THROUGH THE OPEN CURRENCY EXPOSURE STRATEGY

Since 2022, PLIs have encountered difficulties to bear the costs of loans in local currency due to a volatile economic landscape, characterized by currency fluctuations and elevated interest rates leading to increased and sometimes unaffordable hedging costs. Consequently, in 2023 the Fund implemented an Open Currency Exposure Strategy to continue providing PLIs with funding in local currency at competitive rates.

This strategic approach is fully aligned with and within the guidelines and limits outlined in the Issue Document. Since Q3 2023 and for 2024, it enables the Fund to take limited unhedged currency exposure in four local currencies: West African Franc, Central African Franc, Ugandan Shilling and Malagasy Ariary.

Under this strategy, the Fund disbursed USD 13.1M to seven PLIs in five countries. To mitigate possible currency losses, the Fund earmarked an FX compensation amount of USD 38K for C-Shareholders. However, these losses proved minimal, resulting in a net surplus of USD 33K, which was returned to the C-Shares.

BLENDED FINANCE STRUCTURE'S PIVOTAL ROLE TO NAVIGATE TURBULENT MARKET CONDITIONS

The challenging economic conditions prevailing in the region manifested in the Fund encountering five new workout cases for an amount of USD 23M (as of Dec-23), marking an increase from six cases in 2022 to eight cases (three cases were closed in 2023). These developments, coupled with heightened risk factors across the region – particularly an increased country risk for Nigeria, attributed to soaring inflation rates and a significant devaluation of the Nigerian Naira – prompted an additional loan loss provision of USD 12.8M in 2023, resulting in a NAV deficiency for C-Shares. Regardless of the increased

1 Debt Dilemmas in Sub-Saharan Africa: Some principles and Trade-offs in Debt Restructuring, IMF Oct-2023

risk in Nigeria, the Fund intends to persist in collaborating with PLIs in the country, recognizing its importance within the Fund's mandate and in line with the Fund's mission to be a long-term reliable partner.

Despite these challenges, the Fund demonstrated resilience amidst the high-interest-rate environment and effective asset and liability management, achieving an exceptional distributable income of USD 6.9M, up from USD 5M in 2022. Consequently, the REGMIFA Fund successfully served all target dividends, marking the 13th consecutive year of meeting target dividends for A and B Share Class investors in full. Furthermore, the Fund generated a marginal complementary dividend aimed at partially addressing the NAV deficiency for C-Shares, with the Net Asset Value (NAV) of this share class totaling USD 79M (91% of the nominal value) at the end of 2023.

In spite of this additional provisioning, risk ratios remained robust, significantly surpassing the minimum requirements outlined in the Issue Document.

ONGOING IMPROVEMENT OF MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS

As part of the implementation of the Environmental and Social (E&S) Risk Management Framework, as of December 2023 69% of the PLIs within the Fund's portfolio have undergone an ESG assessment with 94% of these demonstrating minimal exposure to high-risk activities. Following an evaluation of the PLI's capacity to manage E&S risks, E&S action plans were incorporated in loan agreements with twelve PLIs that received financing in 2023. Regarding the ten PLIs for which E&S actions plans mandated in 2022, five PLIs have successfully implemented their plans, while the remaining five PLIs are in the process of implementing the required measures.

SPREADING THE ADOPTION OF CLIENT PROTECTION STANDARDS

While upholding its commitment to adhering to local legal and regulatory consumer protection norms, the Fund also strives to apply best practices and has been endorsing the implementation of the Client Protection Standards advocated by the Social Performance Task Force. As of December 2023, twenty PLIs within the Fund's portfolio actively engaged in the Client Protection Pathway.

Moreover, as part of the Client Protection Framework, all PLIs assessed throughout the year have received a Client Protection score and corresponding CP risk level based on the latest standard updates. In 2023, three PLIs exhibited insufficient client protection practices, prompting the Fund to develop a tailored Client Protection Action Plan linked to the investment.

The REGMIFA Fund advocates for the widespread adoption of client protection standards across the industry and stands ready to provide Technical Assistance to assist PLIs in enhancing their capacity to meet the Fund's requirements.

TECHNICAL ASSISTANCE PROVIDED IN 2023

In 2023, the REGMIFA Technical Assistance Facility (TAF) scaled up the SME finance Technical Assistance (TA) program supported by the German Financial Cooperation while continuing to support PLIs with digital finance strategy implementation. The TA Package on SME finance, which benefited six PLIs in 2022 in countries that are part of the G20 Compact with Africa, was extended in 2023 to benefit six additional PLIs in East and Southern Africa. The SME Finance program was also extended to include a Business Development Services pilot program with three PLIs in Senegal receiving support to build the capacity of their SME clients. Under a continued Digital financial service package, a seventh PLI received support. The implementation of the TA package launched to support ten PLIs across eight countries with the strengthening of Environmental and Social Performance Management through the adoption of the Universal Standards for Social and Environmental Performance Management remained ongoing in 2023. A new program focusing on Risk Management was also launched in 2023. The Chief Risk Officers– Circle program, aims at strengthening risk management and control functions in MSME banks and MFIs with the inaugural cohort having seven participants from REGMIFA Investees. Finally, under the TAF's annual scholarship program in 2023, eleven training scholarships were provided to seven PLIs participating in the Frankfurt School Summer School and four in the Digital Frontier Institute course.

The total value of TA projects being launched and approved in 2023 amounted to EUR 2.7M comprising eight projects of which three, valued at EUR 100K, were completed during the year.

CONCLUDING REMARKS

The REGMIFA Fund demonstrated strong performance throughout 2023, successfully meeting target dividends and delivering a marginal complementary dividend for C Shareholders. Despite a turbulent economic environment, the Fund continued its commitment to advancing economic development in Sub-Saharan Africa. This commitment has materialized through continued support to PLIs with whom the

Fund has longstanding relationships. Additionally, the Fund has expanded its outreach by partnering with new institutions dedicated to microfinance and innovative business models. REGMIFA remains dedicated to providing accessible funding in local currency, thereby furthering its impact on the region's economic landscape.

Looking ahead to 2024, the outlook for the region gives reason to hope, with expectations of a rebound as global supply chains stabilize and food and energy prices begin to decline. International financial conditions are gradually improving, alleviating some of the funding pressures. However, some headwinds merit close attention. Borrowing costs remain elevated, and political instability is on the rise, notably with sixteen upcoming presidential elections scheduled across SSA in 2024, alongside potential spillover effects from China's economic slowdown.

In this context, concerted efforts are needed to accelerate the mobilization of funding resources. The Fund plays a pivotal role in providing access to stable and sustainable funding sources to its PLIs, thereby fostering economic stability and growth within the region. These endeavours are essential to effectively navigate the challenges and opportunities that lie ahead.

The Board expresses its sincere gratitude to Investors, Donors, and Service Providers for their unwavering support to advancing the mission of the Fund. In particular, the Board acknowledges the invaluable contribution of the Investment Manager, Symbiotics Asset Management SA, in effectively adjusting, adapting, and enhancing processes and impact reporting throughout 2023. Noteworthy achievements include the successful implementation of SFDR reporting and the enhanced delivery of local currency funding through the renewed Open Currency Exposure strategy. For 2024, the REGMIFA Fund will continue to achieve sustained growth, expand its impact and strengthen its partnerships with its Investees, while also cultivating new relationships and carrying out initiatives related to gender equality.

Laure Wessemius-Chibrac,
on behalf of the Board of Directors
8 May 2024

KEY FIGURES

AS AT DECEMBER 2023

GROSS ASSET VALUE
USD 186,881,232

NET ASSET VALUE
USD 123,938,726

OUTSTANDING PORTFOLIO (NOMINAL AT DISBURSEMENT)
USD 180.4M

CASH
USD 17.5M

ESTIMATED TOTAL END BORROWERS REACHED
146,073

NUMBER OF COUNTRIES*
23

NUMBER OF PARTNER LENDING INSTITUTIONS
54

NUMBER OF OUTSTANDING INVESTMENTS
102

SINCE INCEPTION

ORIGINATED
USD 668,041,807

PRIVATE DEBT TRANSACTIONS
491

INSTITUTIONS FINANCED
112

NUMBER OF MICROFINANCE CLIENTS FINANCED
1,934,747

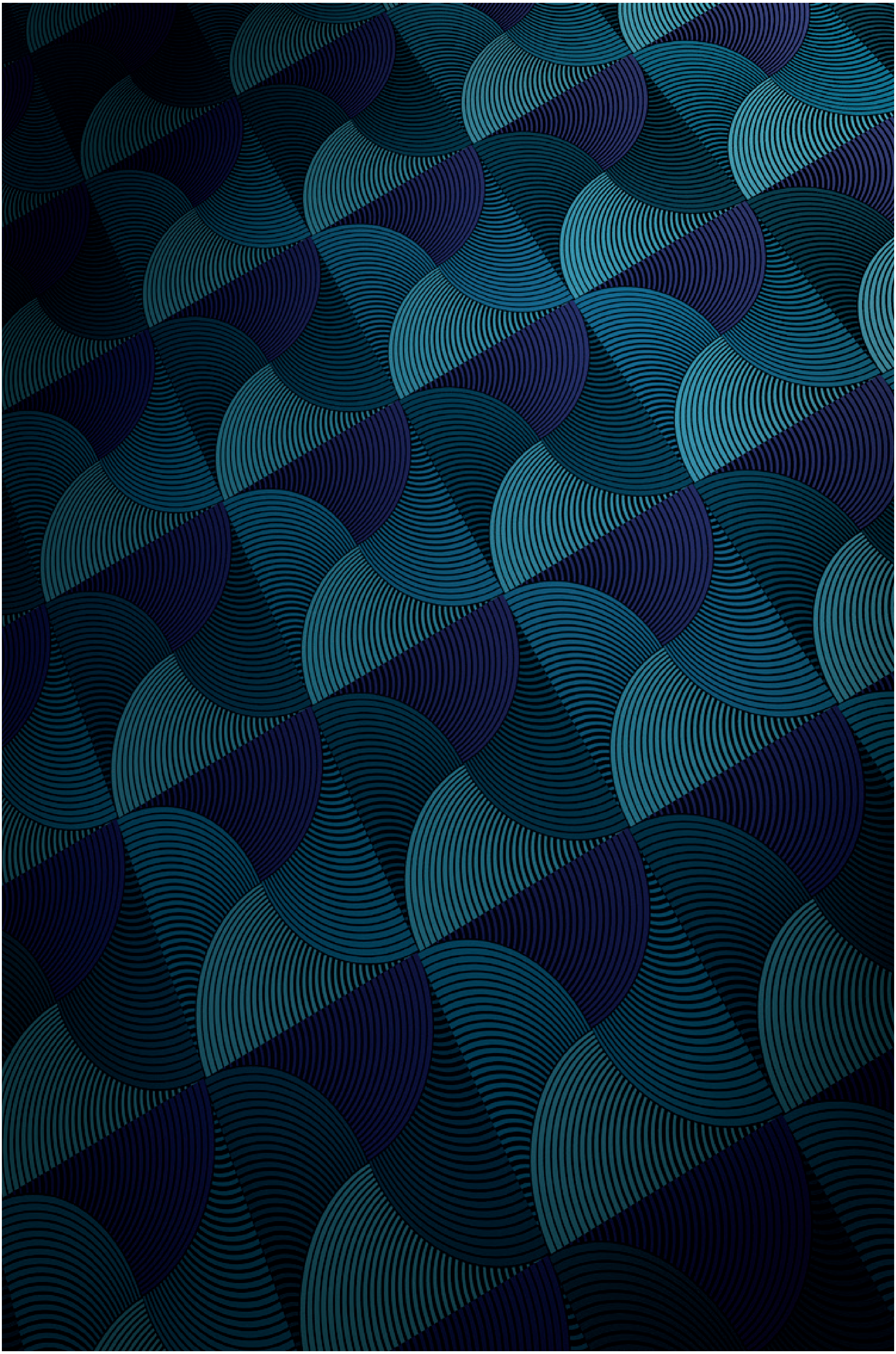
NUMBER OF COUNTRIES*
25

YEARS SINCE INCEPTION
14

TECHNICAL ASSISTANCE FACILITY PROJECTS APPROVED
146

TECHNICAL ASSISTANCE FACILITY PROJECTS APPROVED
TRADE / AGRICULTURE / HOUSING
EDUCATION/ CLEAN ENERGY
SERVICES / PRODUCTION

*direct country exposure



FUND HIGHLIGHTS OF THE YEAR

LUZ LEYVA / REGMIFA PORTFOLIO MANAGER

COMMITMENT TO CLIENT PROTECTION STANDARDS

Since the establishment of the Fund's Client Protection Framework in 2022, there has been a concerted effort to evaluate the consumer protection practices of Partner Lending Institutions (PLIs) seeking new investments. This evaluation process seeks to determine the acceptability of these practices within the operational context of the institutions. The overarching goal is to ensure that PLIs adhere to responsible procedures concerning consumer protection while identifying any existing gaps that can be rectified through the implementation of action plans or the provision of technical assistance.

Ensuring the highest standards of consumer protection is of paramount importance to the Fund. Consequently, Action Plans are meticulously tailored to each PLI, with a defined timeframe for completion that aligns with the investment tenor and expected outcomes. Additionally, the Fund places significant emphasis on the Client Protection Pathway, an instrumental framework aimed at safeguarding the interests of end borrowers. Notably, approximately 75% of PLIs that received funding from the Fund in 2023 and were under the scope of the CP Pathway have opted to participate. We anticipate further enhancement in commitment levels in the forthcoming years.

A NEW FX STRATEGY FOR THE FUND

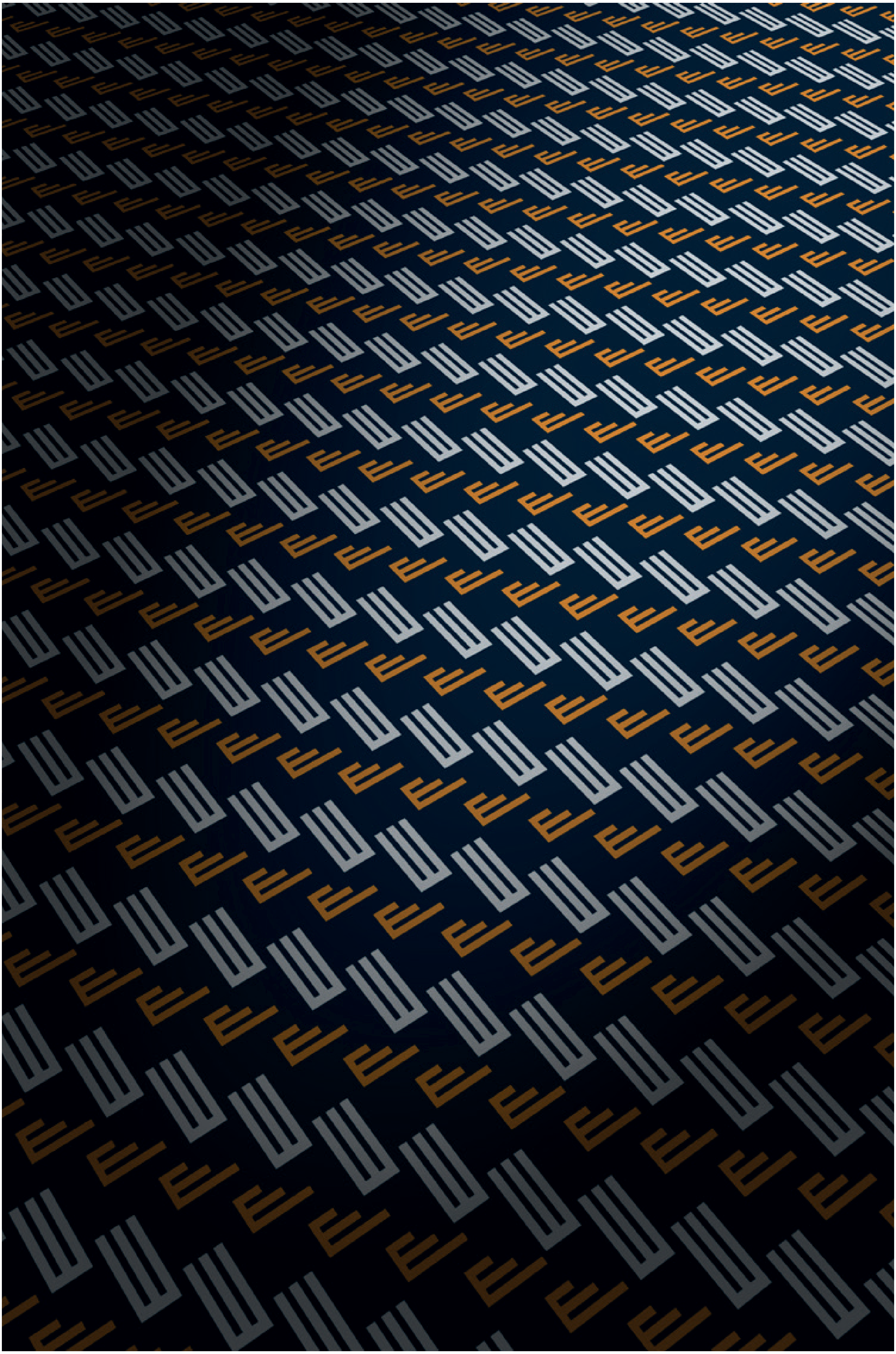
In recent years, the Fund has faced significant challenges amidst a shifting economic landscape. Escalating interest rates and inflationary pressures have led to a surge in hedging costs, rendering it increasingly difficult for the Fund to remain competitive in certain countries across the region and to continue supporting PLIs without adding substantial debt burdens. Yet, despite these obstacles, the Fund's pivotal role in supplying long-term, local currency liquidity to the microfinance sector and SME lenders remains unwavering. Recognizing the imperative to extend its reach to local institutions in Sub-Saharan Africa, the Fund embarked on a comprehensive overhaul of its FX Risk Charter, a process initiated in 2022 and culminated in 2023.

