



advans 

2011-2012 Annual Report

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Advans in brief

Presentation

Advans SA SICAR (Advans SA) is an 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 adapted financial services under acceptable conditions.

Advans SA is a long-term investor, whose objective is to create an international group of financial institutions sharing common values, policies and procedures. 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 group.

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



Mission & values

Mission & strategy

Advans SA's mission is to build a group of MFIs in developing and emerging countries. The institutions of the Advans group offer simple yet effective financial services such as loans and deposits to micro, small and medium-sized enterprises (MSME) which have limited or no access to formal banking services.

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 or 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 economic 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 like-minded 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.

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

Values of the Advans group

The corporate culture of Advans is based on a set of values and management principles shared by every institution of the group. Advans core culture offers a nurturing ground for synergies to emerge and best practice to be spread within the Advans group.

Promote the spirit of entrepreneurship

Support the entrepreneurs: Institutions of the Advans group support their clients and try to meet their needs, offering a complete range of simple products necessary for the growth and success of their activities.

Respect for employees

Promote an open and transparent management: Senior management of Advans' institutions are always available for discussions and decisions are taken in a transparent manner. This approach is appreciated because it generates innovation, develops individual responsibility among staff and promotes a dynamic and motivating working environment.

Monitor the personal and professional development of staff: Advans' success depends to a great extent on its human resources. The group's human resources policy emphasizes low staff turnover, performance-based incentives, internal and external training, staff exchanges, and promotion opportunities within the group.

Non-discriminating employer: Advans institutions give everyone an equal opportunity for employment and career development, irrespective of gender, family origins, colour, disability, friendship or family acquaintance.

Integrity

Opposing corruption and all kinds of illegal activities: Advans institutions are committed to not taking part in any form of corruption or illegal activity when carrying out their operations. Staff must, in every circumstances show complete and utter honesty. The definition of transparent policies (credit policy, recruitment policy, code of conduct, etc.) contributes to the fight against corruption and nepotism within the institution.

Money laundering and financing of terrorism: Money laundering and the financing of terrorism is a major concern for the affiliates of the Advans group, as well as for its shareholders. Specific policies are enforced which adhere to the Wolfsberg principles and follow the recommendations of the Financial Action Task Force (FATF). Advans policies were designed according to local regulations to prevent any unintentional financing of fraudulent activities.

Professionalism

Respect of the client: The client is at the very heart of Advans institutions' activities. The employees of Advans' affiliates must do everything in their power to meet the client's needs and provide her/him with transparent information on Advans products. This respect showed to the client, along with a deep understanding of the activities undertaken by the micro-entrepreneurs, helps prevent situations of impoverishment and over-indebtedness.

Quality of the services provided: Providing good quality services is an important principle of the Advans group. The level of satisfaction of our clients is regularly tested and our products and services are fine-tuned to better respond to client's needs.

Commitment: The staff of Advans institutions commits to Advans' goal when joining the group and serving its clients. In the exercise of their duties, the staff represents the interest of the company.



Actor / Promoter of sustainable development

Environmental and Social Policy: Beyond the economic benefits of microfinance, the Advans group carefully looks at the social and environmental impact of its activities. A Social and Environmental Management System (SEMS) was defined at group level and is implemented by Advans institutions. In particular, it includes an exclusion list defining the sectors of activity which cannot benefit from financial support due to their negative social or environmental impact.

Every employee of the Advans group benefits from a training course on the Environmental and Social Policy of the group during the initial training sessions organized for new staff. Employees are then invited to proactively participate in the improvement of the Social and Environmental Management System (SEMS) by sharing their own experience and promoting best practices with their colleagues.

Sustainability: The goal of Advans institutions is to achieve financial self-sufficiency after a few initial years of extensive growth and investment. Reaching self-sufficiency allows each Advans MFI to expand its outreach and serve a large base of clients in the long term.

Innovation

Making intelligent use of modern technologies: Advans institutions use new technologies to improve their customer relationship management, reduce operating costs and broaden their outreach.

Promote initiative-taking and expression of innovative ideas amongst staff : Innovative proposals often come from employees. Advans MFIs' staff are encouraged to proactively propose new ideas and ways to improve the efficiency of the operations and the quality of the services rendered to the clientele.

