

regmifa

Regional Micro, Small and Medium Sized Enterprises Investment Fund
for Sub-Saharan Africa, REGMIFA SICAV-SIF



AT A GLANCE

www.regmifa.com



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A BRIEF LOOK AT REGMIFA



Legal Name

Regional Micro, Small and Medium Sized Enterprises Investment Fund for Sub-Saharan Africa S.A., SICAV-SIF (REGMIFA)

Fund Type

Investment public limited company under Luxembourg Law, qualified as Specialized Investment Fund

Domicile

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 and TA Facility Manager

Symbiotics Asset Management SA

Structuring Agent

Kreditanstalt für Wiederaufbau (KfW)

General Secretary

Innpact Sàrl

Custodian / Administrator

Credit Suisse (Luxembourg) SA / Credit Suisse Asset Management Fund Services (Luxembourg) SA

Legal Counsel

Linklaters LLP

Auditor

Ernst & Young SA

Registered Office

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

Mission

- To foster economic development and prosperity in Sub-Saharan Africa (SSA) through the provision of innovative financial products and, where applicable, technical assistance support to qualified partner lending institutions (PLIs) serving micro, small and medium sized enterprises (MSMEs).
- To follow principles of sustainability and additionality, combining public mandate and market orientation. Removing the obstacles to African MSMEs and unlocking the potential of local capital markets is a priority for our investors.

Corporate Profile

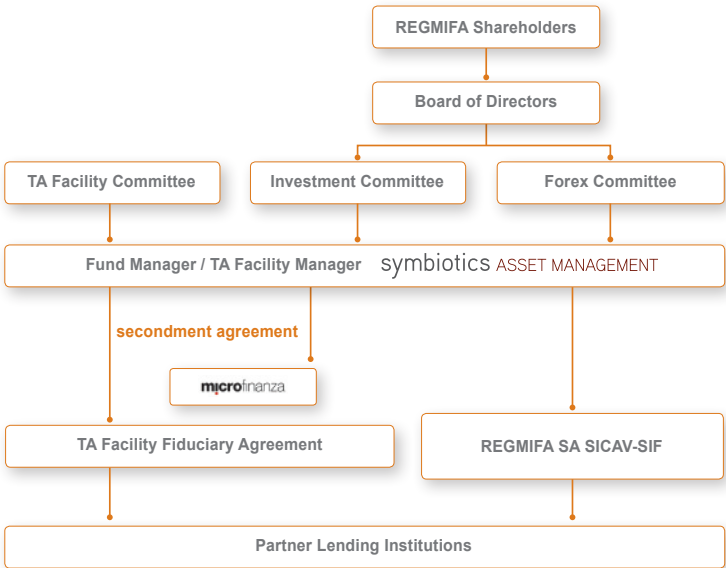
- Initiated by the G8 in 2007 and structured as a public-private partnership between donors, development finance institutions, international financial institutions, private investors and African stakeholders.
- Developed by KfW Entwicklungsbank (the German Development Bank) and established in close collaboration with experienced development finance institutions, international financial Institutions and donor governments.

Strategy and objectives

- Investing in a balanced portfolio of regulated and non-regulated microfinance institutions, commercial banks and financial institutions serving MSMEs and adhering to the principles of responsible finance.
- Offering, across a wide range of SSA countries, medium/long- term products in local/hard currency to diversified institutions. Strong focus on small and medium-sized PLIs.

Organizational Structure

- REGMIFA pursues its mission based on two arms: The **Investment Fund** and the **Technical Assistance (TA) Facility**



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INVESTMENT FUND

Fund Capital Structure

Debt

- Senior Notes
- Subordinated Notes

Equity

A Shares

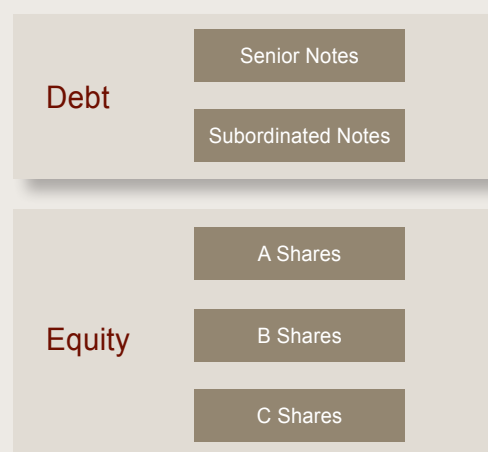
- Senior tranche
- IFIs/DFIs/private investors

B Shares

- Mezzanine tranche
- IFIs/DFIs/Fund Managers, possibly private investors
- Summed to C shares, minimum 50% of NAV

C Shares

- First loss tranche
- Donors/Gov. Organizations
- Minimum 33% of NAV



Fund's investment approach

- Debt fund focused on financing regulated and non-regulated microfinance institutions, local commercial banks and other financial institutions established in Sub-Saharan African countries providing funding to micro, small and medium sized (MSME) enterprises.
- Provision of longer term senior loans, subordinated debt and guarantee schemes of which the majority are delivered in local currency.
- Comprehensive risk management and appropriate capital structure, with an attractive combination of risk and return (including developmental return) depending on the profile of each class of investor.