The approval of the new currency risk management policy by the Board of Directors signifies an important step to further the mandate of the Fund. This policy overhaul aligns with the Fund's overarching prospectus, laying the groundwork for a strategic approach to managing currency risks. Shareholders were thoroughly briefed on the process entailed in implementing an Open Currency Exposure, a strategy crafted to enhance the Fund's outreach while safeguarding its financial sustainability. By the close of 2023, the Fund had successfully extended local currency loans to eight distinct PLIs through the Open Currency Exposure window. This achievement underscores the tangible impact of the FX Risk Charter review and subsequent implementation, facilitating opportunities that would have otherwise remained elusive.

A CHALLENGING 2023

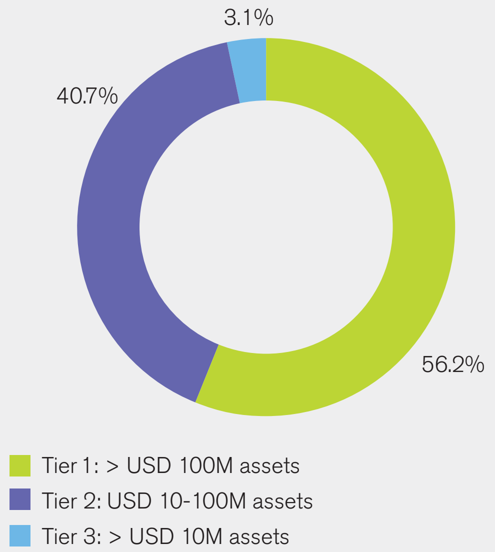
After experiencing robust portfolio growth since 2020 and a consistent decline in workout cases, 2023 marked a shift in trends. Five Partner Lending Institutions were classified as high-risk, although three successfully repaid their outstanding amounts. As the year drew to a close, the Fund found itself contending with eight workout cases, two more than the previous year, and a credit loss percentage more than double that of 2022.

Amidst these challenges, there were bright spots to celebrate. The Fund achieved its goal of serving target dividends to all Share Classes while maintaining strong risk ratios. However, the outlook for 2024 calls for a more cautious approach. The region faces mounting challenges, including global liquidity constraints and geopolitical tensions. Nevertheless, the Fund remains poised to uphold its mission and expand its outreach in the Sub-Saharan African region. With a steadfast commitment to adaptability and resilience, the Fund is primed to navigate the uncertainties of the coming year while continuing to make a meaningful impact in the communities it serves.

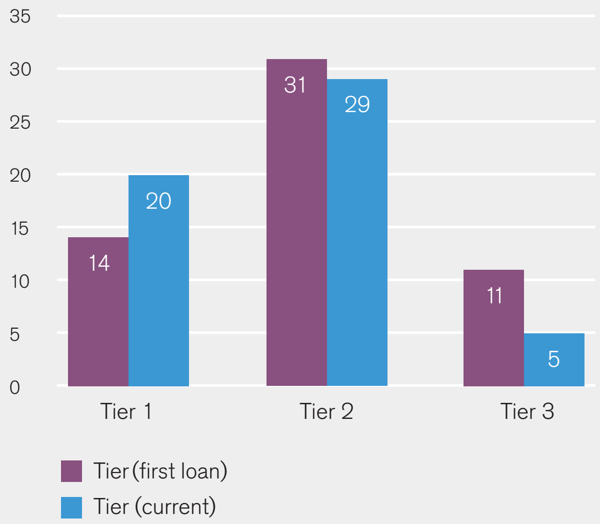


OUTSTANDING PORTFOLIO

PORTFOLIO BY CURRENT TIER (% PORTFOLIO BY VALUE)



PORTFOLIO BY CURRENT TIER (NUMBER)



TOP 5 PLI EXPOSURES

PLI	COUNTRY	CURRENCY	USD MILLION	% OF PORTFOLIO
Access Bank Plc	Nigeria	USD	10.0	5.6%
KCB	Kenya	USD	10.0	5.6%
Equity Bank	Kenya	USD	9.3	5.1%
SA Taxi DF	South Africa	ZAR	8.4	4.7%
Baobab Nigeria	Nigeria	USD	8.0	4.4%

TOP 5 COUNTRY POSITIONS, 31 DECEMBER 2023

Invested countries shown in dark grey with top 5 invested countries highlighted in colour

TOP FIVE COUNTRY POSITIONS

NIGERIA

34.6 GLP USD million

18.5	% of the portfolio
2,160	GNI per capita (USD)
Low	Human development

KENYA

28.5 GLP USD million

15.2	% of the portfolio
2,170	GNI per capita (USD)
Medium	Human development

SOUTH AFRICA

18.2 GLP USD million

9.8	% of the portfolio
6,780	GNI per capita (USD)
High	Human development

COTE D'IVOIRE

14.6 GLP USD million

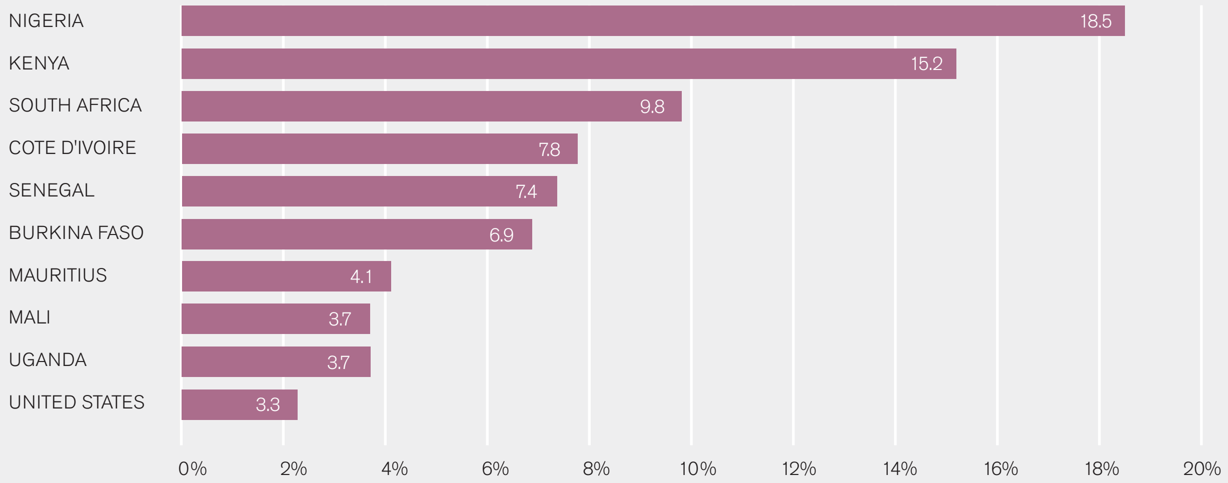
7.8	% of the portfolio
2,620	GNI per capita (USD)
Low	Human development

SENEGAL

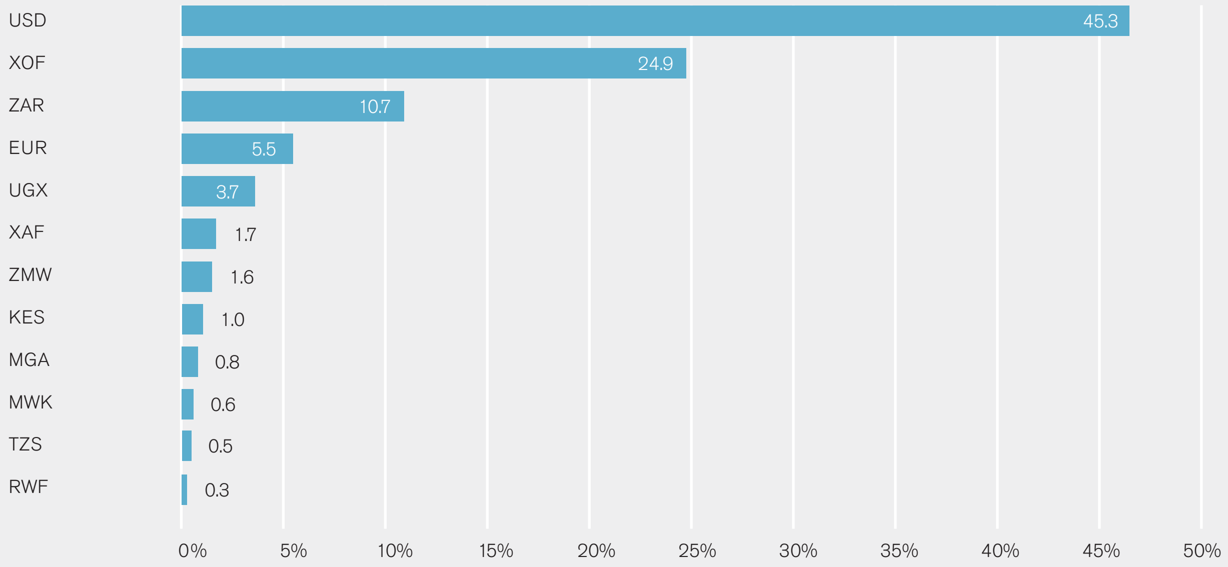
13.9 GLP USD million

7.4	% of the portfolio
1,620	GNI per capita (USD)
Low	Human development

TOP 10 CONCENTRATION BY COUNTRY (GLP AT COST IN % OF GAV)



CURRENCY DISTRIBUTION (GLP AT COST IN % OF GAV)



MEET MR. TAJUDEEN AKAPO

SUPPORTING NIGERIAN ENTREPRENEURS THROUGH FINANCE

Abdulkareem Tajudeen Akapo, a 48-year-old entrepreneur from Ado-Odo Ota, Ogun State, Nigeria, resides in Abeokuta, the state capital. Abdulkareem holds a degree in Educational Management and previously worked as a tax officer with the Lagos State Internal Revenue Service. In 2014, he ventured into the electronics and electrical appliances business. Abdulkareem noticed a shortage of local vendors for electrical items like fans, light bulbs, and sockets when he moved to Abeokuta. To address this gap, he established a company called Tamfas Royal Concept which distributes locally manufactured fans, light bulbs, and sockets.

Tamfas Royal Concept's business relationship with Baobab Nigeria has been pivotal. Abdulkareem secured four loans totaling 46 million Naira (USD 33,000). These loans provided opportunities for business stability and growth through marketing initiatives. Also, it enabled building customers' trust by increasing the business reputation for reliability and quality of services. Abdulkareem lauds Baobab's swift and reliable loan disbursement process for empowering him to stay responsive in the face of adversity which is common to most entrepreneurs in Nigeria.

Abdulkareem is determined to keep developing his company, aiming to empower local industries and boost economic growth in his community. His vision expands beyond distribution, with plans to venture into local bulb manufacturing. Abdulkareem and his team of four, including his accountant wife, are committed to excellence and innovation, driving Tamfas Royal Concept towards greater expansion.

HIGHLIGHTS OF THE REGMIFA TECHNICAL ASSISTANCE PROGRAM

BEZANT CHONGO / HEAD OF CAPACITY BUILDING

In 2023, the REGMIFA Technical Assistance Facility (TAF) provided capacity building to twenty partner lending institutions across five projects, of which three were ongoing TA packages focusing on digitalization, environmental & social performance and small- and medium-sized enterprise (SME) finance, as well as two new projects.

The first project was a training program aimed at strengthening risk management in MSME banks and microfinance institutions (MFIs), by empowering chief risk officers (the CRO Circle). The program's structure encompasses the holding of various training rounds. The REGMIFA TAF and Symbiotics Capacity Building co-financed the first cohort of ten participants (staff from beneficiary financial institutions).

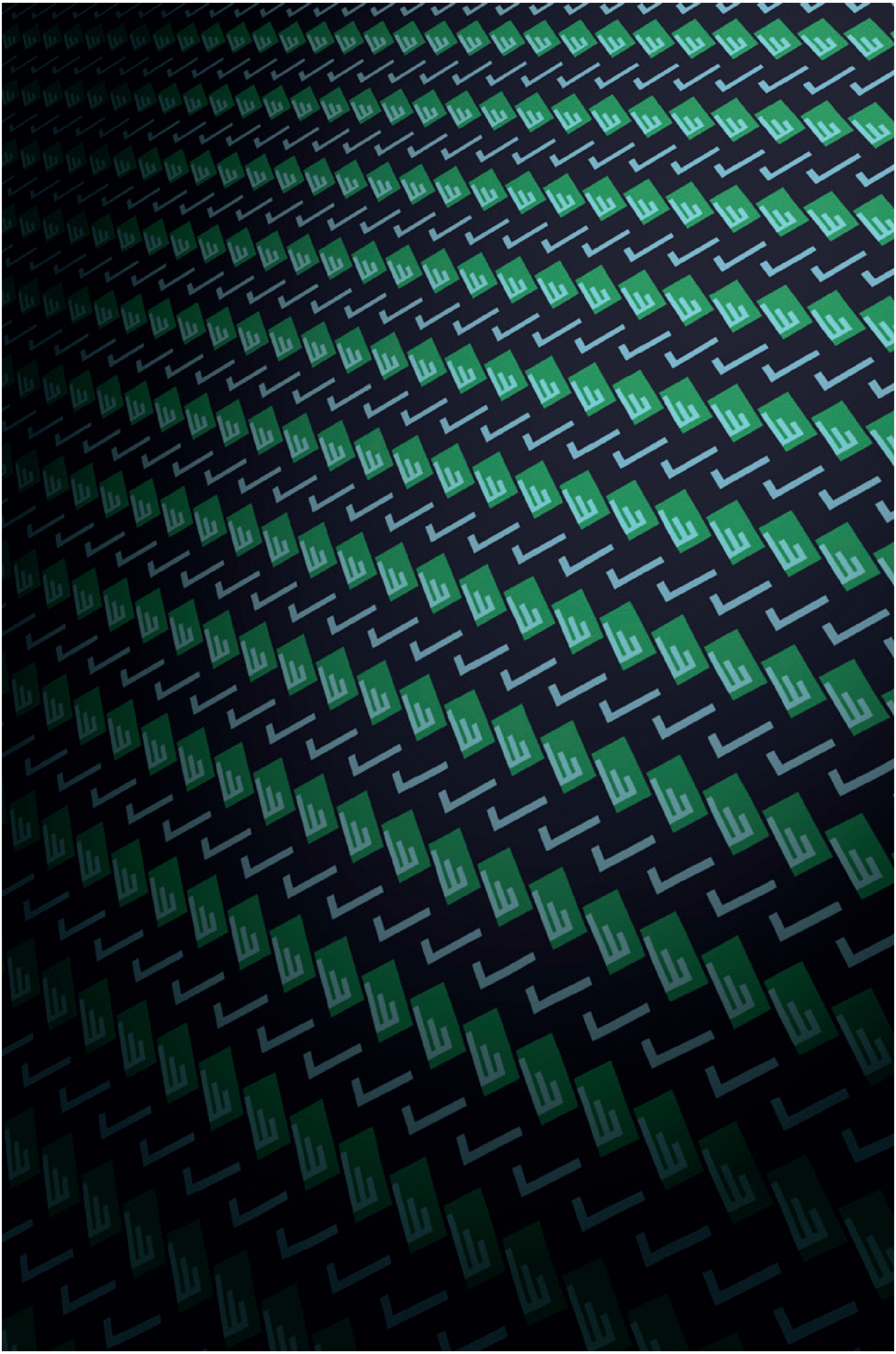
The second project focused on a business development services (BDS) TA program in Senegal, which served as a pilot for a broader TA package on BDS for REGMIFA investee financial institutions (Fis) in West Africa. The overall objective of this project was to design and pilot the development and rollout of BDS for client SMEs of REGMIFA investee portfolio FIs.