Advans model

As lead shareholder, Advans SA combines financial and technical resources to bring best practices in corporate governance and operational management to the institutions of its group. The core Advans principles are outlined in its common policies and a standard set of procedures has been devised and implemented based on common tools (core banking system, accounting software, CRM and Business Intelligence). The Advans model is constantly updated with best practices emerging from all the institutions of the group.



Key figures

as at 31 March 2012 (in EUR)

Balance sheet figures for Advans SA SICAR

Committed Capital	43,600,000
Paid in Capital	32,100,000
Total Investments	25,253,458
Total Assets	33,528,713

Statistics for investee companies

Number of financial institutions	6
Number of loans outstanding	292,014
Volume of loans outstanding	109,291,423
Number of deposit accounts	104,343
Volume of deposit accounts	48,543,246
Number of staff	2,612

Letter from the Chairman of the Board of Directors

Unlike many developed countries that have grappled with stagnant economies and financial crises, Asia and Africa, the continents in which the Advans group is currently present, have fared relatively well in the period covered by this report. Most of our countries of operations have seen the return to sustained levels of economic growth, coupled with relatively low levels of inflation and stable exchange rates. The positive macroeconomic context has been accompanied by political stability, which greatly facilitated our task of supporting the expansion of micro and small entrepreneurs in the countries in which Advans operates.

Advans continues to expand. After the uncertainties following the severe post-election crisis which lasted until mid-2011, Advans SA and its co-shareholders were able to resume the preparatory works for the opening of our new affiliate. Advans Côte d'Ivoire, the fifth Advans greenfield microfinance institution, opened its doors to the public in March 2012 and, we are convinced, it will contribute to rebuilding the Ivorian economy by supporting many micro and small entrepreneurs.



Advans SA's efforts of building a group of sustainable financial institutions are starting to bear fruit: Advans Cameroun, our first greenfield microfinance institution, reached break-even on an annual basis in 2011. This important achievement, which confirms the viability of the Advans model, is the result of the hard work of Advans Cameroun's dedicated staff, the leadership of its management and the support of its shareholders.

It was also a positive year for Amret, the largest and oldest institution of the Advans group, which continues to deliver strong financial results and was able to take advantage of the renewed growth of the Cambodian economy to increase its loan portfolio (+58% over the reporting period) and significantly develop its volume of deposits (+148%).

The Advans group has been exploring new ways of providing good quality services to micro and small enterprises not adequately served by other financial intermediaries. Besides micro-enterprise lending, Advans' initial core business, our more mature affiliates have successfully ventured into small and medium business lending, as a natural evolution of their activities and in response to the growing needs of our larger clients. This is a promising area of business for the group, particularly in those countries where the supply of finance from more traditional commercial banks still remains limited.

Our clients have been asking for additional services beyond loans and deposits and Advans has been developing additional products to meet those growing needs. A great emphasis has been put on improving payment services and facilitating money withdrawals within the group. Mobile banking solutions are also being gradually introduced across the group allowing our clients to access basic information and perform simple transactions outside Advans branches. The introduction of this product is in line with the objective of the group which is to offer state-of-the-art services to our customers at affordable costs.

Many challenges lie ahead of us for the coming years. First and foremost, we need to consolidate our network of institutions, making sure that our policies and procedures are correctly implemented across the board. Creating a pool of regional middle and top managers will also be key for the development of the Advans group. We therefore need to identify and invest in our most talented staff, giving them the opportunity to deploy their skills within the various institutions of the group.

While the group keeps on expanding, we shall bear in mind that Advans is committed to promoting best standards within the industry and to providing its clients with access to first class financial services, thereby ensuring that the economic growth of the countries in which we invest is inclusive.

I would like to finish by thanking all members of staff throughout the network for their continued hard work and dedication. It is their contribution which makes the Advans group the success it is today.

