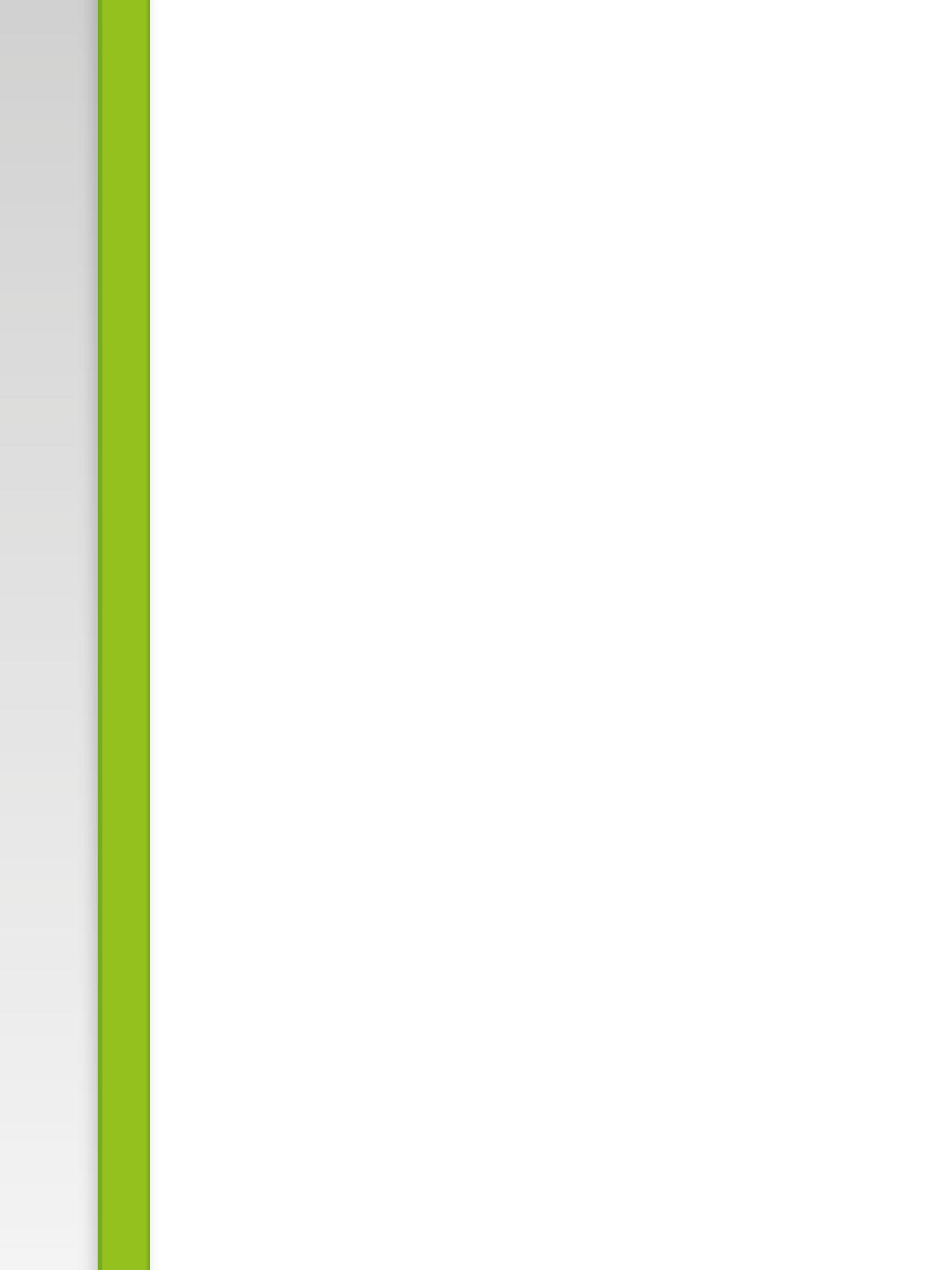




advans 

# 2010-2011 Annual Report





## Table of contents

---

Advans in brief .....	4
Key figures.....	4
Review of the year (April 2010 – March 2011).....	5
Letter from the Chairman of the Board .....	6
Shareholders and Management .....	8
Investment strategy.....	11
The Advans network .....	12
Financial statements .....	18

## Advans in brief

---

Advans SA SICAR (Advans SA) is a venture capital investment company whose mission is to broaden access to financial services for micro, small and medium-sized enterprises (MSMEs) in developing countries and emerging economies. Though these enterprises play a vital role in the economy, they often lack access to a regular supply of financial services under acceptable conditions.