The REGMIFA TAF also undertook the feasibility study for the Sustainable Leadership Program, a new flagship program to be launched in 2024 that will focus on building the capacity of senior executives and board members of partner lending institutions.

The total value of projects implemented and launched in 2023 (TAPs and training scholarships) amounts to EUR 2.4M. This brings the cumulative value of approved projects since the TAF's inception to EUR 11.2M with 128 completed projects.

OVERALL TAF PERFORMANCE SINCE INCEPTION
CUMULATED DATA

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Volumes approved (EUR million)	5.6	5.8	7	7.2	7.5	7.8	8	8.5	9.2	11.2
Volumes contracted (EUR million)	5.2	5.4	5.3	6.3	6.7	7	7.3	7.3	8.5	9.6
No. Cancelled projects			1	3	5	6	6	6	6	6
No. Approved projects	79	88	107	115	126	130	131	134	140	146
No. Contracted projects	76	85	88	106	111	121	122	126	130	134



MEET MR. SOULEYMANE SANGARE

FOSTERING SME GROWTH IN IVORY COAST THROUGH STRATEGIC FINANCING

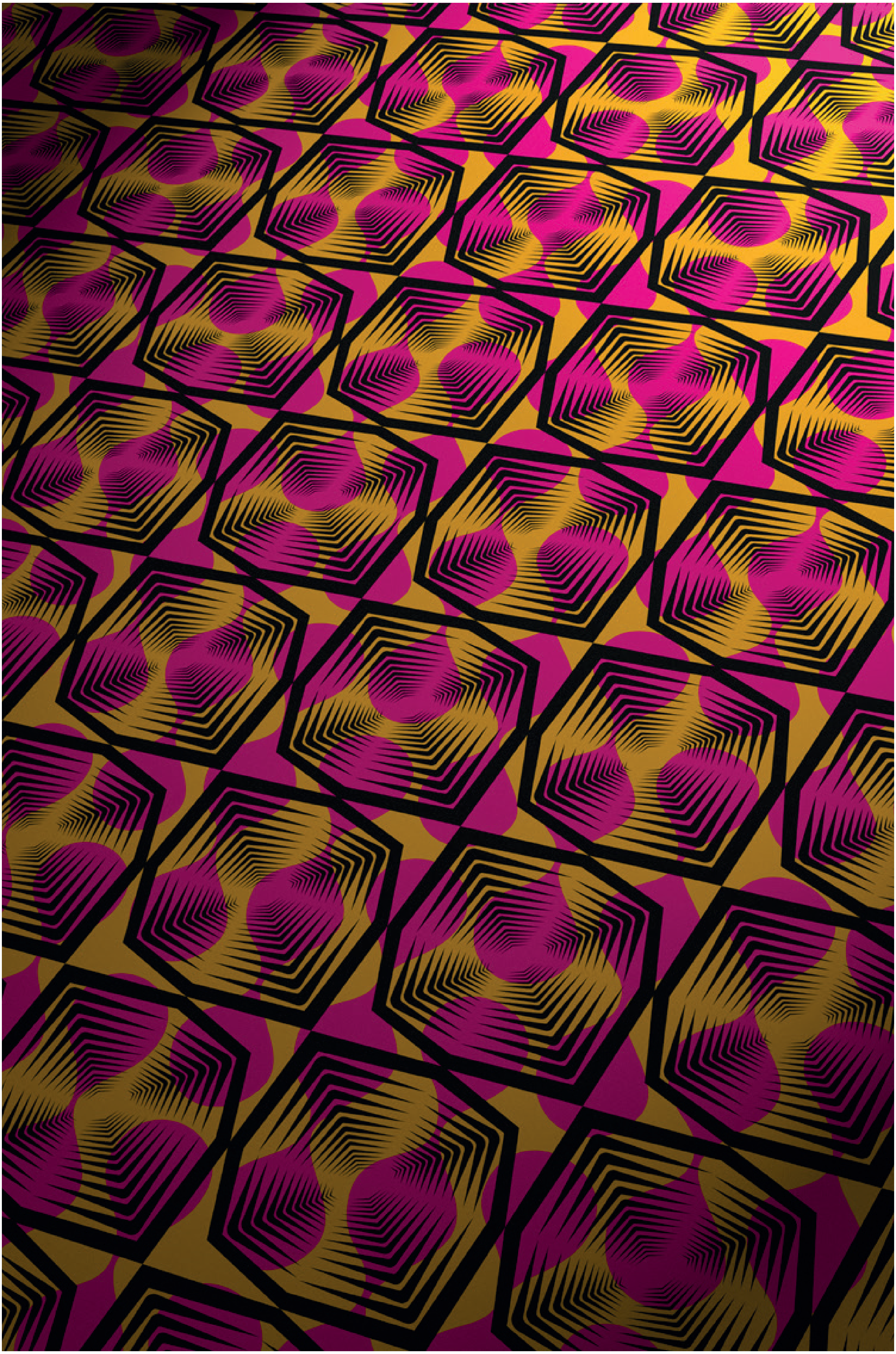
Souleymane Sangaré, married and father of 3 children, comes from Danané, Côte d'Ivoire. Souleymane studied in Morocco, at the Cad Ayyad Faculty of Science. With a background in technical analysis and quality control, Souleymane gained extensive experience working for nine years within the industry.

He created CEFIND, specializing in distributing spare parts for transformation factories. Despite the challenges posed by well-established competitors, the company thrived. With strategic planning and prudent financial management, CEFIND witnessed remarkable progress, marked by exponential revenue growth.

This success facilitated significant investments, including the acquisition of operational assets like vehicles, land, and infrastructure, catalyzing further expansion. With 70 employees, CEFIND stands out for its commitment to staff welfare, exemplified by providing insurance coverage for all employees and maintaining flexible working hours.

The path has not been without obstacles, as Souleymane faced a challenge when he was asked to fulfill orders worth more than FCFA 200,000,000 (USD 330,000). However, thanks to the collaboration with COFINA, he obtained a loan, gaining not only credibility but also the unwavering confidence of customers.

In the future, Souleymane plans to increase CEFIND's offerings, focusing on product improvement and certification. This strategy aims to consolidate his position as a key player in the industry while continuing to ensure the well-being of his family and community.



IMPACT OUTREACH

ABOUT THE IMPACT OUTREACH SECTION

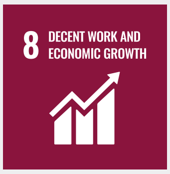
The impact outreach report provides data covering the period from January 2023 to the end of December 2023. All figures in the report are calculated using quarterly weighted averages, considering the Fund's exposure, unless otherwise specified.

REGMIFA'S 2023 IMPACT AT A GLANCE[1]

In 2023, the Fund invested USD 66.4 million across 26 Partner Lending Institutions (PLIs), ending the year with a net portfolio size of USD 155.1 million (at market). These investments facilitated access to financial services for over 220,000 end-clients and supported more than 140,000 end borrowers who:

- Are about 36% women (vs. 43% for men and 21% for legal entities)
- Reside primarily in urban areas (77%)
- Live in 23 different countries, notably Nigeria, South Africa, Kenya, and Senegal
- 92% of end-borrowers received loans for micro, small, or medium-sized enterprises
- Are mainly active in trade (44%) as well as services (27%), agriculture (11%), and production (4%)
- Received a loan of USD 1,408 on average
- Borrowed through both individual and group loans (89% and 11%, respectively)

The Fund seeks to actively contribute to United Nations Sustainable Development Goals (SDGs)[4] 1, 5 and 8.



1 The majority of these indicators are calculated using the total number of borrowers reached by the institutions in the portfolio. These are weighted averages using quarterly GAV figures.

2 Data discrepancies between quarterly factsheets and the 2023 Integrated Annual Report are due to 1) differences in the date of the data. PLIs report on different months throughout the year and this report is produced based on the most recent reports received from PLIs at the date of production of this report. 2) Due to the portfolio valuation at market versus at cost, all values in this report are calculated using values at market. 3) The values in this report include values at market, net of upfront fees and provisions.

3 On average, the Fund had direct investments in 23 countries during 2023, including 21 countries in Sub-Saharan Africa and the United States and the United Arab Emirates. This report provides information on the countries where the Fund's proceeds are reaching end borrowers, including countries where the Fund only has an indirect outreach through financial services provided by its PLIs in countries other than their domicile. Over 2023, it had outreach at some point in time to a total of 25 countries. See section 2.1 Country outreach for more information.

4 The United Nations Sustainable Development Goals, adopted by all Member States of the United Nations in 2015, are 17 global goals to achieve peace and prosperity for people and the planet by 2030 (https://sustainabledevelopment.un.org/sdgs)

1. IMPACT MANAGEMENT

1.1 Mission of the Fund

The mission of the Fund is to build a unique public-private partnership between donors, development finance institutions and international finance institutions, private investors and African stakeholders to **foster economic development and prosperity in Sub-Saharan Africa** through the **provision of demand-oriented financing to** qualified and, to the extent necessary, technically supported **financial intermediaries serving MSMEs and LMIHs**. In pursuing its development goal, the goal will observe principles of **sustainability** and **additionality**, combining public mandate and market orientation. These principles will be addressed later in this document.

1.2 Theory of change

To achieve this mission, the Fund will seek to invest in a balanced portfolio of financial intermediaries (partner lending institutions; PLIs) providing funding and services to MSMEs and LMIHs in Sub-Saharan Africa. This is based on the theory of change summarized on page 26, supporting the principle of additionality.

The Fund offers its PLIs access to financing and customized technical assistance (TA) projects. As a result of these **inputs**, we can expect several **outputs** at the level of both the PLIs and the end-clients. First, PLIs will grow in terms of total assets when they receive additional financing. In addition, TA projects, tailored to the needs of the PLIs, will help them provide better quality services, and improve their governance and lending practices. This can potentially translate into a decrease in costs due to the increase in transaction volume, as well as the development of demand-driven products that are well suited to their customers. These factors will enable PLIs to, in turn, serve more clients (MSMEs and LMIHs).

As end-clients expand their access to financial services, they can better address their business and household needs and seize more opportunities.[5] The expected outcomes for MSMEs include the ability to start a new business or invest in an existing business. For example, they may purchase inventory, equipment, or have the ability to employ more workers.[6] Similarly, microfinance borrowers often benefit from financial services, not only for business purposes, but also to manage household finances. As such, microfinance borrowers may be able to smooth household consumption of basic goods and benefit from the ability to invest in human capital, for example by paying for children's school fees.[7,8]

Finally, these outcomes lead to positive long-term impacts for end-clients. Namely, we expect end-borrowers to experience an increase in income and higher consumption levels. As such, they build their financial resilience, equipped with the ability to better manage their income flows and pay their bills. Together, these changes lead to an overall improvement in quality of life, as perceived by the end-borrowers. Since 2019, REGMIFA has been conducting annual impact studies in partnership with 60 Decibels to test its theory of change and assess the impact of its investments by collecting data directly from end-borrowers.[9]

The Fund also ensures that it is not doing significant harm to any stakeholders while investing, notably the environment, the employees or clients of its PLIs (**principle of sustainability**).

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5 Mdasha, Z., Irungu, D., & Wachira, M. (2018). Effect of Financial Inclusion Strategy on Performance of Small and Medium Enterprises: A Case of Selected SMEs in Dar es Salam, Tanzania. Journal of Strategic Management, 2(1), 51-70.

6 Crépon, B., Devoto, F., Duflo, E., & Parienté, W. (2015). Estimating the Impact of Microcredit on Those Who Take it up: Evidence from a Randomized Experiment in Morocco. American Economic Journal: Applied Economics, 7(1), 123-50

7 Moore, D., Niazi, Z., Rouse, R., & Kramer, B. (2019). Building Resilience through Financial Inclusion: A Review of Existing Evidence and Knowledge Gaps. Financial Inclusion Program, Innovations for Poverty Action

8 El-Zoghbi, M., Holle, N., & Soursourian, M. (2019). Emerging Evidence on Financial Inclusion: Moving from Black and White to Color. Washington, DC: CGAP. https://www. cgap. org/research/publication/emerging-evidence-financial-inclusion.

9 https://regmifa.com/category/publications/impact-studies/

THEORY OF CHANGE

INPUTS

Providing **credit** and **technical assistance** to socially responsible financial institutions in Sub-Saharan Africa, active in MSME finance

OUTPUTS

PLI level:

- Growth in total assets
- Improvement in lending practices and product quality

End-client level:

- Access to finance for more MSMEs and LMIHs

OUTCOMES

End-client level:

- Invest in business
- Employ more workers
- Smooth consumption
- Invest in human capital (e.g. pay school fees)

IMPACTS

End-client level:

- Increase in income and household consumption
- Higher resilience to financial shocks
- Improved quality of life

ASSUMPTIONS

- Financial institutions improve their operations as they grow in size and receive technical assistance
- Financial institutions are able to reach more MSMEs when they obtain additional financing

- Lack of financial stability prevents low- and middle-income households from seizing business opportunities and investing in human capital
- MSMEs are credit-constrained
- MSMEs are an engine of economic growth

- Investments in business lead to income growth, in turn increasing consumption and quality of life

1.3 Sustainable Investment Objectives

The Sustainable Finance Disclosure Regulation (SFDR) was introduced in 2019 as part of the European Commission's Sustainable Finance agenda to increase transparency in financial markets through harmonized rules addressing sustainability risks integration and disclosure of overall sustainability-related information for financial products. As a financial product that has sustainable investment as its objective and that explicitly promotes social development, REGMIFA is classified as an Article 9 Fund under SFDR. In line with the requirements for Article 9 funds, REGMIFA has sustainable investment objectives defined by its mission.

REGMIFA has further defined its Sustainable Impact Objectives using the SDGs adopted in 2015 by the United Nations as a global benchmark. Through its investments, REGMIFA seeks to actively contribute to the SDGS 1, 5 and 8.

HOW DOES REGMIFA CONTRIBUTE?

SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY

The Fund contributes to SDG Target 1.4: "By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance", while investing in Investees whose loans are mostly serving small households' needs, housing or education.

5 GENDER EQUALITY

The Fund contributes to SDG Target 5.1: "End all forms of discrimination against all women and girls everywhere.", while investing in Investees whose loans go in their majority to a portfolio of women borrowers.

8 DECENT WORK AND ECONOMIC GROWTH

The Fund contributes to Target 8.3: "Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.", while investing in Investees whose loans go in majority to a portfolio of MSMEs.