Investment Opportunities

- REGMIFA's unique capital structure embodies the principle of public-private partnership through the leveraging of public funds as a risk cushion to attract significant private sector capital to Sub-Saharan Africa.
- REGMIFA offers a range of investment opportunities open to a wide pool of investors, from the first loss C Share tranche for donor funded investors to purely commercial Senior Notes attractive to commercial investors.
- The investor sequencing strategy seeks to meet the expectations of the investor classes in a way that benefits the Fund from a profitability and sustainability perspective.
- Target investors include:
 - ▶ Public sector investors including governments, development finance institutions, international finance institutions and donor organizations;
 - ▶ Institutional investors including banks, investment managers, private foundations and pension funds;
 - ▶ Private investors, including the high net worth individuals in the African diaspora and socially conscious investors within the target countries.

INVESTORS





TECHNICAL ASSISTANCE FACILITY

Legal Structure

Fiduciary Agreement / Fiducie; under Luxembourg law on trusts and fiduciary contracts

Start of Operations of Facility

January 2011

TA Facility Manager

Symbiotics Asset Management SA

Subcontractor

Microfinanza Sarl.

Fiduciary custodian

Credit Suisse (Luxembourg) SA

Contacts

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South Africa (PTY) Limited

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TA Facility Manager
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Implementation approach

- Established as a separate structure funded through contributions from donors.
- Key element of the Investment Fund's value proposal, enabling it to provide technical support to its PLIs and increasing their developmental impact, fostering their capacity building and enhancing their outreach.
- Complementarity between the Fund and the TA Facility by combining TA with much needed financial resources, ensuring maximized efficiency of funding and directly supporting the investment pipeline of the Fund.
- Efforts focused on strengthening financial institutions and the sector across the region; complementary to other industry initiatives.
- Delivery of competitive and high quality consultancy services; provision of services based on clients' needs and efficient and cost effective management of the facility.

Activity focus

- Areas such as product development, strategic planning, decentralization, marketing, governance, risk management, internal control & audit, financial reporting, management information systems, human resources, anti-money laundering and profitability management.
- Institutional capacity building initiatives, including tailored support to mitigate risk (risk, systems, governance, operations) and building competencies to increase outreach (product development, strategic initiatives).

Principles

- Focus on supporting PLIs funded by REGMIFA.
- Address key operational needs in PLIs through focused capacity building and consulting.
- Ensure high ownership of the activity by the PLI, pursuing co-financing of activities in which PLIs share the costs of the consulting services.
- Particular focus on small and medium PLIs in line with the Fund's priorities.

DONORS



RESOURCES FOR PARTNER LENDING INSTITUTIONS

Partnership with REGMIFA

1. First contact and presentation of the institution
2. Transmission of required documentation
3. Regular submission of operational and financial information
4. On-site due diligence visit
5. Evaluation of funding and TA needs and definition of loan and TA conditions
6. Investment Committee and TA Committee Decision, closing process

Required documentation

- Institutional presentation
- Founding documents (corporate bylaws/statutes)
- Registration document
- Licence, if existing
- 4 year audited accounts, including signed letter from auditor & notes
- 3 year business plan with financial projections
- Detailed list of outstanding debt
- Shareholding structure
- List of board of directors
- List of management team with CVs and organizational chart
- Monthly & annual reporting on-line on syminvest.com
- External ratings (if existing)

Contacts

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Product offering:

■ Long term debt financing

REGMIFA offers senior unsecured debt in local currency as well as hard currency and helps address maturity mismatches faced by institutions by offering medium to long-term maturities.

- Senior debt with tenor ranging from 12 to 60 months
- Minimum loan of USD 500,000
- Fixed or floating market interest rates
- USD, EUR or local currencies if available
- Flexible payment terms
- Semi-annual or annual payments of interest

■ Eligibility for technical assistance support

REGMIFA also offers technical assistance support focused mainly on product development, strategic planning, decentralization, marketing, governance, risk management, internal control / audit, financial reporting, management information systems, human resources, anti-money laundering or profitability management.

The technical assistance facility may be available to those institutions who have already received financial support from REGMIFA.

Eligibility criteria:

- Mission to serve principally MSMEs
- Good portfolio quality
- Minimum track record of 3 years (in principle)
- Commercially sustainable or present a promising business plan and market positioning
- Externally audited
- Commitment to transmit quality information on a monthly basis and accept a yearly due diligence visit

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