Advans SA is a long-term investor, whose objective is to create an international network of financial institutions. Its modus operandi is to invest as lead shareholder in the creation of financial institutions targeting MSMEs, commonly known as microfinance institutions (MFIs). Advans SA can also invest in existing MFIs sharing its mission and willing to join the Advans network.

In addition to equity and debt funding, Advans SA provides the necessary technical assistance to turn these institutions into sustainable and profitable operations. Being a lead shareholder, Advans SA is also closely involved in the governance of institutions in its network.



## Key figures

---

as at 31 March 2011 (in EUR)

Balance sheet figures for Advans SA SICAR	
Committed Capital	40,100,000
Paid in Capital	23,100,000
Total Investments	20,794,271
Total Assets	23,578,619

Statistics for investee companies	
Number of financial institutions	6
Number of loans outstanding	251,375
Volume of loans outstanding	65,303,481
Number of deposit accounts	58,869
Volume of deposit accounts	22,127,912
Number of staff	2,024



## Review of the year (April 2010 – March 2011)

### *Initial investment in Advans Bank Tanzania*

After having received its license to operate from the Bank of Tanzania in May 2010, Advans Bank Tanzania was incorporated in July 2010. Its initial share capital amounts to TZS 7.2 billion (EUR 4.1 million) and is held by Advans SA, as majority shareholder owning 70% of the shares, and FMO, the Netherlands Development Finance Company.

On 7 February 2011, Advans Bank Tanzania, opened its doors to the public and became the fourth operating greenfield microfinance institution and second fully-fledged bank of the Advans network. Its first branch is located in Manzese, one of the busiest areas of Dar es Salaam, Tanzania's economic center.



### *Additional investment in Advans Côte d'Ivoire*

In October 2010, Advans Côte d'Ivoire increased its capital from XOF 250 million to XOF 3,251 million. The newly issued capital was subscribed by Advans SA, FMO, FISEA and SGBCI, the Ivorian subsidiary of the Société Générale Group. After this capital increase, Advans SA remains a majority shareholder, with a 57.8% stake in Advans Côte d'Ivoire.

On 4 November 2010, Advans Côte d'Ivoire signed a "convention cadre" with the Ministry of Economy and Finance of the Republic of Côte d'Ivoire. The convention defines the conditions under which Advans Côte d'Ivoire is authorised to conduct microfinance operations.

The start of operations, which was initially scheduled for the first semester of 2011 in Abidjan, had to be postponed due to the post-electoral crisis which struck the country in early 2011. At the time this report is edited, the political situation has settled down in Côte d'Ivoire.



### *Advans SA renewed its Luxflag Microfinance Label*

In October 2010, Advans SA successfully renewed its Luxflag Microfinance Label for a one-year period. The Luxflag Microfinance Label rewards investment vehicles actually investing in microfinance. Advans SA was the first "Société d'Investissement en Capital à Risque" (SICAR) to be awarded such a distinction.



## Letter from the Chairman of the Board of Directors

---

During the period covered by this report, from April 2010 to March 2011, the world's political scene has witnessed very important events. Power shifted hands in several countries where Advans has, or might make, investments. We are confident this change will bring sustainable improvement for the populations. We also hope for a broader awareness of the fact that economic growth must be coupled with socio-economic progress; and that responsible microfinance can contribute to achieving both.

The microfinance industry also went through a troubled period. Over indebtedness and reckless lending in some regions of the world have been brought to the attention of the governments and the public. In this context, our stance as a professional and responsible microfinance network is to adopt, promote and disseminate best practices.

Among the numerous achievements during this period, two deserve a particular attention. In October 2010, along with investors from both public and private sectors, Advans SA contributed to a capital increase in Advans Côte d'Ivoire. Although the project had to be postponed for several months due to a severe post-electoral crisis, it is now about to start again. Its impact on the recovering Ivorian economy should be significant. Later on, in February 2011, Advans Bank Tanzania opened its doors to the public and became the fifth operating institution and second fully-fledged bank of the Advans network.