Furthermore, additional SDGs (2 Zero Hunger, 7 Affordable and Clean Energy, 10 Reduced Inequalities, 11 Sustainable Cities and Communities) were addressed through a small share of the investments. While these goals are not the primary focus of the Fund, this allocation remains consistent with the overarching mission of the Fund.

1.4 Impact targets in 2023 and achievements

REGMIFA puts its mission into practice by setting clear impact targets on an annual basis. This makes it possible to actively monitor and manage impact performance, to maximize the socioeconomic impact of the Fund's activities, and to commit resources to these targets. As shown below, many of the 2023 impact targets have been achieved, with some only partially achieved, and others not achieved, leaving room for improvement.

1.4.1 Investments for the economic development of Sub-Saharan Africa

Target	Actual	Status
Add outreach to **one new country** and have a total outreach at the end of the year to 26 countries.	The Fund, on average, had exposure to a total of 25 countries. This includes direct investments in 23 countries[10] and indirect investments in an additional two countries.	Not achieved
Increase the focus on **Compact with Africa** countries to have a minimum direct and indirect Portfolio exposure of USD 70 million.[11]	The Fund increased its exposure to Compact with Africa countries which went from five countries in 2022 to eight countries in 2023. The exposure (USD 54.6 million) however did not reach USD 70 million.	Not achieved
Onboard at least two new PLIs with an **SME finance focus**.	The Fund invested in EFC Zambia and TradeDepot in Nigeria, both of which specialize in SME finance.	Achieved
Disburse 33% of PLI investments to (lower) **Tier 2 and/or Tier 3** institutions.[12]	Disbursements in PLIs classified as Tier 2 and Tier 3 represented 40% of new investments.	Achieved
Onboard at least two new PLIs with an **innovative business model**.	The Fund invested in TradeDepot and Terrapay. Both PLIs are fintech companies and have an innovative Business Model.	Achieved

10 Includes Angola considering the Fund's average exposure in 2023. However, as of December 2023, the Fund's sole exposure in the country is currently a workout case that has been fully provisioned.

11 The G20 CwA was initiated under the German G20 Presidency to promote private investment in Africa, including in infrastructure. So far, thirteen African countries have joined the initiative: Benin, Burkina Faso, Côte d'Ivoire, Democratic Republic of the Congo, Egypt, Ethiopia, Ghana, Guinea, Morocco, Rwanda, Senegal, Togo and Tunisia.

12 Tier 3: PLIs with assets below USD 10M; Tier 2: PLIs with assets between USD 10M and USD 100M; This new tier definition, will be effective from 2023 onwards.

1.4.2 Positive Impacts

Target	Actual	Status
Finish the participation in the Financial Inclusion Index of 60Decibels (4 PLIs) and publish a report with findings.	The Fund contributed to the index by co-financing the data collection for eight PLIs. REGMIFA published a report in December 2023 featuring the performance of 13 PLIs, including five that participated in the 2022 cohort.	Achieved
Reach at least **200,000 end-borrowers**.	The Fund reached 146,073 end borrowers through financial institutions. Moreover, by investing in fintech companies facilitating remittance transactions, the Fund extended its outreach to an additional 222,090 end clients for both domestic and international remittances.[13]	Partially achieved
Ensure that the **weighted average ratio of women borrowers / men borrowers** at the investee level is at least 100%.	The weighted average ratio of women borrowers / men borrowers increased from 82% in 2022 to 94% in December 2023.	Partially achieved
Ensure that at least 20% of end-borrowers served by financial institutions are in rural areas.	The average proportion of rural borrowers served by financial institutions was 23%.	Achieved
Develop and complete the first edition of the **Technical Assistance Package SME** with the participation of 6 PLIs.	As of December 2023, four PLIs subscribed. Program fully subscribed as of Feb-24. A second edition of the TA package was launched in 2023.	Partially achieved
Launch of the ESMS TA Program Package.	The launch of the ESMS TA Program was deferred to 2024.	Not achieved

13 In 2022, the Fund reported 213,109 end borrowers. The decrease in reported borrowers is mainly due to changes in data availability and the Fund's exposure, particularly related to investments made through Green and Social bonds which data was incomplete in 2022. Thus, the Fund estimated the number of end borrowers based on its exposure and the total outreach reported by one investee Greenlight Planet, disregarding bond-related factors. However, in 2023, improved data accuracy allowed for a more precise estimation of the borrower count, now calculated based on the actual number of borrowers reached by the bond and the Fund's exposure. Moreover, in the Fund's portfolio, three institutions provide remittance services. This year, the beneficiaries of these investees are reported under a new indicator: "Number of remittance users per year". In 2022, a number of these beneficiaries were misclassified as end-borrowers. However, with the new reporting, the data provided by remittance services are now consolidated, resulting in a more accurate reflection of the types of clients and services provided by the investees. For detailed information on fintech and institutions facilitating remittance transactions, see section 2.4.

1.4.3 Management of Potential Adverse Impacts

Target	Actual	Status
Finalize providing documentation on the ESMS of REGMIFA to all PLIs.	Communication kit with public resources about E&S Risk Management is available. The roll-out is still ongoing in 2024.	Partially achieved
Monitor the status of all the ESAPs contractually required since 2022 and for which disbursements to PLIs have been completed.	23 E&S action plans required in 2022, 10 successfully implemented.	Achieved
Confirm that 100% of the PLIs committed to implementing the client protection standards promoted by SPTF have signed up to the Client Protection Pathway.	The three PLIs that appeared as pending in 2022 have submitted the self-assessment and are now listed as active. As of the end of 2023, 23 PLIs from REGMIFA's portfolio are listed as committed institutions (active).	Achieved
Finance the new Client Protection Module of Financial Inclusion Index of 60Decibels (4 PLIs) and publish a report with findings.	The Fund financed the new Client Protection Module for 5 PLIs and a specific section with the results was included in the Financial Inclusion Index report.	Achieved

1.5 Impact targets for 2024

Investments for the economic development of Sub-Saharan Africa:
- Expand the Fund's outreach at the end of the year to **24 countries**.[14]
- Increase the focus on **Compact with Africa** countries to have a minimum direct and indirect Portfolio exposure **of USD 70 million**.
- Ensure that at least 33% of new PLI investments target (lower) **Tier 2 and/or Tier 3 institutions**.

Positive Impacts:
- Continue the Fund's participation in the **Financial Inclusion Index of 60Decibels (4 PLIs)** and publish a report with findings.
- Reach at **least 200,000 end-borrowers**.
- Ensure that the ratio of women-to-men borrowers is **at least 100%**.
- Ensure that at least 25% of end-borrowers are in **rural areas**.
- Enhance data collection on women-owned legal entities, notably MSMEs acting as borrowers.
- Report indicators related to the 2x challenge in the Fund Annual Report 2023.
- Launch of cohort 1 of the Sustainable Leadership Program with at-least **8 PLIs' onboarded**.
- Develop and launch the first edition of the Technical Assistance Package ESMS. **Onboard 3 PLIs** by Dec-24.

Management of Potential Adverse Impacts:
- Monitor the status of all the ESAPs contractually required and for which disbursements to PLIs have been completed.
- Confirm that **100% of the PLIs** committed to implementing the client protection standards promoted by SPTF have signed up to the **Client Protection Pathway**.
- Finance the new Gender Module of Financial Inclusion Index of 60Decibels (4 PLIs) and publish a report with findings.

14 In March 2024, the Board resolved that expanding the Fund's outreach should encompass not only incorporating new countries but also emphasizing the depth of outreach within each Sub-Saharan African country.

2. SUPPORTING ECONOMIC DEVELOPMENT ACROSS SUB-SAHARAN AFRICA

2.1 Country outreach

In 2023, the Regional MSME Investment Fund for Sub-Saharan Africa (REGMIFA) provided support to end-beneficiaries located in 23 countries[15] (quarterly average). Furthermore, it expanded its coverage to a total of 25 countries at some point of the year. This is mainly through the Fund's investment in institutions such as Greenlight Planet, ACF, MFS Africa, Norsad, and Terrapay.[16] Although these institutions have headquarters in countries different from the ones they serve, their primary focus remains on providing financial products and services to end-beneficiaries in 17 countries in Sub-Saharan Africa. The table below includes only the countries of outreach and not the countries of domicile of Investees.

Countries of outreach	% of GAV (weighted average)	GNI per Capita (2022)[17]	Life expectancy at birth, (years)(2022)[18]	HDI rank (2022)[19]	Development Level[20]	Banking Penetration (2021)[21]
Portfolio	**78.5%**	**2,266**	**60.48**	**157.43**	**Low**	**57%**
Nigeria	15.4%	2,160	53.6	161	Low	45.32
Kenya	14.9%	2,170	62.1	146	Medium	79.2
South Africa	7.2%	6,780	61.5	110	High	85.38
Cote d'Ivoire	6.8%	2,620	58.9	166	Low	50.76
Senegal*	6.5%	1,620	67.9	169	Low	55.96
Burkina Faso*	5.4%	850	59.8	185	Low	36.11
Mali*	3.2%	850	59.4	188	Low	43.5
Cameroon	3.0%	1,640	61.0	151	Medium	51.65
Madagascar*	2.8%	510	65.2	177	Low	26.3
Benin*	2.6%	1,400	60.0	173	Low	48.61
Ghana	2.6%	2,380	63.9	145	Medium	68.23
Uganda*	2.4%	930	63.6	159	Medium	65.91
Congo, DR*	1.4%	610	59.7	180	Low	27.44
Tanzania*	1.0%	1,200	66.8	167	Low	52.43
Zambia*	1.0%	1,240	61.8	153	Medium	48.52
Malawi*	0.5%	640	62.9	172	Low	42.71
Sierra Leone*	0.4%	600	60.4	184	Low	28.85

15 The Fund directly invested in 23 countries in Q1, Q3 and Q4 and 22 countries in Q2.
16 Greenlight Planet is based in the United States, ACF operates from the United Arab Emirates, MFS Africa and Terrapay have their headquarters in Mauritius; Norsad's headquarters is in Botswana.
17 The World Bank DataBank. (n.d.). World Development Indicators. Retrieved from: http://databank.worldbank.org/data/source/world-development-indicators
18 Ibid.
19 United Nations Development Programme. (2016). Human Development Reports. Retrieved from: http://hdr.undp.org/en/composite/HDI
20 United Nations Development Programme. (2016). Human Development Reports. Retrieved from: http://hdr.undp.org/en/composite/HDI
21 Banking penetration is measured through the Global Findex indicator "account ownership". This defined as: "Ownership of an individual or jointly owned account at regulated institutions, such as bank, credit union, microfinance institution, post office or mobile service provider."

Countries of outreach	% of GAV (weighted average)	GNI per Capita (2022)	Life expectancy at birth, (years)(2022)	HDI rank (2022)	Development Level	Banking Penetration (2021)
Mauritius	0.3%	10,360	74.0	72	High	90.53
Rwanda*	0.2%	930	67.1	161	Low	NA
Namibia	0.2%	5,010	58.1	142	Medium	71.35
Angola[22]*****	0.2%	1,880	61.9	150	Medium	NA
Botswana	0.1%	7,430	65.9	114	High	58.76
Mozambique*	0.1%	440	59.6	183	Low	49.49
Togo*	0.1%	1,010	61.6	163	Low	49.61
Zimbabwe	0.1%	1,710	59.4	159	Medium	59.75

*Classified as Least developed country (LDCs).

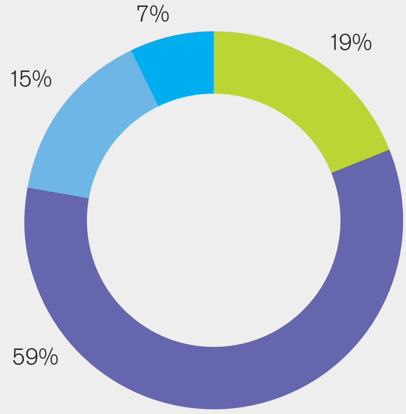
REGMIFA's end-beneficiaries are based in countries where the average annual income (GNI per capita) is USD 2,266 which is lower than the average in low and middle-income economies (USD 5,682), but similar to the average in Sub-Saharan Africa (USD 1,646).[23] REGMIFA's PLIs are mostly in countries with a low development level as classified by the Human Development Index.

Account ownership is an important indicator to measure the development of financial inclusion. Having access to finance and financial services equips people with tools to withstand financial shocks, increase their household spending in areas such as health and education, and improve their quality of life. The Global Findex Database, created in 2011, provides data on access to finance and overall use of financial services worldwide. In 2021, the Findex showed an increase in account ownership globally, reaching 76% of adults (51% in 2011). Similarly, in low-and middle-income countries, it increased from 63% in 2011 to 71% in 2021. However, challenges remain, and growth has not been uniform. Notably, women, the poor, the young and unemployed remain largely underserved by the traditional financial system. Just over half of the adults living in the countries where REGMIFA has outreach have a bank account (57%), lower than the average in low- and middle-income countries (71%) and similar to the average in Sub-Saharan Africa (55%).

Following the World Bank's classification, 78% of the Fund's portfolio has outreach in countries classified as low- and lower-middle income countries, and 15% in upper-middle-income. Investments in high income countries are indirect investments, namely Greenlight Planet (United States) and ACF (United Emirates).[24] Additionally, 15 countries are classified as least developed countries, representing 28% of total investment.[25]

22 The reported data represents a quarterly average which includes Angola. However, since December 2023, Angola is no longer considered, as the Fund has only one exposure—a workout case that is fully provisioned.
23 This value does not include GNI per capita of countries with indirect investment.
24 Countries' income levels are defined by the World Bank according to gross national income (GNI) per capita as follows:
- Low-income: USD 1,085 or less
- Lower-middle-income: USD 1,086 to USD 4,255
- Upper-middle-income: USD 4,256 to USD 13,205
- High-income: USD 13,205 or more

25 Least developed countries (LDCs) are low-income countries confronting severe structural impediments to sustainable development. They are highly vulnerable to economic and environmental shocks and have low levels of human assets.



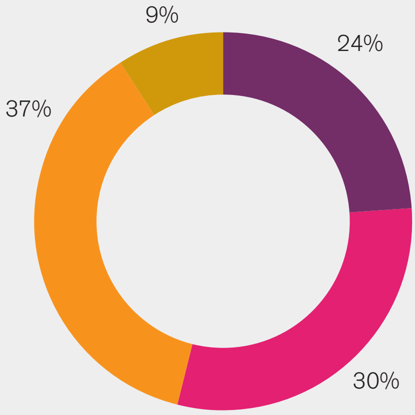
INCOME LEVEL (% OF PORTFOLIO-WEIGHTED AVERAGE)

2.2 PLI outreach

REGMIFA invests in a diverse range of financial institutions, reaching different segments of the financially excluded population in emerging and frontier markets. On average, during 2023 the Fund invested directly in 54 institutions and across the year, had exposure to a total of 64 PLIs.

In terms of investee size, the largest proportion of the portfolio both by number (28 institutions) and volume (37%) is in medium-sized institutions with total assets between USD 10 million and USD 100 million.

Size of PLIs	Number of PLIs (quarterly weighted average)
≥ USD 1 billion	5
USD 100m ≤ total assets < USD 1bn	13
USD 10m ≤ total assets < USD 100m	28
< USD 10m	8



SIZE OF FINANCIAL INSTITUTIONS (% OF GAV)

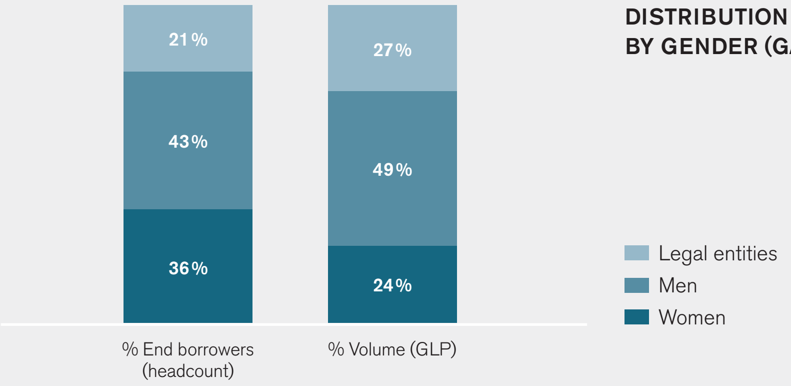
2.3 Outreach to underserved market segments

In 2023, REGMIFA reached 146,073 end-borrowers through the loans disbursed by its PLIs. The following section provides insights on end-borrowers' characteristics in terms of number of borrowers served and proportion of the PLI's allocated portfolio. The Fund's impact on financial inclusion through remittances companies is detailed in section 2.4.