Henk Nijland

Chairman of the Board of Directors

Review of the year (April 2011– March 2012)

Advans Côte d'Ivoire: launch of operations and capital increase

Advans Côte d'Ivoire, the fifth greenfield microfinance institution of the Advans group opened its doors to the public on 14 March 2012. The first branch is located in the commercial area of Adjamé, in Abidjan. Its initial capital was increased from CFA 3.21 billion to CFA 3.75 billion (EUR 5.72 million) with this capital increase entirely subscribed by IFC, which joined the group of initial shareholders: Advans SA, FMO, FISEA and SGBCI. With 50.1% of the shares, Advans SA remains the lead shareholder. The rest of the capital is held by IFC, FMO and FISEA with 13.30% of the shares each and SGBCI, the local affiliate of Société Générale, with 10.0% of the shares.



Capital increase in Advans Ghana

In May 2011, Advans Ghana carried out a GHS 2.351 million (EUR 987,000) capital increase to fund the growth of its operations as well as in response to the increase of the minimum capital requirement for Savings and Loans Companies in Ghana. All initial shareholders subscribed to this capital increase bringing the total capital to GHS 7 million (EUR 2.94 million). The shareholding structure remains unchanged: Advans SA is Advans Ghana's lead shareholder with 61.07% of the shares, IFC holds 18.1%, KfW 15.0% and SG-SSB, the local affiliate of Société Générale, has the remaining 5.8%.

Additional investment in Advans Banque Congo

Advans Banque Congo carried out a second capital increase in September 2011, raising USD 3 million. Advans SA reinforced its position as majority shareholder with 53.48% of the capital along with IFC and KfW holding 16.5% each. The African Development Bank (AfDB) holds the remaining 13.4% of the shares.

Advans SA increase in committed capital

In October 2011, Advans SA completed its third round of fundraising since its creation in 2005. Amounting to EUR 3.5 million, this was entirely committed by KfW, one of Advans SA's initial shareholders. This operation brought the total committed capital of Advans SA to EUR 43.6 million.

Outlook 2012-2013

In the upcoming fiscal year 2012-2013, the Advans group will continue its expansion in Africa and Asia through the creation of two new microfinance banks. Advans consolidates its outreach in sub-Saharan Africa with the opening of La Fayette Microfinance Bank ("Advans Nigeria") and widens its geographical outreach by creating its first greenfield MFI in Asia: Advans Pakistan Microfinance Bank Limited ("Advans Pakistan"). Both institutions will be incorporated in the second quarter of 2012 and operations in both countries will be launched this year. Pakistan and Nigeria are highly populated countries - with 175 and 160 million inhabitants, respectively – and will play a key role in increasing the outreach of the Advans group in the coming years.

The existing institutions of the group will be looking at ways to extend their current network and widen their outreach beyond major urban areas of the countries in which they operate. New initiatives will be launched in the upcoming year in more mature affiliates to offer new products and services to rural clientele. To this extent, a pilot project will be launched during the summer 2012 in the western part of Cameroun to provide loans to small-scale farmers. If successful, the pilot will be extended to other areas of Cameroun and replicated in other affiliates.

Additional energy will be also deployed in mobilizing deposits from the public which will allow Advans institutions to increase their customer base while decreasing refinancing costs. The gradual introduction of means of payments and money withdrawal devices, such as in-house cheques and debit cards, is expected to foster deposit collection and improve the quality of the services offered to Advans clientele.

2012 -2013 will also see further improvements in the area of client protection in Advans institutions. Advans Banque Congo worked on a complaint management system and this new service for its clientele will be implemented over the second half of the year. Should this pilot prove efficient and useful, the plan is to implement it in all the other affiliates. By doing so, the Advans group reiterates its commitment to provide high quality services to its clients and to ensure that international best practices are adequately applied within its affiliates.



Shareholders

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.



As at 31 March 2012, Advans SA's total committed capital amounts to EUR 43.6 million which is split as follows:

Advans SA's committed capital

Shareholder	Committed capital (EUR)	%
EIB	9,500,000	21.8%
CDC	7,500,000	17.2%
FMO	7,500,000	17.2%
IFC	6,600,000	15.1%
KfW	6,500,000	14.9%
FISEA (AFD Group)	5,000,000	11.5%
LFP	700,000	1.6%
Horus	300,000	0.7%
Total	43,600,000	100.00%

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 to 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 group.

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 supports sustainable private sector growth in developing and emerging markets by investing in ambitious entrepreneurs. We believe a strong private sector leads to economic and social development, empowering people to employ their skills and improve their quality of life. FMO focuses on four sectors that have high development impact: financial institutions, energy, housing, and agribusiness. With an investment portfolio of EUR 5.9 billion, FMO is one of the largest bilateral private sector development banks worldwide.