All along the period considered, the other institutions of the Advans network in Cameroon, Cambodia, Ghana and Democratic Republic of Congo have made sizeable efforts to improve their efficiency and increase the size and outreach of their operations. Thanks to the dedication and professionalism of their teams, the Advans institutions are showing that commercial microfinance can be achieved in both a sustainable and responsible manner. This annual report is the occasion to congratulate these teams and encourage them to pursue their efforts.

With these new investments, the Advans network is reaching a critical size, which leverages the effect of synergies and knowledge exchanges. Experience accumulated since our first investment is continuously building up and being formalized in a set of policies and procedures we refer to as the "Advans Model". Over the years to come, we hope to bring the synergies to a next level by promoting staff mobility between institutions of the network.

Perspectives for further development of the network are very encouraging. Thanks to the renewed support of its shareholders and partners, Advans SA will become the lead shareholder in several new MFIs in the near future. In order to reach our long-term objective, which is to build a leading microfinance network for MSMEs, we intend to continue to actively screen potential investment opportunities in Africa, Asia and the Middle-East.



*Henk Nijland*

Chairman of the Board of Directors

## *The Board of Directors*



*From left to right: François Lagier, Hywel Rees-Jones, Wolfgang Bertelsmeier, Henk Nijland, Matthias Adler, Edvardas Bumsteinas, Claude Falgon*

## Shareholders and Management

Advans SA is a regulated venture capital investment company ("Société d'Investissement en Capital à Risque" or "SICAR"), based in Luxembourg and incorporated in 2005. As such it is licensed and supervised by the CSSF (Commission de Supervision du Secteur Financier, Financial Sector Supervision Commission). As recognition of its commitment to investing in the microfinance sector, Advans SA was granted the LuxFLAG Microfinance label.

### Committed capital

As at 31 March 2011, Advans SA's total committed capital amounts to EUR 40.1 million which is split as follows:

#### Advans SA's committed capital

Shareholder	Committed capital (EUR)	%
EIB	9,500,000	23.69%
CDC	7,500,000	18.70%
FMO	7,500,000	18.70%
IFC	6,600,000	16.46%
FISEA (AFD Group)	5,000,000	12.47%
KfW	3,000,000	7.48%
LFP	700,000	1.75%
Horus	300,000	0.75%
<b>Total</b>	<b>40,100,000</b>	<b>100.00%</b>

#### Horus Development Finance (Horus) and La Fayette Participations (LFP)

Horus Development Finance (Horus) is a consulting firm and technical assistance provider working in the microfinance and SME finance sector, in emerging and developing countries.



Horus was created in 1994 initially to advise major donors, international financial institutions and governments, as well as provide technical assistance for non-governmental organisations and other entities operating savings and credit activities.

After becoming one of the leading consulting firms in microfinance, Horus gradually started managing capacity-building projects and MFIs.

Horus is not only a shareholder, but also the sponsor and manager of Advans SA. It is also the privileged technical assistance provider to the institutions of the Advans network.

La Fayette Participations (LFP) is an investment company created by the Horus group for the purpose of subscribing to shares in MFIs and microfinance banks. In creating LFP, Horus aimed to combine its technical expertise with shareholder status.

#### Netherlands Development Finance Company (FMO)

The Netherlands Development Finance Company (FMO) is the international development bank of the Netherlands.



FMO is a public-private bank founded by the Dutch government and business community in 1970. The Dutch State holds 51% of its shares while the large Dutch banks retain 42%. The remaining 7% is held by employers' associations, trade unions and some 100 Dutch companies and individual investors. FMO invests risk capital in companies and financial institutions in developing countries. With an investment portfolio of EUR 5.3 billion at the end of 2009, FMO is one of the largest bilateral private sector development banks worldwide. Thanks in part to its relationship with the Dutch government, FMO is able to take risks which commercial financiers are not - or not yet - prepared to take. FMO's mission is to create flourishing enterprises, which can serve as engines of sustainable growth in their countries.