Gender

More than a third of end-borrowers benefiting from a loan are women while 43% are men and 21% are legal entities.[26] When looking at the volume allocated by PLIs, 24% of the PLIs' portfolio was financing women, 49% men and 27% legal entities, demonstrating that the average loan size to women provided by PLIs in REGMIFA's portfolio is 64% of the size of that provided to men (USD 950 vs USD 1,424 for men).[27] This shows that, while access to finance for women is expanding, opportunities for improvement remain. The Fund is actively working to bridge this gap. In 2023, the Fund made new investments in four PLIs where more than 50% of the loan portfolios were allocated to women borrowers. These investments contributed to increasing the average loan size for women borrowers, which was USD 901 in 2022.[28]

DISTRIBUTION IN NUMBER AND VOLUME BY GENDER (GAV WEIGHTED AVERAGE)



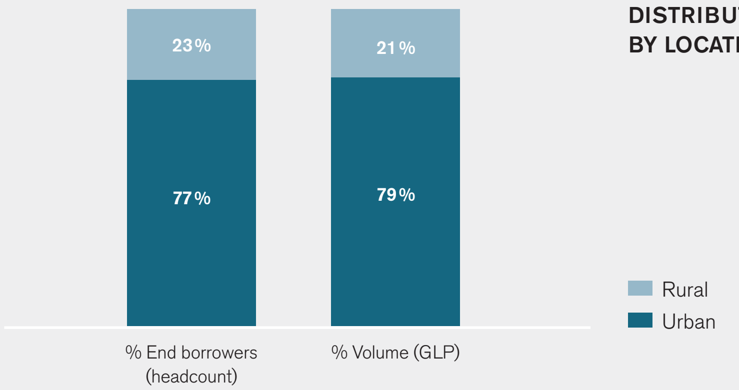
26 Information regarding the ownership of these legal entities is currently unavailable. However, efforts are underway to collect this information to enhance the measurement of the Fund's impact in terms of gender equality.

27 The percentage of loan volume granted to women remains low, primarily due to the Fund's significant exposure to institutions such as Access Bank, SA Taxi, Baobab Nigeria, Greenlight Planet, and Pamecas. These institutions allocate less than one-third of their portfolio to loans for women, with Access Bank having the lowest allocation of its GLP to women at 1%. Collectively, these institutions represent 17% of all investments. The reason of this low proportion could be partially due to the business model of these institutions.

28 During 2023, the Fund invested ACEP Senegal, Grace and Mercy, MLF Zambia and SEF SA. These PLIs have between 77% to 100% of their loan portfolio serving female clientele.

Location

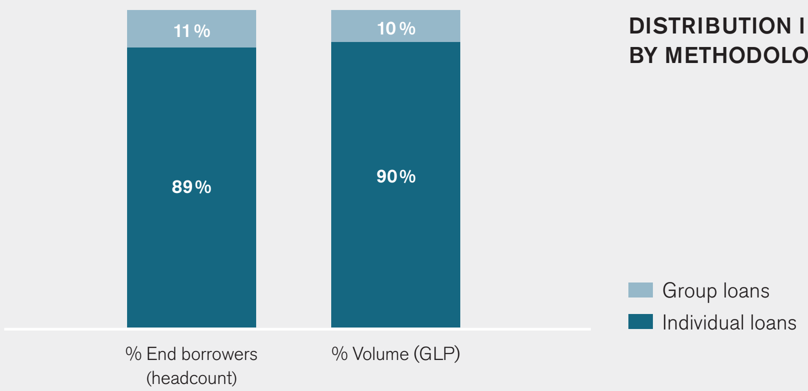
77% of the end-borrowers supported by REGMIFA are in urban settings and 23% in rural areas. The share of portfolio in rural areas in volume is lower as loans provided to end-borrowers in rural areas tend to be smaller than those in urban areas. Some possible reasons include the higher costs and risks associated with lending in rural areas, along with lower income levels and business opportunities available in these areas.



DISTRIBUTION IN NUMBER AND VOLUME BY LOCATION (GAV WEIGHTED AVERAGE)

Methodology

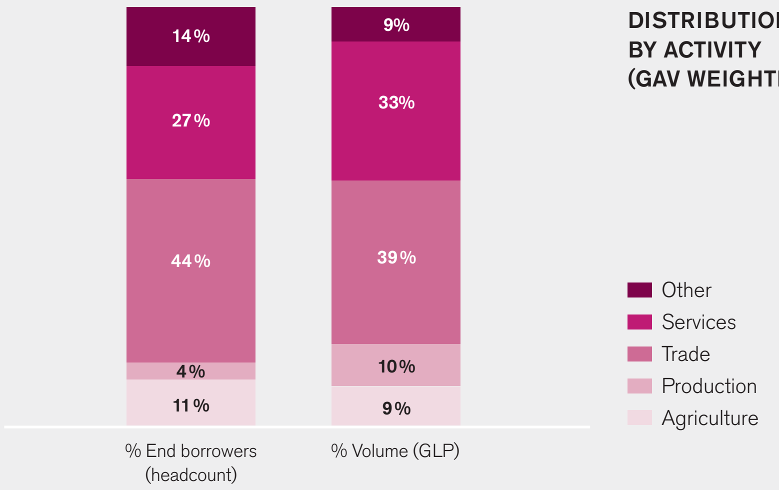
In terms of lending methodology, 89% of end-borrowers received individual loans, while 11% were granted group loans. Regarding loan size, the loan provided to each member within a group is approximately ten times smaller than the average loan granted individually (USD 218 vs USD 2,186). For individual loans, lenders tailor the loan amount based on the borrower's ability to repay and their specific business requirements. In contrast, group loans are smaller because the repayment capacity of multiple borrowers is combined. By distributing risk across the group, these smaller loans reduce the likelihood of default, ensuring that the group can collectively manage repayment.



DISTRIBUTION IN NUMBER AND VOLUME BY METHODOLOGY (GAV WEIGHTED AVERAGE)

Activity

End-borrowers' choice of economic activity is primarily determined by their socioeconomic status, gender, access to assets and entrepreneurial motivation. Typically, end-borrowers with a greater economic advantage have a higher degree of flexibility to enter sectors characterized as being asset-intensive, including transport and manufacturing. On the other hand, less advantaged end-borrowers will engage in sectors such as trading activities due to the reduced costs of initial investment, skills and time.[29] Of the loans provided through REGMIFA, 44% were used by borrowers involved in small trading activities, 27% in services, 11% in agriculture, 4% in production, and 14% in other types of activities, including transportation, construction, housing, renewable energy, and consumption. In terms of volume allocated to each activity, this is influenced by the capital demands of each activity; activities such as production and services are more capital-intensive. For example, the loan size for production activities is nearly twice as large as loans granted for agriculture among REGMIFA's PLIs.

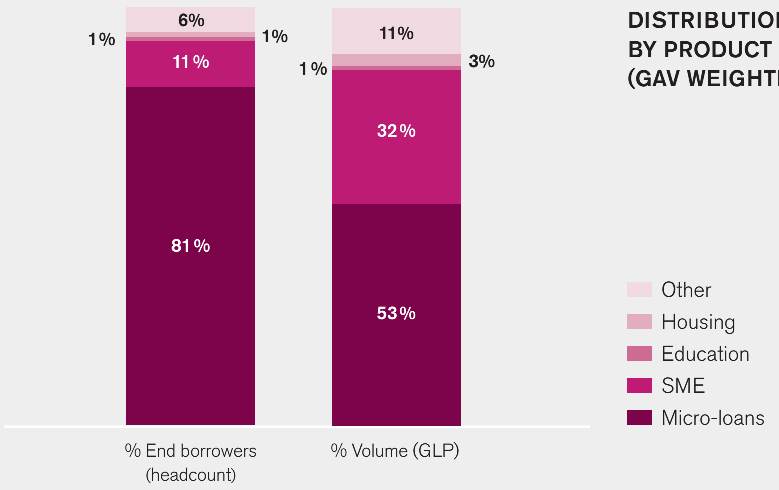


DISTRIBUTION IN NUMBER AND VOLUME BY ACTIVITY (GAV WEIGHTED AVERAGE)

29 CGAP (2022). No small business: A segmented approach to better Finance for Micro and Small Enterprises.

Loan product

Following its mission to provide funding and services to MSMEs in Sub-Saharan Africa, the PLIs financed by the Fund are highly concentrated in providing MSME loans. Micro, small, and medium enterprises account for approximately 92% of all loans. Loans specifically designed for housing purposes make up about 2% of the total. The remaining 6% encompasses various other loan types, such as those tailored for large enterprises and consumer needs, among others. When looking at the proportion of volume allocated by each category, micro-loans represent 53% of volume (with 81% of end borrowers receiving a microloan) while SME loans represent 32% of volume (with 11% of end borrowers being SMEs). This can be explained by the larger average loan size for SME loans (USD 11,709), compared to that of micro-loans (USD 840).



DISTRIBUTION IN NUMBER AND VOLUME BY PRODUCT (GAV WEIGHTED AVERAGE)

2.4 Expanding financial inclusion via innovative sectors: Fintech

Fintech companies are defined as organizations leveraging innovative technologies to transform the provision of financial services, particularly targeting underserved or poorly served areas, especially in emerging and frontier markets where traditional institutions fall short. As part of its mandate, REGMIFA has invested in six fintech companies that offer digital solutions. Four of these companies, namely Onafriq (formerly MFS Africa), Lulalend, Wave, Zeepay are equipped with the infrastructure to provide safe, reliable, and prompt access to financial services. Their services extend to underserved communities and remote areas, ensuring easy access to a variety of services such as digital remittances, mobile money, digital credit, pay-as-you-go solutions, and more. In 2023, two fintech companies were added to the Fund's portfolio: Terrapay and TradeDepot.

The table below provides an overview of the fintech companies in REGMIFA's portfolio, along with the services they offer and the countries they serve.

FINTECH COMPANIES IN REGMIFA'S PORTFOLIO

Name of PLI	Description	Countries of operation
Lulalend	Provides **unsecured loans** improving access to finance for **SMEs and upper micro clients**.	South Africa
Onafriq	Allows merchants, banks, mobile operators and money transfer companies to leverage **easy-to-access mobile wallets as a safe, convenient and cost-effective transaction channel**.	35+ African countries, with 83% of revenues derived from the top 5 countries: Cameroon, Benin, Uganda, Madagascar and DRC
Terrapay	Operates in **30 markets worldwide**. Their expansive network **facilitates seamless cross-border transactions** between them. They work with banks, mobile wallets, money transfer operators, merchants, and financial institutions to make **cross-border transactions easier**.	30+ Africa countries including Cameroon, Uganda, Tanzania, Ivory Coast and Ghana
TradeDepot	Allows retailers to order and receive consumer goods and offers **affordable loans for financing inventory**. Additionally, it provides software solutions for B2B manufacturers and retailers to redistribute stocks. The platform facilitates **direct-to-retail distribution for the informal retail sector.**	Nigeria, South Africa and Ghana
Wave	**Digital cross-border affordable money transfer operator** that aims to revolutionize Africa's mobile money landscape. The company has over 28,000 active agents in its network.	Senegal, Ivory Coast, Uganda, Mali, Burkina Faso and Gambia
Zeepay	Provides remittance payment solutions that offer convenience and rapid access, surpassing the speed and ease of traditional remittance services.	Ghana (mostly)

In 2023, REGMIFA introduced a new indicator, number of remittance users per year, to differentiate the types of clients served by these fintech companies from the end-borrowers served by other PLIs in the portfolio. This indicator is defined as the number of unique users who have used the remittance services of a fintech company within the reporting year. This includes any individual who has sent or received money through the company's platform at least once in the year. This metric is particularly crucial for fintech firms operating in the remittances space, as it directly reflects their impact on financial inclusion and cross-border transactions. Onafriq, Wave, Zeepay, and Terrapay are companies within the Fund's portfolio that offer these specific services.

REMITTANCE USERS PER YEAR

Number of remittance users per year[30]	
Reached by investees	**11.9M**
Reached with 1M USD investment	**1,120**
Reached by the Fund	**222,000**

REGMIFA's investment in Wave helps to build an inclusive and modern financial ecosystem in Africa. Wave's business model thrives due to its affordability and extensive network of over 28,000 active agents, including convenience stores, small merchants, and similar establishments, who play a crucial role in facilitating transactions and expanding the reach of Wave's services. By doing so, Wave contributes to advancing financial inclusion in the region.

CONTRIBUTION TO FINANCIAL INCLUSION THROUGH TECHNOLOGY: WAVE

Wave Mobile Money, established in 2018, emerged from the success of SendWave, a prominent digital cross-border money transfer operator in Africa and Asia. The founders identified a substantial opportunity to reshape Africa's mobile money landscape, leading to the company's inception. Wave rapidly became one of the largest Mobile Money Providers in West Africa, particularly in Senegal. Wave Mobile Money's mission is to facilitate Africa's transition to a cashless continent. The company is committing to democratizing access to mobile money and improving financial inclusion. Indeed, with a focus on accessibility and affordability, Wave aims to establish a modern financial network free of account fees and instantly available across the region. Wave Mobile Money's product offerings revolve around providing inclusive and affordable mobile financial solutions to its vast user base across Africa. Clients can easily open a Mobile Money account through agents using their mobile phones. These accounts allow users to deposit and withdraw cash, which the agent then converts into electronic money. This electronic money can be used for various financial transactions such as money transfers or bill payments.

30 Figures include data reported by Onafriq, TerrayPay and Zeepay.

3. MANAGEMENT OF POTENTIAL ADVERSE IMPACTS

3.1 Environmental and Social Risk Management (E&S)

REGMIFA revised its E&S risk management approach in 2022 to intensify scrutiny of Environmental and Social risks and to ensure alignment with the Sustainability Guidelines of its investors, as well as compliance with the SFDR in daily operations. This update led to the implementation of a comprehensive set of policies, procedures, and tools organized within an Environmental and Social Risk Management Framework. This framework is applied to all the transactions made by the Fund and embedded throughout the investment cycle. Hence, the investment manager performs the following tasks:

- Screening a potential transaction for eligibility against the Exclusion List
- Profiling a potential transaction on the E&S risk level triggered by the portfolio of the PLI
- Defining mitigation measures to avoid or minimize E&S impacts to a risk level acceptable to the Fund's standards and risk appetite
- Considering the findings and recommendations from the E&S due diligence and ESG assessment as a key factor in the Investment Committee ("IC")'s decision-making
- If needed, agreeing on an E&S Action Plan with the PLI describing clear measures to mitigate the negative E&S impacts of its clients in portfolio
- Monitoring the PLI's compliance with the REGMIFA's standards in general and the activities from the mutually agreed Action Plan (if any) in specific
- Supporting PLIs with the continuous improvement of their E&S management if needed and as commensurate with the risk of the financed portfolio, through the provision of Technical Assistance
- Reviewing the E&S management framework on a regular basis to reflect on learnings and changing risk levels and if needed revising accordingly. Disclosing relevant extracts of this E&S Risk Management Framework on its website to inform the stakeholders of the Fund.

ESG rating results

ESG Risk rating methodology

In 2022, Symbiotics updated its ESG rating methodology to evaluate the sustainability of companies based on E&S risks, and how well investees manage those risks. This methodology assesses and ranks companies based on their direct and indirect exposure to E&S risks, as well as their practices towards such risks. It also serves as a basis to comply with the requirements established by the SFDR.