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.

As of December 2011, the EIB group has EUR 548m in active commitments to about 60 microfinance projects or intermediaries. Operations are financed from the EIB's own resources or under the European Union's mandates.

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 exclusively on the private sector. We help developing countries achieve sustainable growth by financing investment, mobilizing capital in international financial markets, and providing advisory services to businesses and governments. In FY12, our investments reached an all-time high of more than USD 20 billion, leveraging the power of the private sector to create jobs, spark innovation, and tackle the world's most pressing development challenges. For more information, visit www.ifc.org.

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 2011, KfW Bankengruppe total financing volume amounted to EUR 70.4 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's mission is to support the building of businesses in the poorest countries, creating jobs and making a lasting difference to people's lives.

Established in 1948, CDC is the world's oldest development finance institution (DFI). CDC is wholly owned by the UK government's Department for International Development (DFID), but CDC is not a provider of aid. Instead it plays a key role in DFID's strategy to help build a thriving private sector in the developing world. CDC invests in developing countries where a lack of capital is holding back growth. Since 2004, CDC has invested capital primarily through private equity funds but in 2011 announced that it will increase its range of financial instruments to include equity and debt investments, both provided directly.

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
- Amanda Hannan, Head of Investment Unit
- Alberto Didoni, Investment Officer
- Thibaud Ponchon, Investment Officer
- Tim Young, 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 2012 its members were the following:

- Henk Nijland, Chairman of the Board, Manager of Massif and Capacity Development for Africa at FMO
- Matthias Adler, Deputy Chairman of the Board, Principal Economist, financial and private sector development, Africa, KfW
- Hiti Singh, Senior Investment Manager, CDC Group
- Wolfgang Bertelsmeier, Financial Advisor
- Perrine Pouget, Investment Officer, 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 2012, the Investment Committee was chaired by Matthias Adler, Principal Economist, financial and private sector development, Africa 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.



The Advans Group

The Advans group is currently active in six countries: Cambodia, Cameroun, Democratic Republic of Congo, Ghana, Tanzania and Côte d'Ivoire. The seventh and eighth investments will shortly be made in Pakistan and Nigeria, where operations should start during the 2012/2013 financial year.



Context



Cambodia continued to recover from the economic crisis of 2009 and registered a significant economic growth particularly during the first semester of 2011. Contextual factors were less favorable during the second semester of 2011: important floods combined with the financial and economic crisis in the European Union (EU) and the United States contributed to the slowing-down of the Cambodian economy. The country still grew 6.9% in 2011, mainly driven by a dynamic export-oriented garments industry, a recovery of tourism and moderate growth in the agricultural sector.

Although inflation increased to 5.5% over 2011, the exchange rate of the Cambodian Riel remained stable against the US dollar at approximately 4,100. The country's financial sector enjoyed strong growth and witnessed the entry of several new players. Similarly, the agricultural sector also performed well over the first three quarters of 2011. Floods in September and October caused major damages to rice and other crops, which will likely result in a 1.5% contraction of output in 2011. Exports of garment products increased significantly due to relaxation of the EU's rule of origin on preferential tariffs for least developed countries' exports.

The government, international development agencies and research institutes forecast the 2012 economic growth to be within the range of 6% to 7%. Exports are expected to grow due to the continuation of the EU's preferential tariffs for developed countries' exports.

History of the institution

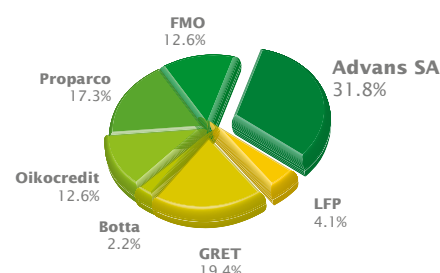
Amret's microcredit activity was created in 1991 as a project run by a French NGO. Started as a village-banking operation it evolved after 1995 towards a direct credit approach in order to reach sustainability more rapidly. In 2000, it transformed into a private limited company.

Advans SA entered the capital of Amret in 2006 and gradually increased its participation to become the leading shareholder of the institution.