#### FISEA (AFD Group)

FISEA is an investment fund that takes equity participations in businesses, banks, MFIs and investment funds operating in Sub-Saharan Africa. It is one of the key mechanisms of the French Initiative for Growth and Employment in Africa launched by the French President in February 2008. FISEA's capital endowment was provided by Agence Française de Développement (AFD). Project appraisal and



management of FISEA has been entrusted to Proparco, AFD's private sector investment arm.

FISEA aims to be complementary to traditional private funds and focuses on investments that carry a higher risk in unstable or post-crisis regions. It makes small investments in sectors that are traditionally neglected. The fund has a EUR 50 million annual investment target over a five-year period.

#### European Investment Bank (EIB)

The European Investment Bank (EIB), created by the Treaty of Rome in 1958, is the European Union's long-term financing institution. The EIB contributes towards the integration, balanced development and economic and social cohesion of the Member Countries. Outside the Union the EIB implements the financial components of agreements concluded under European development aid and cooperation policies.



The EIB Group has a longstanding record in microfinance. Since 2000, it has supported MFIs, fund providers and other industry stakeholders in addressing specific market failures and promoting financing solutions for MSMEs and low income self-employed.

Towards the end of 2010, EIB group has committed EUR 674.8 million to microfinance projects or intermediaries located in the EU, EU Neighbours, Candidate and Accession Countries, including approximately EUR 21 million in grants for technical assistance.

The EIB Group's microfinance activities are deployed in three geographic regions: Sub-Saharan African, Caribbean and Pacific countries (ACP region), Mediterranean partner countries and Europe.

#### International Finance Corporation (IFC)

IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in developing countries. IFC creates opportunity for people to escape poverty and improve their lives. It does so by providing financing to help businesses employ more people and supply essential services, by mobilizing capital from others, and by delivering advisory services to ensure sustainable development. In a time of global economic uncertainty, IFC's new investments climbed to a record USD 18 billion in fiscal 2010.



#### KfW Bank of Development (KfW)

KfW Entwicklungsbank is part of the KfW Bankengruppe which is a promotional bank under the ownership of the Federal Republic of Germany (80%) and the Länder (federal states - 20%). KfW Bankengruppe offers support to encourage sustainable improvement in economic, social, ecological living and business conditions. In 2010, KfW Bankengruppe total financing volume amounted to EUR 81.4 billion.



KfW Entwicklungsbank is a competent and strategic advisor on current development issues. On behalf of the German Federal Government, KfW Entwicklungsbank finances reforms, infrastructure and financial systems for socially and ecologically compatible economic growth. It is a worldwide financing partner and also employs funds of its own for development projects.

#### CDC Group plc (CDC)

CDC Group plc (CDC) is the UK's Development Finance Institution and is owned by the UK government's Department for International Development. Established in 1948, CDC's mission is to be a pioneering investor, stimulating the private sector and demonstrating the power of enterprise and private capital to reduce poverty in the poorest places of the world. In 2011 CDC published a new high level business plan, including a new geographic focus and a wider range of investment instruments.



## Management of the institution

### The Manager

Horus Development Finance (Horus) manages the assets of Advans SA under the supervision of the Board of Directors and the Investment Committee. Its responsibilities include the identification, evaluation and negotiation of potential investment and divestment opportunities and the review, monitoring and supervision of the investment portfolio.

In order to perform its management duties, Horus has brought together a team of professionals, experienced in microfinance and private equity:

- Claude Falgon, President and CEO of Horus, Manager of Advans SA
- Steven Duchatelle, Head of Investment Unit
- Amanda Hannan, Senior Investment Officer
- Alberto Didoni, Investment Officer
- Thibaud Ponchon, Investment Officer
- Emmanuel Aris, Investment Analyst
- Vidary Inthamone, Investment Analyst
- Juliette Vasseur, Investment Analyst

### Board of Directors

Advans SA's Board of Directors is primarily responsible for the overall management of Advans in accordance with its statutes and Luxembourg law. It is composed of qualified senior professionals with a long and solid experience in financial services. As at 31 March 2011 its members were the following:

- Mr. Henk Nijland, Chairman of the Board, Manager of Massif and Capacity Development for Africa at FMO
- Dr. Matthias Adler, Deputy Chairman of the Board, Principal Economist, financial and private sector development, Europe, KfW
- Hywel Rees-Jones, Managing Director Alternative Investments, CDC Group
- Wolfgang Bertelsmeier, Financial Advisor
- Edvardas Bumsteinas, Investment Officer ACP Region, EIB
- François Lagier, Finance Consultant
- Claude Falgon, Chairman and Chief Executive Officer, Horus Development Finance

### Investment Committee

The Investment Committee, appointed by the Board of Directors, reviews investment proposals prepared by the Manager and makes recommendations to the Board of Directors. At 31 March 2011, the Investment Committee was chaired by Mr. Matthias Adler, Principal Economist, financial and private sector development, Europe at KfW.