The ESG rating is measured on a scale of 0% to 100%, 100% being the best score. The final rating includes 54 indicators graded on a scale from 1 to 5, which are obtained by evaluating over 200 underlying metrics or data points. The indicators are qualitative, quantitative, or indirect, reflecting the exposure to indirect E&S risks. The ESG risk rating comprises nine dimensions categorized into three groups based on their impact.

ESG RATING METHODOLOGY

Environment	
Energy and natural resources	The investee's and its clients' use of energy and natural resources, as well as efforts to reduce, reuse, and recycle resources.
Air, water and land	Emissions to the air (including greenhouse gases), water, and land (such as waste) by the investee and its clients, and any measures taken to reduce emissions.
Ecosystems and biodiversity	The negative impact on ecosystems and biodiversity caused by the investee or its clients.
Social	
Human capital	The investee's treatment of employees according to International Labor Organization (ILO) standards.
Customers	The investee's practices to protect clients, such as preventing over-indebtedness, ensuring transparency, protecting client data privacy, and ensuring product adequacy according to the Social Performance Task Force (SPTF) Client Protection standards.
Communities	The negative impact on communities caused by the investee or its clients through direct activities or otherwise.
Governance	
Values	The strength of the investee's governance, its structure, values, integrity standards, and level of business ethics.
Transparency	The investee's transparency regarding its environmental and social impact to stakeholders, as well as the quality of its reporting on these matters.
Environmental and Social Management System (ESMS)	The policies, processes, and practices the investee has in place with regard to environmental and social considerations, as well as the quality of the Environmental and Social Management System in place to manage environmental and social risks.

The Fund's portfolio-weighted average ESG rating score is 74%. The table below displays the scores per dimension and the number of investees assessed using the new methodology.

Dimension	Score
Environment	81%
Social	75%
Governance	67%
% of investees assessed by new methodology[31]	73%

74%
ESG Score

31 The remaining 27% of investees were assessed under the former Social Performance rating and will be evaluated under the new methodology as due diligences are performed.

Principal Adverse Impact Indicators (PAIs)[32]

As part of the disclosures required by the SFDR, REGMIFA also reports on the PAIs generated by its investments through standard indicators. PAIs are defined by the regulation as "the most significant negative impact of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters."

During the first year of data collection, only a few investees provided information on specific PAIs. This resulted in an average coverage ratio of 61%. However, in 2023, the coverage rate increased by an average of 8 percentage points. The increase in reported indicators for 2023 can be attributed to the expanded data collection efforts, rather than significant changes in Fund composition.

Climate and other environment-related indicators

REGMIFA estimates the GHG emissions of its portfolio by using the tools developed by the Joint Impact Model.[33]

Notably, the Scope 3 emissions are also considering the emissions generated by the economic activities financed by the PLIs in the Fund's portfolio. During this exercise, the Fund observed that a high proportion of emissions stem from 15 investees because of the activity or the energy mix of the country of operations. It is worth mentioning that comparison of GHG emissions between 2022 and 2023 is not possible due to changes in the calculation methodology.[34]

In terms of the exposure to fossil fuels, the Fund does not directly invest in companies active in the fossil fuel sector. However, there is some indirect exposure through investments in PLIs that have exposure to fossil fuel sectors.

As of today, the Fund has not yet set quantitative targets to improve the PAIs. As already observed in 2023, it is expected that the number of reported PAIs and coverage rate of institutions will continue to increase over the years.

Adverse sustainability indicator	Metric	2022	2023	Coverage rate[35]
1. GHG emissions	Scope 1 GHG emissions in tCO2e	752	68	61%
	Scope 2 GHG emissions in tCO2e	256	302	61%
	Scope 3 GHG emissions in tCO2e	88,466	30,664	61%
	Total GHG emissions in tCO2e	89,474	31,034	61%
2. Carbon footprint	Carbon footprint in tCO2e/M USD	1,024	330.1	61%
3. GHG intensity of investee companies	GHG intensity of investee companies in tCO2e/M USD of revenue	7,075	2,569	61%
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	2.1%	1.3%	76%

32 More detailed notes are found in the PAI statement of the Fund.

33 For more information refer to https://www.jointimpactmodel.org/

34 In 2023, the JIM tool utilized GTAP 11, which includes updated country and sector statistics as compared to the previous version, GTAP 10, that was used for 2022 calculations. Due to this version difference, comparing GHG emissions results between 2022 and 2023 is not possible. Changes observed could be due to both tool updates and shifts in the underlying portfolio composition of investees.

35 The coverage rate of each indicator is reported in the table, in share of the Sustainable Investments (as a weighted average of quarterly GAV). The rate indicates the share of investments for which data is available. Non Sustainable Investments are not considered given data is not applicable to their nature (e.g. cash, money market instruments).

Adverse sustainability indicator	Metric	2022	2023	Coverage rate[35]
5. Share of non-renewable energy consumption and production[36]	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources, expressed as a percentage of total energy sources	605%	61.2%	100%
Additional climate and other environmental-related indicator				
4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	100%	94.4%	68%

Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

As part of the ESG assessment conducted during the due diligence process, the Fund integrates the fundamental pillars of the UN Global Compact (UNGC) and OECD guidelines. This assessment notably provides an opinion on the following three procedures:

- Grievance mechanism for employees
- Customer complaints and insurance claims
- Complaints mechanism in place for people living in places where the company operates, for investees involved in project finance

When looking at indicator 11 on page 44, this 13.5% includes investees in which at least one of the three procedures is lacking. In cases where complaints mechanisms have not been implemented in PLIs, the Fund maintains ongoing engagement with the investee through action plans. Additionally, it also provides Technical Assistance Programs and/or E&S Action Plans to help PLIs improve these processes. Indicator 11 has seen one of the biggest increases in terms of companies reporting. Last year, the coverage rate was 48%, while this year it has increased to 68%. This can partially explain the increase in the values reported for this indicator.

In terms of indicators 12 and 14 below, data is directly collected from investees. The Fund collects data on the average annual compensation of employees disaggregated by gender to calculate indicator 12. The Fund uses data on the number of female board members and male board members, as reported by the institution to report the board gender diversity.

36 The PAI 5 Fund's ratio, as stated in the 2022 financial statements and Annex I, uses a formula that calculates the ratio of non-renewable energy sources to renewable energy sources. However, for the 2023 report, the ratio is based on non-renewable energy sources to total energy sources.

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Adverse sustainability indicator	Metric	2022	2023	Coverage rate[37]
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance / complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	5.3%	13.5%	68%
12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	13.2%	18.6%	41%
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	23.5%	23.1%	81%
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	100%
Additional social and employee, respect for human rights, anti-corruption and anti-bribery matters indicator				
15. Lack of grievance/ complaints handling mechanism related to employee matters	Share of investments in investee companies without any grievance/complaints	0%	0.8%	68%

37 The coverage rate of each indicator is reported in the table, in share of the Sustainable Investments (as a weighted average of quarterly GAV). The rate indicates the share of investments for which data is available. Non Sustainable Investments are not considered given data is not applicable to their nature (e.g. cash, money market instruments).

Complimentary indicators reported by the Fund

Due to the difficulty in collecting data from investees that do not operate in the EU, REGMIFA cannot provide the specific indicator requested by SFDR for PAIs 6, 8 and 9. However, the Fund reports complimentary indicators to provide information on its exposure to the specific risks evaluated by PAI 6, 8 and 9: it provides its indirect exposure to high impact climate sectors through investments in PLIs that have exposure to such sectors.[38]

It also reports its indirect exposure to sectors likely to generate significant amount of hazardous waste or likely to generate intensive emissions to water. It is noteworthy, however, that PLIs in REGMIFA's portfolio operate in the financial sector and are not classified as a "high-impact climate sector" or "sectors with intensive emissions to water".

Adverse sustainability indicator	Metric	2022	2023	Coverage rate[39]
Indirect exposure to high impact climate sectors[40]	Share of the investee's portfolio in high impact climate sectors	13.8%	12.8%	68%
Indirect exposure to sectors with intensive emissions to water[41]	Share of the investee's portfolio in sectors with intensive emissions to water	4.3%	6.1%	71%
Indirect exposure to sectors which generate significant amounts of hazardous waste and/or with high risk of site contamination[42]	Share of the investee's portfolio in sectors which generate significant amounts of hazardous waste and/or with high risk of site contamination	1.6%	3.3%	71%

38 The Fund uses the list of high impact sectors defined by the regulation (agriculture, forestry and fishing, mining and quarrying, manufacturing, electricity, gas, steam and air conditioning supply, water supply; sewerage, waste management, and remediation activities, construction, wholesale and retail trade; repair of motor vehicles and motorcycles transportation and storage real estate activities). The approach chosen is a weighted one: for a USD 1M Invested in a Financial Institution that has a 10% exposure to High Impact Climate sectors in its portfolio, only USD 0.1M will be counted in the "share of investments in high impact climate sectors".

39 The coverage rate of each indicator is reported in the table, in share of the Sustainable Investments(as a weighted average of quarterly GAV). The rate indicates the share of investments for which data is available. Non Sustainable Investments are not considered given data is not applicable to their nature (e.g. cash, money market instruments).

40 Refers to PAI 6

41 Refers to PAI 8

42 Refers to PAI 9

3.2 Client Protection

3.2.1 Policies and procedures

The Client Protection Framework came into force in June 2022. The framework was created to further address the risks resulting from the vulnerable economic position of most micro entrepreneurs or low-income households, coupled with the often-underdeveloped customer protection regulations in Sub-Saharan Africa.

The scope of the Client Protection Policy extends to all transactions under the Fund and it requires PLIs to achieve compliance with the legal and regulatory consumer protection norms that are applicable in the jurisdictions where they operate. In addition to the regulations of national jurisdictions and applicable international conventions, the Fund applies the Client Protection Standards promoted by the Social Performance Task Force as a best practice to its transactions. In case of discrepancy between the national legal framework and these international standards, the institution shall apply the stricter of the two standards.

Requirements

To manage the potential negative impacts for the customers of the PLIs of the indirect financing that REGMIFA does, the Fund requires a PLI to commit to implementing responsible practices as described in the Client Protection Standards as promoted by the Social Performance Task Force and notably to implement the following standards in its policies, procedures and practices:

1. **Appropriate Product Design and Delivery**
2. **Prevention of Over-Indebtedness**
3. **Transparency**
4. **Responsible Pricing**
5. **Fair and Respectful Treatment of Clients**
6. **Privacy of Client data**
7. **Mechanisms for Complaints Resolutions**
8. **Governance and HR**

The PLIs are asked to formalize this commitment to implement client protection standards by registering the required information on the website of the Social Performance Task Force within six months of any new PLI investment at most.

Compliance

It is expected that not every PLI will comply with these standards at the time a transaction closes. In cases where this non-compliance is deemed to present a risk for the end-borrowers, the Fund and the PLI will agree on corrective measures (action plan) to bring the PLI into compliance with the most critical standards within an achievable timeframe, which will be documented in the investment memo and the loan agreements. It should be noted that REGMIFA takes a proportionate approach requiring PLIs to improve Client Protection practices through methods suitable for the scope and scale of their operations. These methods are tailored to the level of development of local regulations on customer protection and are commensurate with the risks for end-borrowers associated with their operations. REGMIFA also has Technical Assistance resources available to help PLIs build the capacity and structures, if needed, to comply with the Fund's requirements.

Application

REGMIFA applies a risk-based Client Protection approach which means it enhances the resources it deploys to assess and mitigate a transaction's Client Protection risk when the potential Client Protection risks are higher. To ensure a consistent application of Client Protection standards across operations, the Fund embeds it throughout the investment cycle which means that the Investment Manager commits to the following tasks:

- Providing information on the Client Protection risk level generated by the PLI's product range and characteristics
- Defining mitigation measures to avoid or minimize negative impacts for the customers of the PLI to a risk level acceptable to the Fund's standards and risk appetite
- Considering the findings and recommendations from the Client Protection due diligence as a key factor in the Investment Committee's decision-making
- For transactions with Medium or Elevated CP risk as further described, agreeing on an Action Plan with the PLI describing clear measures and time frame to mitigate the potential negative impacts of the services of the PLI on its customers
- Ensuring on a regular basis (during the periodic reviews or through the periodic reporting) the PLI's compliance with REGMIFA's standards in general and the activities from the mutually agreed Action Plan (if any) in specific
- Supporting PLIs with the continuous improvement of their Client Protection practices if needed and as commensurate with the risk of the PLIs, through the provision of Technical Assistance.

3.2.3 Client Protection Pathway: current status

As of today, the new Client Protection Pathway promoted by Cerise+SPTF consists of three steps, with the first step requiring the institution's commitment to implement client protection. The second step involves a self-assessment conducted by the PLI on its policies and practices followed by improvement on identified shortcomings. Finally, financial institutions can attain a certification that is determined by their compliance with the Client Protection Standards. Depending on the level of compliance, institutions can reach three levels: gold, silver or bronze. Gold is the highest level, requiring institutions to comply with more than 95% of total indicators.

Currently, there are no PLIs certified under the Client Protection Pathway. However, some of the PLIs are listed as committed institutions to implement client protection. Committed institutions are financial service providers that have signed the commitment statement: "Our organization has reviewed the Client Protection Standards, and we commit to using them to improve our practice over time."

Of all the PLIs in REGMIFA's portfolio, 23 are listed as "active". Last year, three of those institutions were listed as pending but have now completed the assessment. Among the tools used to conduct their evaluation, PLIs are using the SPI4 and the CP-Self Assessment tool.

3.3 Engagement

As part of both the E&S framework and the Client Protection framework, PLIs that are not fully compliant with REGMIFA's policy are subject to corrective measures, described in an E&S Action Plan. REGMIFA and the PLI agree on an action plan that will allow the PLI to comply with the most critical standards within a specified and realistic timeframe.

As part of the implementation of the E&S Risk Management Framework, as of December 2023, 69% of the PLIs within the Fund's portfolio have undergone an ESG assessment with 94% of these demonstrating minimal exposure to high-risk activities. Following an evaluation of the PLI's capacity to manage E&S risks, E&S action plans were incorporated in loan agreements with 12 PLIs that received financing in 2023. Regarding the 10 PLIs for which E&S actions plans mandated in 2022, 5 PLIs have successfully implemented their plans, while the remaining 5 PLIs are in the process of implementing the required measures.

In addition, the Fund's Technical Assistance Facility launched the CRO Circle, aimed at strengthening risk management, encompassing credit, operational, and E&S risks, along with control functions in MSME banks and MFIs by empowering 'Chief Risk Officers'. It is delivered over 6 to 8 months with a blend of face-to-face, virtual, and mentoring support. The first cohort of 10 participants launched in May 2023 with the first face-to-face session, was followed by the mentoring phase and ended with the second face-to-face session in December 2023. The course addressed key challenges faced by CROs, such as fragmented oversight of risk management, insufficient strategic risk management and alignment with institutions business strategy, consistent leadership, soft skills and people management challenges in risk management.

4. POSITIVE IMPACTS

The Fund actively contributes to the United Nations Sustainable Development Goals by pursuing its Sustainable Investment Objectives. To monitor this contribution, each transaction is classified based on defined attributes and the main SDG it can contribute to. The Fund mainly contributes to SDGs 1, 5, and 8, due to PLIs' portfolio concentration in MSMEs in Sub-Saharan Africa. However, through a handful of institutions and participation in Green Bonds, the Fund also contributes to SDGs 2, 7, 10, and 11. The following section will provide insights on how the Fund contributes to these goals.[43]

4.1 SDG portfolio allocation[44]

SDG PORTFOLIO ALLOCATION

SDGs	Portfolio Allocation to SDG, in % of total assets
1 NO POVERTY	24.4%
2 ZERO HUNGER	5.1%
5 GENDER EQUALITY	5.4%
7 AFFORDABLE AND CLEAN ENERGY	3.0%

SDGs	Portfolio Allocation to SDG, in % of total assets
8 DECENT WORK AND ECONOMIC GROWTH	31.6%
10 REDUCED INEQUALITIES	5.3%
11 SUSTAINABLE CITIES AND COMMUNITIES	3.6%

43 The number of PLIs that contribute to each SDG is calculated at the transaction level. Some PLIs may contribute to more than one SDG due to the use of proceeds from a specific transaction or the composition of the PLI's portfolio at the time of disbursement.