### Group Audit

Since May 2009, a group audit unit has been put in place at the holding level to support the development of strong internal audit units within each Advans affiliate. It reports directly to the Board of Directors on a quarterly basis. Its mission is to contribute to the development, support and supervision of the internal audit departments of the affiliates and to ensure the consistency and efficiency of the internal audit function within the Advans network.





## Investment strategy

Advans SA's investment strategy primarily consists in setting up greenfield MFIs in developing and emerging countries. Advans SA can also invest in existing MFIs in need of a lead shareholder. For all its investments, Advans SA targets challenging environments where (i) the supply of financial services is insufficient and inadequate; (ii) the financial sector, whilst enjoying some degree of competition, is far from reaching maturity or (iii) the private sector economy has suffered and is recovering from a distressed social and political situation.

Advans SA's investments are subject to its risk management policy including geographical risk diversification ratios.

Advans SA invests as lead shareholder, along with co-shareholders which bring strategic and operational benefits as well as financial support. Shareholders have common objectives: economic and social development as well as a fair return on investment. Advans SA views its involvement in MFIs as a long-term commitment and remains lead or majority shareholder at least until the MFI is profitable and sustainable.

As lead shareholder, Advans SA combines financial and technical resources to bring best practices in corporate governance and operation management to the institutions in its network.

In addition to equity, Advans SA can provide loans and guarantees, offered on a commercial basis, to investee MFIs if they cannot access local or international financial markets under acceptable conditions.



## The Advans network

---

The Advans network is currently active in five countries: Cambodia, Cameroon, Democratic Republic of Congo, Ghana and Tanzania. A sixth investment has been made in Côte d'Ivoire and should start operations beginning of 2012. The seventh and eighth investments will shortly be made in Pakistan and Nigeria, where operations should start in 2012. Over the next three years, Advans SA plans to establish or take a majority stake in six to seven new MFIs, in Africa, Asia and the Middle-East.



## Amret, Cambodia



### Context



In 2010, Cambodia started to recover from the global economic downturn. GDP grew by 4%, though this remained far from the double-digit levels achieved during 1998-2008.

Cambodia, which generates a large part its revenues from textile and tourism, remains highly vulnerable to external shocks. Oil resources, which were recently discovered in Cambodia, should start to generate revenues in 2012.

After experiencing a harsh crisis in 2009, the Cambodian microfinance sector started to grow again in 2010. Total lending from the Kingdom's 23 MFIs increased by 33% in 2010, while the average non-performing loan (NPL) rate decreased according to data from the Cambodia Microfinance Association.

### Key facts and figures as at the end of March 2011

Start of operations: 1991

1,403 employees

49 points of sale

235,975 loans outstanding for a total amount of EUR 50,254,618

25,740 deposits for a total amount of EUR 14,447,309

Portfolio at Risk over 30 days: 0.40%

Advans SA's shareholding: 31.8%

### Overview

Amret's microcredit activity was set up in 1991 as a NGO project. Started as a village-banking operation it evolved after 1995 towards an individual approach in order to reach sustainability more rapidly. In 2000, Amret transformed into a private limited company but continued to operate exclusively in rural areas. In 2007 Amret extended its operations to urban areas. In January 2009, Amret received its microfinance deposit-taking institution license from the National Bank of Cambodia: a first step towards its objective of gradually transforming into a micro-bank offering a comprehensive range of financial services to low-income population and Cambodian MSMEs. Amret is the leading Cambodian MFI in terms of outreach and pursues the objective of becoming the leading provider of financial services to the agricultural sector and to SMEs in rural areas.

Amret's credit operations suffered in 2009 from the global downturn which impacted the entire Cambodian microfinance sector. It led the institution to reinforce its internal risk management procedures. In 2010 and early 2011, these measures yielded satisfactory results. Over the period considered, the outstanding loan portfolio of the institution (converted in EUR) grew by 33% while the portfolio quality recovered back to pre-crisis level. Amret also performed very well on the deposit side. The volume of deposit collection increased almost threefold, reaching EUR 14.5 million.

### Contact

Chea Phalarin, CEO  
#35BA, St. Tchecoslovaquie (169)  
Sangkat Veal Vong  
Khan 7 Makara  
Phnom Penh  
Cambodia, P.O. Box 411.

Tel: (855) 23 880 942  
(855) 23 991 342  
Fax: (855) 23 881 342

[info@amret.com.kh](mailto:info@amret.com.kh)  
[www.amret.com.kh](http://www.amret.com.kh)

## Advans Cameroun



### Context



In 2010, Cameroon recovered from the economic slowdown which followed the global downturn of 2009. Reducing import tariffs on several food items and subsidizing fuel products, the government managed to mitigate the impact of the crisis on the population. The increase in revenues generated by the country's main raw materials (cotton, cocoa, rubber), and rebound of the country's major industries (oil, timber) led to a real GDP growth of 3.2%, up from 2% in 2009. Fiscal austerity is expected to drive the macroeconomic policy of the government in 2011.

According to a report recently released by the World Bank, MSMEs play a vital role in the national economy, contributing to more than 60% of the total employment. As such, providing access to productive loans and adapted financial services to these micro entrepreneurs, Advans Cameroun contributes actively to the development of the local economy.

Next presidential elections in Cameroon are scheduled for 2011.

### Key facts and figures as at the end of March 2011

Start of operations: May 2007

212 employees

7 points of sale

7,505 loans outstanding for a total amount of EUR 9,647,253

13,093 deposits for a total amount of EUR 5,955,374

Portfolio at Risk over 30 days: 3.17%

Advans SA's shareholding: 72.6%

### Overview

During the year 2010/11, Advans Cameroun accelerated its geographic expansion with the opening of two additional branches, which brings the total to seven points of sale at the end of the period. The network covers three cities: Douala, Yaoundé and, more recently, Bafoussam in the western part of the country.

In a view to effectively manage risk while achieving strong growth, a SME department was formally set up in 2010. It enabled the experience accumulated within the SME branch to be transferred to all other branches of the network during the second semester.

This year 2010/11 was the occasion for Advans Cameroun to broaden its range of services. Wire transfer services were made available to all saving accounts' clients in May 2010, while internal cheques were introduced in October.

The institution reached break-even on a monthly basis starting from July 2010, and on a quarterly basis over the last quarter of 2010.

### Contact

Frank Snieders, CEO  
Advans Cameroun  
Akwa - Rond Point Salle des Fête  
Douala, Cameroun

Tel: +237 343 79 80  
+237 343 79 45

[advans@advanscameroun.com](mailto:advans@advanscameroun.com)

## Advans Ghana



### Context



Although Ghana was impacted by the economic downturn, it suffered less than many other countries. Ghana achieved real GDP growth of 5.7% in 2010, 1% point higher than the previous year. Despite this economic growth, unemployment remains high at 11%, while more than 80% of the country labour force is employed by SMEs with less than 500 full time employees.

The Ghana Cedi was relatively stable during the year 2010 against the country's major trading currencies, namely USD, GBP and EUR. Inflation remains a major concern even though it improved significantly over period considered, standing at 9.1% as at the end of March 2011, against 14.8% at the beginning of 2010.

### Key facts and figures as at the end of March 2011

Start of operations: October 2008

232 employees

9 points of sale

5,796 loans outstanding for a total amount of EUR 2,810,934

14,276 deposits for a total amount of EUR 640,984

Portfolio at Risk over 30 days: 4.86%

Advans SA's shareholding: 61.1 %

### Overview

In 2010, Advans Ghana opened two fully-fledged branches as well as three points of services, bringing its network from three to eight points of sale. The network expanded out of Accra, with new branches in Koforidua (capital city of the Eastern Region), and Ashaiman (Northern suburb of Tema). A ninth point of sale was opened in the first quarter of 2011.

The lending activity met a very strong increase during the fiscal year, with a gross loan portfolio multiplied by circa 3.4, reaching the equivalent of EUR 2.81 million for around 5,800 active loans as at the end of March 2011.