44 The share of socially sustainable investments is calculated as the weighted average portfolio composition at the end of each quarter. The sum of the portfolio allocation to SDGs is 78.5%, the rest (21.5%) is considered as a non-sustainable investment. This proportion includes cash, and hedging instruments, as well as other assets. The assets that are not invested in "Sustainable Investments" are either cash used for liquidity management purpose or cash that is not yet invested during ramp-up phases of the Fund.

Contribution of the Fund to the SDGs

SDG 1: NO POVERTY

1 NO POVERTY

Poverty exposes people to health risks, marginalization, and extreme weather events. The lack of stable jobs, low income, and limited safety nets exacerbates these challenges. Additionally, climate change further endangers those in poverty, as they lack access to effective resilience mechanisms. As a result, they struggle to withstand, absorb, or adapt to climate-related shocks. Access to "appropriate new technology and financial services, including microfinance" is considered as a mean to alleviate poverty.[45] In 2023, the PLIs in REGMIFA's portfolio financed 2.8 million micro entrepreneurs in SSA. Considering the exposure of the Fund to each PLI, the Fund was able to reach 85,479 end-borrowers. Throughout 2023, 21 institutions were classified as contributing to SDG 1, mainly due to their high exposure to micro enterprises. While the proportion of the PLIs' portfolio allocated to micro loans is 53%, the institutions can reach a larger number of end-borrowers due to the smaller loan sizes. The average loan size for micro loans is USD 840.

Relevant outreach and sustainability indicators [46]		
USD 840 median average micro enterprise loan	**21** PLIs mainly contribute to SDG 1	**53%** of total PLI volume allocated to micro loans

OUTREACH	Financed by investees	per 1M USD invested	Funds' contribution
Number of end-borrowers reached with micro loans	**2.8 M**	**440**	**85,500**

The story of Abdulkareem from Nigeria on page 17 of this report serves as an excellent example of how the Fund's investments contribute to achieving SDG 1. Abdulkareem Akapo, a Nigerian entrepreneur, established Tamfas Royal Concept, a company that specializes in the distribution of electrical items. With a loan from Baobab Nigeria, he was able to expand his business and is now planning to venture into local bulb manufacturing. Investing in such businesses can help achieve SDG 1 by fostering economic growth, generating employment opportunities, and alleviating poverty.

45 Cf SDG Target 1.4: "By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance."

46 The metrics provided are all calculated as the weighted average of each specific indicator based on the portfolio composition at end of each quarter of the reporting period. The four quarterly figures are then averaged to calculate the annual figures. Total outreach of the investees financed by the Fund: this indicator represents the number of end-borrowers reached by the investee for each category of product that is considered as contributing to the SIOs of the Fund, and/or more broadly to the mission of the Sub-Fund. Fund contribution: this indicator estimates the contribution of the Fund to the outreach of its investees. It represents the number of end-borrowers of this category divided by the total gross loan portfolio of the investee and multiplied by the amount of the loan. Outreach per 1M USD invested: this indicator measures the investors' contribution to the activity of the Fund's, while investing 1M USD into it. It approximates the contribution of each million US Dollar on each of the categories of products offered by the investees of the Fund.

SDG 5: GENDER EQUALITY

Women play a crucial role in boosting economic growth, yet their potential often goes unnoticed. Access to financial services helps women accumulate assets, providing a safety net in tough times and fostering empowerment. Including women in the formal financial system has far-reaching benefits beyond personal impact, driving macroeconomic growth globally. The Fund contributes to SDG 5 by investing in institutions that continuously work to facilitate access to finance for women and empower them through financial products and services tailor made for them. On average, 36% of end-borrowers served by the Fund were women; this achievement was facilitated through 11 PLIs that predominantly cater to women.

A second aspect monitored by the Fund in terms of women's empowerment is related to the PLIs' internal activities. All PLIs are required to report specific indicators concerning gender equality in the workplace. They provide data on indicators such as the proportion of women employees, average salary and proportion of women in management. Almost half of the employees hired by the PLIs are women and one out of three top management positions are held by women. When looking at the average salaries by men and women, we can observe that on average the gender pay gap is 19%. This means that for every dollar a male employee makes, a female employee is making approximately 81 cents. This is lower than the gender pay gap in Sub-Saharan Africa which is 30% (globally, it is 24%). [47]

Additionally, the Fund's Technical Assistance Facility is working on a Program on Women Empowerment. It will commence with a market study to assess women-client needs of PLIs to understand the untapped market potential which women clientele represent. It will also provide a basis for the design and launch of a pilot TA package that will address an array of challenges through accessing gender assessment for PLIs and conducting gender strategy and product development, training and coaching of management and staff, impact reporting, etc.

Relevant outreach and sustainability indicators		
USD 950 median average loan size for women	**11** PLIs mainly contribute to this SDG 5	**23%** of total PLI volume allocated to loans for women
48% of women employees	**19%** gender pay gap	**33%** of women in management

OUTREACH	Financed by investees	per 1 M USD invested	Funds' contribution
Number of women borrowers reached	**936,700**	**290**	**57,270**

Investing in institutions like ACEP Senegal advances gender equality (SDG 5) by promoting financial inclusion and empowering women entrepreneurs. It supports women in trade and agriculture, sectors traditionally dominated by men, fostering economic independence.

47 UN Women – Africa. "Equality will be achieved when women and men are granted equal pay and equal respect: An explainer."

INSTITUTION PROFILE: ACEP SENEGAL, SENEGAL

ACEP Senegal, established in 1986, is a Dakar-based financial institution that operates as a member-owned cooperative. The institution's primary mission is to empower women entrepreneurs in Senegal, with a significant 80% of its loan portfolio dedicated to women.

The majority of ACEP Senegal's members are engaged in trade and, to a lesser extent, agriculture. The institution's goal is to support these women in their growth, thereby contributing to Senegal's economic and social development. This commitment to serving the local community and promoting sustainable economic progress is at the heart of ACEP Senegal's operations.

ACEP Senegal's main focus is on providing productive loans to women-led micro, small, and medium-sized enterprises (MSMEs) in the trade and services sectors. They use an individual lending ethodology, especially in urban and peri-urban areas. In addition to this, ACEP offers specialized products for agricultural and small construction needs.

Beyond lending, ACEP Senegal ensures accessibility and convenience for its clientele by offering a wide range of deposit and money transfer services. With a broad national coverage that includes 88 sales points across all regions and 34% in Dakar, ACEP Senegal effectively reaches and serves diverse population segments, with a special emphasis on women.

2X Challenge

The 2X Challenge was launched during the G7 Summit in 2018. It represents a commitment by Development Finance Institutions (DFIs) to mobilize USD 3 billion in private sector investments within developing country markets over a 3-year period. Thus, the 2X Challenge Criteria set a worldwide standard for gender finance. It helps evaluate investments with a focus on gender equality. These criteria cover areas like women in leadership, workforce involvement and access to products/services. Following the 2X Criteria ensures investments support positive gender outcomes.

To align with the 2X Challenge Criteria, at least 30% of the portfolio by volume (amount of money lent or invested in businesses) or value (number of PLIs) must meet at least one indicator from all dimensions. REGMIFA not only aligns with the 2X Criteria, but it also exceeds this requirement by satisfying more than one indicator.

% of REMIGA portfolio aligned with 2X challenge			
	Criteria[48]	**By volume (% of portfolio)**	**By number (% of PLIs)**
Leadership	> 25% of women in senior management in the PLI	**aligned**	**aligned**
	> 30% of women on board or IC in the PLI	not aligned	**aligned**
Employment	> 40% of women in the workforce	**aligned**	**aligned**
	Gender pay gap < 30%	not aligned	**aligned**
Consumption	> 50% of PLIs customers who are female	not aligned	**aligned**

How does REGMIFA align to the 2X Criteria?

Leadership
- More than 40% of the Fund's portfolio and PLIs have 25% or more of their senior leadership positions held by women.
- Among the PLIs' boards, 39% have at least one-third of their board members who are women.

Employment
- Over half of the Fund's portfolio and 60% of all PLIs have over 40% of female representation in their workforce.
- Regarding the gender pay gap threshold, 37% of the PLIs meet this criterion. However, when considering volume, only 19% of the Fund's portfolio meets the threshold (<30%).

Consumption
- One-third of the institutions have over 50% female borrowers.

While the REGMIFA portfolio aligns with all the criteria by the number of PLIs, three indicators remain below the 30% threshold in terms of volume. An updated version of the 2X Criteria was released in early 2024. The Fund is aware of the evolving guidelines and intends to assess its alignment in the coming year.

48 The criteria for leadership, employment, and consumption are as follows:
Leadership: 25% of senior leadership positions are occupied by women, or 30% of the Board or Investee Committee are women.
Employment: 30-50% share of women in the workforce (depending on sector), and one quality indicator beyond compliance
Consumption: More than 50% of customers are female.

SDG 8: DECENT WORK AND ECONOMIC GROWTH

As part of its new strategy, REGMIFA is aiming to increase its exposure to PLIs that provide finance to SMEs. Lack of access to finance is one of the main impediments for SMEs' growth. Providing adequate financial products and services can boost their capability to foster job creation and entrepreneurship considering SMEs are a major contributor to employment in developing and emerging markets. They fulfil this role by hiring mostly local and low-skilled labor ultimately supporting low-income households achieve sustainable means of living and offer a viable alternative to unemployment. The Fund provided loans to more than 3,000 SMEs in 2023 which contributed to more than 20,000 jobs in developing countries.

Almost a third of total volume financed by PLIs went to SMEs with an average loan size of USD 11,709.

The Technical Assistance Package SME Finance 1st edition funded by KfW-BMZ kicked off in Q2 of 2022 and remained ongoing in 2023 with the participation of 4 PLIs: Baobab Ivory Coast, Baobab Burkina Faso, Baobab Senegal, and ACEP Burkina Faso. Following the full subscription of this first edition, a second edition was launched in 2023 with a focus on supporting 6 PLIs in southern and East Africa. The PLIs are supported on a wide range of topics related to SME financing including product development, credit scoring, risk management and digitalization of operations. Ultimately, the PLIs are supported to grow their SME portfolio which will in turn support SMEs to grow, provide employment and improved livelihoods in their communities.

Relevant outreach and sustainability indicators		
USD 11,709 median average SME loan	**15** PLIs mainly contribute to SDG 8	**32%** SME loans of total volume

OUTREACH	Financed by investees	per 1M USD invested	Funds' contribution
Number of end-borrowers reached with SME loans	**63,600**	**16**	**3,100**
Estimated job creation for SMEs[51]	**573,000**	**142**	**27,800**

The story of Mr. Souleymane Sangaré on page 21 of this report exemplifies how the Fund supports SMEs in Ivory Coast. By investing in entrepreneurs like Sangaré, the Fund directly contributes to SDG 8 by fostering economic growth through his company: CEFIND. The company provides decent employment opportunities for 70 employees, promoting worker welfare and employment opportunities. COFINA's financial support through a loan to Souleymane's business highlights the significance of access to financial services.

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49 International Labour Organization (2019). Small matters: Global evidence on the contribution to employment by the self-employed, micro-enterprises and SMEs.
50 CGAP (2022). No small business: A segmented approach to better Finance for Micro and Small Enterprises.
51 To calculate this estimate, we assume that each SME employs nine workers.

Contribution to other SDGs

REGMIFA also contributes to other SDGs, while supporting its overall mission. The Fund contributed to SDGs 2 (Zero hunger), 7 (Affordable and clean energy), 10 (Reduced inequalities), and 11 (Sustainable cities and communities) through its investment in PLIs that provide a specific product or service that support the attainment of these goals. One example of how the Fund contributes to SDG 2 is by investing in Socak, a cooperative that was launched by 400 cocoa producers in Ivory Coast. With almost 3,000 members now, the cooperative purchases raw cocoa, processes it, and markets it both locally and internationally. Besides cocoa farming, Socak spreads awareness about sustainable farming practices, gender equality, climate change, and child protection among its members.

The Fund contributes to SDG 11 through its investment in SA Taxi. A South African institution specialized in serving the minibus taxi industry can help facilitate affordable and safe public transport for commuters in South Africa. This institution provides financial support to entrepreneurs operating minibus taxis who may struggle to access credit from mainstream banks. The institution also offers insurance services and customized financial products tailored to the needs of the taxi industry. The institution's support of the minibus taxi industry is essential as it serves as a vital mode of transportation for many South Africans.

SDGs and relevant outreach and sustainability indicators

2 ZERO HUNGER

The Fund contributed to SDG Target 2.3: "By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment." And Target 2.4: "By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality."

11% of total volume for agricultural activity	**5** number of PLIs contributing to SDG 2

OUTREACH	Financed by investees	per 1M USD invested	Funds' contribution
# of end borrowers reached with a loan for agricultural activity	**361,000**	**114**	**22,400**

The Fund contributed to Target 7.1: "By 2030, ensure universal access to affordable, reliable and modern energy services.", while investing in Investees whose loans finance in majority access to clean energy to low-income households or in companies active in the sustainable energy space in emerging markets.

1
number of PLIs contributing to SDG 7

OUTREACH	Financed by investees	per 1M USD invested	Funds' contribution
# of end-borrowers reached with renewable energy supply loans	**306,864**	**270**	**53,000**

The Fund contributed to Target 10.c: "By 2030, reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent.", while investing in companies that are allowing for remittances transaction costs of approximately 4% (vs. global average of 7% in Dec-20).

5.3% % total of assets (GAV) allocated to SDG 10	**3** number of PLIs contributing to SDG 10

OUTREACH	Financed by investees	per 1M USD invested	Funds' contribution
# of remittances users per year	**11.9M**	**1,120**	**222,000**

The Fund contributed to Target 11.2: "By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.", while investing, usually through Green, Social and Sustainability Bonds, in a majority of assets that are either green buildings, affordable housing, public transportation systems, green vehicles or while directly financing a company that is active in one of these sectors.

1
number of PLIs contributing to SDG 11

OUTREACH	Financed by investees	per 1M USD invested	Funds' contribution
# of end-borrowers reached with housing Loans	**30,000**	**5**	**1,000**

PRESENTING THE FUND'S POTENTIAL IN THE SENEGALESE REGION

In March 2023, a delegation comprised of REGMIFA's Board of Directors and Investment Manager representatives organized an event to present the Fund to investees, DFI representatives and other potential new partners, and provide an overview of the investment activities of REGMIFA and its history working with institutions in the country.

The presentation included a description of the Technical Assistance Facility (TAF) and its activities in terms of capacity building projects.

The event took place at the Novotel hotel in Dakar, Senegal and it involved a candid discussion, followed by casual bilateral conversations, giving it the opportunity to the attendees to connect and learn from each other.

Felipe Martin, Senior Investment Analyst of the Sub-Saharan region (Symbiotics Investments) introducing the Fund's partnerships and opportunities in the Senegalese region.

Laure Wessemius-Chibrac, Chair of the Board of Directors.

MEETING EXISTING LOCAL PARTNERS AND END-BORROWERS

The delegation embarked on a formal visit to two historical local partners of the Fund, Baobab Senegal and PAMECAS. Both institutions received their first loan from REGMIFA in 2010.

The itinerary commenced with a trip to their principal offices, providing an opportunity for the delegation to gain insights into the operational frameworks of the companies. This phase of the visit served as a foundation for the next part of the trip, as the delegation engaged in field visits to interface directly with a few of the end-borrowers, representative of the diverse spectrum of beneficiaries supported by Baobab Senegal and PAMECAS. Through dialogues and firsthand accounts, these borrowers elucidated the role played by the loans disbursed by the institutions in supporting their activities.