During the year, Advans Ghana introduced SME lending, targeting larger businesses than those covered thus far. These new clients proved more demanding in terms of transactional tools (cheques, domestic or international transfers), which led Advans Ghana to introduce new services.

Advans Ghana enriched the range of its financial services, introducing in-house cheques, as well as SMS information services (account balance, transaction alerts and instalment reminders for borrowers). Advans Ghana also initiated a pilot project using the e-Zwich infrastructure to propose a cash collection service at the client's door step, as offered by traditional "Susu" collectors.

### Contact

Tanguy Gravot, CEO  
PO Box AN11426  
Accra North  
Ghana

Tel: +233 21 25 13 22

[info@advansghana.com](mailto:info@advansghana.com)  
[www.advansghana.com](http://www.advansghana.com)

## Advans Banque Congo



### Context



2010 saw a strong economic recovery for the Congolese economy. After stagnating in 2009, GDP grew by 7.2% in 2010. This performance arose partly from the rebound of the global demand for commodities, but also from the dynamism of the transport, telecommunication and construction sectors.

The Congolese Franc, which depreciated by 40% against the dollar in 2009, remained fairly stable in 2010 as a result of sound macroeconomic policies and government budget restraint.

Presidential and parliamentary elections in DRC are scheduled for 27 November 2011. Government spending might increase substantially ahead of elections in the second semester of 2011. There is a risk of the Congolese Franc depreciating further against the USD, which, in a heavily dollarized economy, would mechanically affect the purchasing power of the Congolese population.

### Key facts and figures as at the end of March 2011

Start of operations: July 2009

---

139 employees

---

3 points of sale

---

2,031 loans outstanding for a total amount of EUR 2,515,188

---

5,001 deposits for a total amount of EUR 1,063,731

---

Portfolio at Risk over 30 days: 4.12%

---

Advans SA's shareholding: 50.4 %

### Overview

Advans Banque Congo was incorporated in July 2008. It started operations a year later as a commercial bank. The head office and first branch are located in Gombé, close to the busiest market of Kinshasa. In 2010, Advans Banque Congo opened two additional points of sale in the city of Kinshasa, in Bandal and Masina.

Advans Banque Congo offers a range of financial products adapted to the needs of MSMEs, with a strong focus on credit: productive loans, for both working capital and investment needs; various savings products in both USD and Congolese Franc; foreign exchange and national and international money transfers. Spearheading the innovation in the Congolese banking sector, Advans Bank Congo launched a mobile banking services offer in 2010. In early 2011, the bank introduced SME loans to serve clients with loans up to USD 40,000.

### Contact

François Lecuyer, CEO  
Avenue du Bas-Congo, N.4  
Commune de la Gombe  
Kinshasa  
Democratic Republic of Congo

Tel: +243 99 160 42 15

[info@advansbanquecongo.com](mailto:info@advansbanquecongo.com)  
[www.advansbanquecongo.com](http://www.advansbanquecongo.com)

## Advans Bank Tanzania



### Context



Tanzania has enjoyed sustained annual growth rates over the last decade between 6.2% and 7.3%. Despite this impressive record, more than a third of the population still lives below the poverty line, especially in rural areas. The Tanzanian economy is fragile, relying mainly on agriculture, which employs 80% of the labor force and creates about 50% of the country's wealth.

Tanzania remains heavily dependent on foreign aid inflows. International donors contributed to about 33% of the 2009-10 State's budget. This international support was mainly directed to projects aiming at upgrading the country's infrastructure.

### Key facts and figures as at the end of March 2011

Start of operations: February 2011

38 employees

1 point of sale

68 loans outstanding for a total amount of EUR 75,488

759 deposits for a total amount of EUR 20,515

Portfolio at Risk over 30 days: 0.00%

Advans SA's shareholding: 70%

### Overview

Advans Bank Tanzania is a fully-fledged commercial bank, licensed and supervised by the Bank of Tanzania. Its head office and main branch are located in Manzese, one of the busiest areas of Dar-Es-Salaam. Advans Bank Tanzania opened its doors to the public in February 2011.

Advans Bank Tanzania offers a comprehensive range of credit and deposit solutions to micro, small and medium enterprises. Over the coming years, Advans Bank Tanzania plans to extend its network in Dar-Es-Salaam and to broaden its range of products and services, including ATM, SME lending and mobile banking.

### Contact

Brigitte Laydeker, CEO  
Manzese Darajani  
Morogoro Road  
Dar Es Salaam  
Tanzania

Tel : +255 65 75 67 405

[info@advansbanktanzania.com](mailto:info@advansbanktanzania.com)

## Financial statements

---

Advans SA's financial performance reflects that of an equity investment company gradually building up its portfolio of start-up microbanks and MFIs:

- Advans SA posted a profit for the third consecutive year, with a net result of EUR 110,459. Profits are mainly due to unrealised capital gains on its participations. These capital gains reflect an increase in the underlying value of Amret reduced in part by unrealized foreign exchange losses due to the relative appreciation of the Euro against the currencies in which Advans SA's investments are denominated.
- Cash revenues, which amounts to EUR 383,258 mainly consist of (i) interest earned on cash balances; (ii) fees and interest related to guarantees and loans provided to affiliated companies; (iii) dividends paid by Amret and (iv) revenues for group internal audit services.
- Operating expenses increased by 17% from last year and are mainly composed of:
  - Manager's fees covering the preparatory work for new investments and the monitoring of existing investments;
  - Pre-incorporation expenses amortised over a 5-year period;
  - Transfer agent and depository bank fees, due as a SICAR;
  - Auditor and tax consultancy fee;
  - Legal consulting fees in preparing the legal documentation for investments;
  - Internal Audit fees.



Balance sheet for the financial year ended 31 March 2011 (in EUR)

	31 March 2011	31 March 2010
<b>ASSETS</b>		
Fixed Assets		
<i>Formation expenses</i>		11,102
<i>Financial assets</i>	20,794,271	14,424,615
<i>Total fixed assets</i>	20,794,271	14,435,717
Currents assets		
<i>Amounts owed by affiliated undertakings becoming due and payable within one year</i>	60,021	26,007
<i>Other transferrable securities</i>	500,965	-
<i>Prepayments and accrued income</i>	-	1,000
<i>Cash at bank</i>	2,223,362	2,910,537
<i>Total current assets</i>	2,784,348	2,937,544
<b>Total assets</b>	<b>23,578,619</b>	<b>17,373,261</b>
<b>LIABILITIES</b>		
<i>Other creditors becoming due and payable within one year</i>	-242,774	-147,876
<b>Net assets</b>	<b>23,335,845</b>	<b>17,225,385</b>
<b>EQUITY</b>		
<i>Paid-up share capital</i>	23,100,000	17,100,000
<i>Share premium account</i>	142,000	142,000
<i>Retained earnings</i>	-16,614	-1,005,205
<i>Profit/(loss) for the financial year</i>	110,459	988,590
<b>Total shareholders' equity</b>	<b>23,335,845</b>	<b>17,225,385</b>

Profit and loss account for the financial year ended 31 March 2011 (in EUR)

	31 March 2011	31 March 2010
<b>INCOME</b>		
<i>Interest income</i>	9,087	10,514
<i>Interest income from affiliated companies</i>	-	7,031
<i>Dividend income</i>	114,364	94,428
<i>Other operating income</i>	259,807	168,741
<i>Net changes in fair value on financial fixed assets</i>	1,031,118	1,858,937
<b>Total net income</b>	<b>1,414,376</b>	<b>2,139,651</b>
<b>EXPENSES</b>		
<i>Operating expenses</i>	1,252,532	1,074,107
<i>Depreciation on formation expenses</i>	11,102	44,409
<i>Net changes in fair value on current assets</i>	82	-
<i>Taxes</i>	40,201	32,545
<b>Total expenses</b>	<b>1,303,917</b>	<b>1,151,061</b>
<b>NET PROFIT</b>	<b>110,459</b>	<b>988,590</b>



advans 

**Advans SA SICAR**  
69, route d'Esch  
L-1470 Luxembourg  
Luxembourg  
[contact@advansgroup.com](mailto:contact@advansgroup.com)

**Horus Development Finance**  
39 rue La Fayette  
75009 Paris  
France  
Phone: +33 1 53 32 75 75  
[contact@horus-df.com](mailto:contact@horus-df.com)