Farmers have to sink large in-dept wells in different places to cope with long dry spells.

SUMMARY OF AUDITED FINANCIAL STATEMENTS 2023

The full version of the Audited Financial Statement 2023 can be consulted on REGMIFA website.

regmifa.com/category/publications

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023 (EXPRESSED IN USD)

ASSETS	**31/12/2023**	**31/12/2022**
Loans to Partner Lending Institutions[1]	176,232,106	163,453,872
Loan loss allowance	(21,154,624)	(8,371,277)
Net loans to Partner Lending Institutions[1]	155,077,482	155,082,595
Interest receivable on loans to Partner Lending Institutions	6,230,535	4,810,262
Interest loss allowance	(3,142,729)	(1,879,802)
Net interest receivable on loans to Partner Lending Institutions	3,087,806	2,930,460
Equity shares at fair value through profit or loss	-	-
Derivative financial instruments	5,893,748	7,754,244
Interest receivable on derivative financial instruments	1,338,607	800,120
Receivables on loans to Partner Lending Institutions	668,925	1,868,110
Other receivables	715,619	209,991
Prepaid expenses	417,591	559,277
Cash collateral with brokers	2,193,699	2,430,000
Cash and cash equivalents	17,487,755	35,330,792
Total Assets	**186,881,232**	**206,965,589**
LIABILITIES		
Cash collateral with brokers	-	1,866,964
Derivative financial instruments	3,977,550	4,067,309
Interest payable on derivative financial instruments	1,422,529	991,900
Accrued expenses	1,015,412	986,263
Payables on redemption of shares	7,000,000	-
Other payables	341,913	446,628
Contribution payable to the technical assistance facility	438,435	441,304
Notes issued	52,031,590	56,074,887
Net assets attributable to holders of redeemable shares:		
- Class A shares	7,489,800	19,489,800
- Class B shares	30,400,000	30,400,000
Distribution payable to holders of redeemable shares	3,715,077	2,015,359
Total Liabilities	**107,832,306**	**116,780,414**
EQUITY (CLASS C SHARES)		
Share capital	86,729,110	86,729,110
FX compensation	38,181	-
Profit / (loss) for the year	(11,174,430)	4,733,922
Retained earnings	3,456,065	(1,277,857)
Total equity attributable to holders of Class C shares	**79,048,926**	**90,185,175**
Total liabilities and equity	**186,881,232**	**206,965,589**

1 Include upfront fees amortisation

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023 (EXPRESSED IN USD)

INCOME	**YEAR ENDED 31/12/2023**	**YEAR ENDED 31/12/2022**
Interest income on loans to Partner Lending Institutions	15,853,124	12,735,933
Interest income on term deposit	226,212	36,500
Upfront fees on loans to Partner Lending Institutions	606,343	522,522
Interest income on derivative financial instruments	9,674,479	5,139,927
Other income	110,485	149,385
Net change in unrealised gain on derivative financial instruments	-	2,795,835
Net realised gain on derivative financial instruments	3,390,445	3,738,667
Net change in unrealised gain on foreign exchange	345,120	-
Net change in unrealised gain on loans to Partner Lending Institutions	-	78,662
Total investment income	**30,206,208**	**25,197,431**
EXPENSES		
Interest expenses on notes	2,972,285	977,521
Interest expenses on derivative financial instruments	10,986,471	8,157,808
Management fees	3,206,112	2,894,545
Administration, custodian and domiciliation fees	233,144	227,479
Direct operating expenses	698,398	665,930
Amortisation of placement fees	153,862	142,438
Other expenses	21,581	6,331
Net change in unrealised loss on derivative financial instruments	1,770,736	-
Net change in unrealised loss on foreign exchange	-	1,318,429
Net realised loss on foreign exchange	3,450,811	3,759,491
Net realised loss on loans to Partner Lending Institutions	-	2,731
Net contribution to loans loss allowance	14,046,274	3,807
Total operating expenses	**37,539,674**	**18,156,510**
Operating gain / (loss) before tax	**(7,333,466)**	**7,040,921**
Distribution to holders of redeemable Class A and Class B shares	(3,715,077)	(2,015,359)
FX compensation	(38,181)	-
Contribution to the technical assistance facility	-	(243,033)
Investment Manager incentive bonus	(87,706)	(48,607)
Profit / (loss) before tax	**(11,174,430)**	**4,733,922**
Taxation	-	-
Profit / (loss) for the year	**(11,174,430)**	**4,733,922**
Other comprehensive income	-	-
Total comprehensive income for the year	**(11,174,430)**	**4,733,922**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023 (EXPRESSED IN USD)

OPERATING ACTIVITES	**YEAR ENDED 31/12/2023**	**YEAR ENDED 31/12/2022**
Profit/(loss) before tax	(11,174,430)	4,733,922
Adjustments to reconcile profit/(loss) before tax to net cash flows:		
Interest income on loans to Partner Lending Institutions	(15,853,124)	(12,735,933)
Interest expense on notes	2,972,285	977,521
Distribution to holders of redeemable shares	3,715,077	2,015,359
FX compensation	38,181	-
Contribution to the technical assistance facility	-	243,033
Investment Manager incentive bonus	87,706	48,607
Net change in unrealised (gain) / loss on foreign exchange	1,633,453	(1,399,080)
Net change in unrealised (gain) / loss on derivative financial instruments	1,770,737	(3,379,243)
Net change in loans loss allowance	14,046,274	3,807
Upfront fees to be amortised	65,715	69,795
Operating gain/(loss) before working capital changes	**(2,698,126)**	**(9,422,212)**
Working capital changes:		
Net (increase)/decrease in other receivables and prepaid expenses	(363,942)	379,163
Net (increase)/decrease in cash collateral with brokers	(1,630,663)	6,622,613
Net (increase) in interest receivable on derivative financial instruments	(538,487)	(800,120)
Net increase/(decrease) in accrued expenses and other payables	(90,362)	552,567
Net increase in interest payable on derivative financial instruments	430,629	991,900
Net cash flows used in operating activities	**(4,890,951)**	**(1,676,089)**
INVESTING ACTIVITIES		
Loans disbursement	(59,581,058)	(74,255,985)
Proceeds from disposed loans	46,737,109	54,111,016
Interest received on loans to Partner Lending Institutions	14,432,851	11,737,547
Net (increase)/decrease in receivables on loans to Partner Lending Institutions	1,199,185	(1,868,110)
Net cash flows from / (used in) investing activities	**2,788,087**	**(10,275,532)**
FINANCING ACTIVITIES		
Proceeds from issue of shares	200,000	-
Payments on redemption of shares	(5,200,000)	(7,500,000)
Proceeds from issue of notes	5,523,250	23,379,931
Payments on redemption of notes	(11,200,000)	(2,700,000)
Distribution paid to holders of redeemable shares	(2,015,359)	(1,242,772)
Contribution paid to the technical assistance facility	(2,869)	-
Investment Manager incentive bonus paid	(72,910)	-
Interest paid on notes	(2,972,285)	(977,521)
Net cash flows from financing activities	**(15,740,173)**	**10,959,638**
Net increase/(decrease) in cash and cash equivalents	**(17,843,037)**	**(991,983)**
Cash and cash equivalents at the beginning of the year	**35,330,792**	**36,322,775**
Cash and cash equivalents at the end of the year	**17,487,755**	**35,330,792**

GOVERNANCE

From left to right:
Ms. Edwige Takassi, Mr. Michael Brill, Ms. Laure Wessemius-Chibrac, Dr. Giuseppe Ballocchi, Ms. Claudia Huber

From left to right:
Ms. Claudia Huber, Mr. Enrico Pini, Ms. Jana Lessenich, Mr. Albert Hofsink

BOARD OF DIRECTORS

The following persons served as Directors of the Fund during the year:

MS. LAURE WESSEMIUS-CHIBRAC
Chairperson

DR. GIUSEPPE BALLOCCHI

MS. CLAUDIA HUBER

MS. EDWIGE TAKASSI

MR. MICHAEL BRILL

INVESTMENT COMMITTEE

The following persons served as members of the Investment Committee of the Fund during the year:

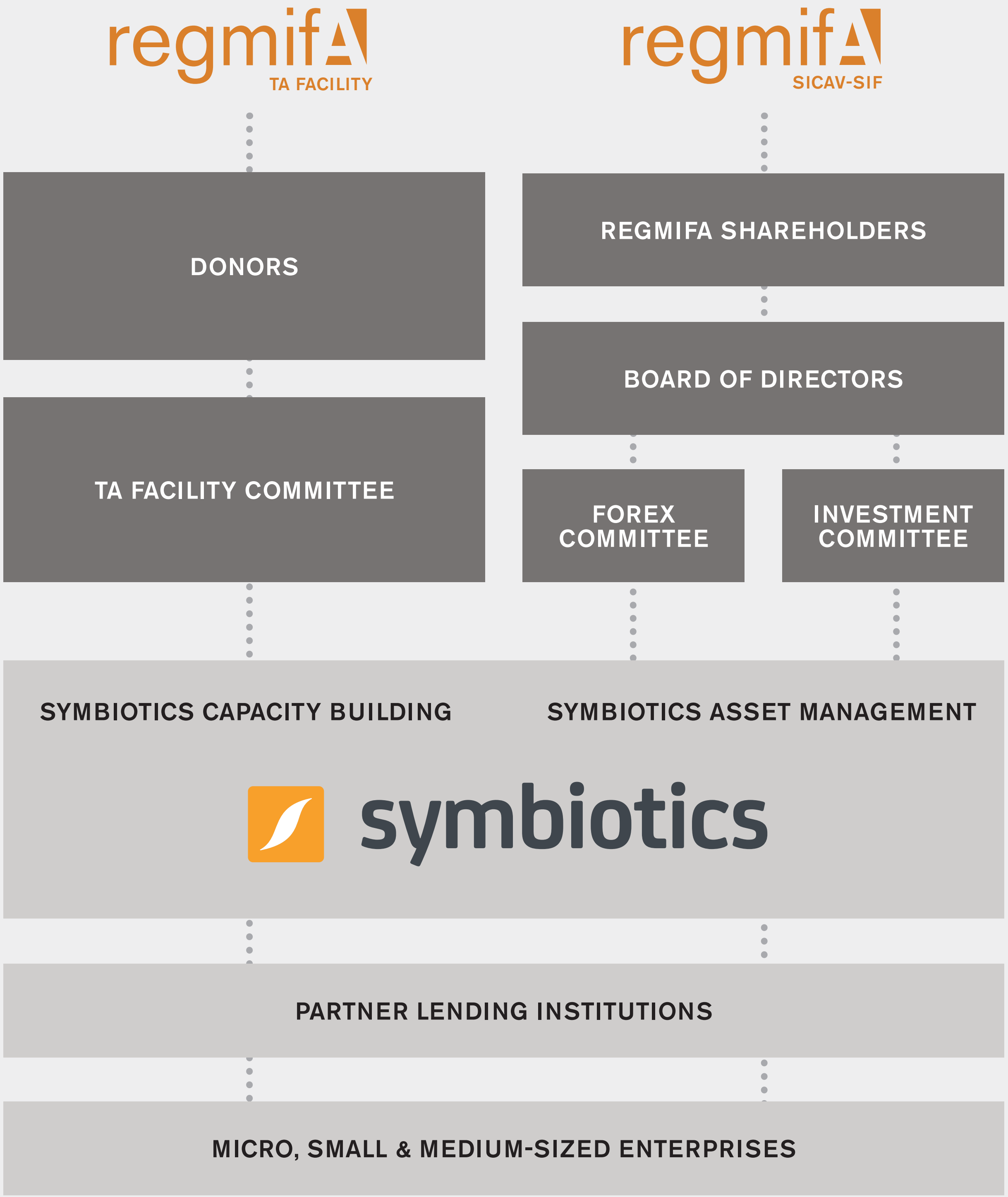
MS. CLAUDIA HUBER
Chairperson

MS. JANA LESSENICH

MR. ALBERT HOFSINK

MR. ENRICO PINI

ORGANIZATIONAL STRUCTURE AND INVESTMENT MANAGER



ADDITIONAL FUND INFORMATION

LEGAL NAME
Regional MSME Investment Fund
for Sub-Saharan Africa S.A., SICAV-SIF (REGMIFA)

FUND TYPE
Investment public limited company under Luxembourg law,
qualified as a specialized investment Fund

REGISTERED OFFICE
Z.A. Bourmicht L-8070 Bertrange,
Grand-Duchy of Luxembourg

INCEPTION DATE
May 2010

MAIN FINANCIAL PRODUCTS
Medium- to long-term senior loans at fixed and
floating interest rates, term deposits, letters of
credit, guarantees

INVESTMENT CURRENCY
USD, EUR, local currency

INVESTMENT MANAGER AND PLACING AGENT
Symbiotics Asset Management SA,
31 rue de la Synagogue
CH-1204 Geneva Switzerland

STRUCTURING AGENT
Kreditanstalt für Wiederaufbau (KfW)

GENERAL SECRETARY
Innpact SA, Luxembourg

CUSTODIAN / ADMINISTRATOR
Citibank Europe plc, Luxembourg Branch 31
z.a, Bourmicht L-8070 Bertrange
Grand-Duchy of Luxembourg

LEGAL COUNSEL
Linklaters LLP

AUDITOR
KPMG Luxembourg

ABBREVIATIONS

BDS
Business Development Services

CP
Client Protection

E&S
Environmental and Social

ESG
Environmental, Social, and Governance

ESMS
Environmental and Social Management System

ESAP
Environmental and Social Action Plan

EU
European Union

FI
Financial institution

FX
Foreign exchange

G20 CwA
G20 Compact with Africa

GAV
Gross Asset Value (total assets of the Fund)

GHG
Green House Gas

GLP
Gross Loan Portfolio

GNI
Gross National Income

HR
Human Rights

IC
Investment Committee

ILO
International Labor Organization

IM
Investment Manager

LDC
Least Developed Country

LMIH
Low and middle-income households

LuxFLAG
Luxembourg Finance Labelling Agency

MFI
Microfinance institution

MIV
Microfinance investment vehicle

MSME
Micro-, small and medium enterprise

NBFI
Non-bank financial institution

NGO
Non-governmental organization

OECD
Organisation for Economic Co-operation and Development

PAI
Principal Adverse Impact

PLI
Partner lending institution

SDG
Sustainable Development Goal

SFDR
Sustainable Finance Disclosure Regulation

SLP
Sustainable Leadership Program

SME
Small and medium enterprise

SPTF
Social Performance Task Force

SSA
Sub-Saharan Africa

TA
Technical assistance

TAF
Technical Assistance Facility

UN
United Nations

UNGC
UN Global Compact

CONTACTS

symbiotics

Symbiotics Group S.A.
31, rue de la Synagogue
CH-1204 Geneva
Switzerland

symbiotics
capacity building

MARIANO LARENA
Chief Executive Officer, Symbiotics Capacity Building

BEZANT CHONGO
Head of Capacity Building

symbiotics
asset management

EMMANUELLE JAVOY
Head of Blended Finance

LUZ LEYVA
Portfolio Manager

BETSY ESPINOZA
Portfolio Manager

FLORIAN GROHS
Relationship Manager Blended Finance

symbiotics
investments

Symbiotics Information, Consulting and Services South Africa (PTY) Limited
4 Loop street – Studio 502
Cape Town South Africa 8001

DUNCAN FRAYNE
Regional Director, South Africa

LISA PUTTER
Senior Pipeline Manager

LOUIS LEBON
Investment Analyst

SYMBIOTICS ASSET MANAGEMENT SA
Investment Manager

SYMBIOTICS CAPACITY BUILDING
TA Facility Manager

Geneva

Rue de la Synagogue 31
CH-1204 Geneva
Switzerland

T. +41 22 338 15 40
E-mail: info@regmifa.com

Cape Town

4 Loop St, Studio 502
Cape Town 8001
South Africa

T. +27 21 425 51 19

Fund registered office

31 z.a. Bourmicht
L-8070 Bertrange
Grand - Duchy of Luxembourg