Amret's mission is to provide a wide range of financial services that are suitable for the needs of the rural population: low income people as well as micro, small and medium enterprises. At the same time, Amret aims at achieving a high level of financial and social performance.

In January 2009, Amret was among the first microfinance institutions to be granted a license to collect deposits from the public by the National Bank of Cambodia.

Shareholding



Key facts and figures as at the end of March 2012

Start of operations: 1991

1,745 employees

62 points of sale

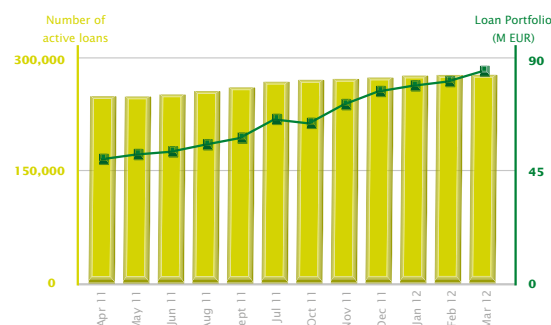
270,563 loans outstanding for a total amount of EUR 84.4m

52,227 deposits for a total amount of EUR 38.2m

Lending activity

Amret's range of loan products includes Solidarity Credit (joint-liability group loan) and Individual Credit (business loan and home improvement loan). The institution recently introduced a Bio-Digester Loan, a product specifically dedicated to the construction of domestic gas-production units.

2011 was a year of strong growth for Amret. The gross loan portfolio increased by 57% between March 2011 and March 2012, while the portfolio quality improved consistently with PAR 30 below 0.1% at the end of the period. Most of this growth came from individual lending, while the growth of group lending was relatively moderate (16%). With a gross loan portfolio amounting to the equivalent of EUR 84.5 million, Amret is among the largest microfinance institutions in the country.



Although the volume of Individual Credit exceeded the volume of Solidarity Credit during the year, the latter remains the most important product in terms of outreach: close to 75% of Amret's credit clients are enrolled into group loan schemes.

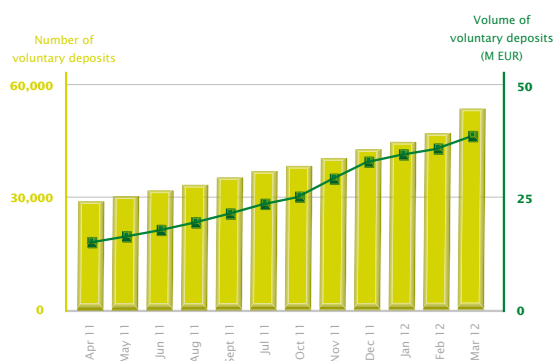
The performance registered by Amret over the year arises from improved appraisal skills of its loan officers which allowed the institution to disburse larger loans, as well as from favorable economic conditions.

Deposits and other financial services

Since their introduction in 2009, Amret deposit products have been performing very well and have turned the MFI into Cambodia's leading microfinance institution in terms of deposit collection. The range of deposit products includes savings accounts and term deposits in local currency (KHR) and in USD. Having recently received its deposit-taking licence, Amret had to face the challenge of gaining public confidence and gradually building strong relationships with its depositors.

Amret's deposit balance increased by 148.5% to reach the equivalent of EUR 38.2 million at the end of March 2012. Meanwhile, the number of active accounts reached 52,227, a growing proportion of which are collected in branches located in rural areas.

In addition to deposits, Amret also offers domestic transfers which, since their introduction in 2010, have met with strong demand. In 2011, Amret developed and tested an innovative payroll management service for institutional clients such as commercial enterprises and Non-Governmental Organizations.



Human resources

Over the period under consideration, the number of Amret's staff grew from 1,403 to 1,745.

Following a thorough compensation package survey, Amret's staff incentive scheme and bonus policy were revised in 2011. The MFI aims at offering competitive salaries in line with the Cambodian labor market so as to limit personnel turnover.

Capacity building is a key aspect of Amret's human resources policy. Over the year 2011, 436 Credit Officers and 164 counter staff (Customer Service Officers, Branch Tellers and Data Processors) were recruited and trained on Amret's core products and financial services. Meanwhile, more experienced staff had the opportunity to participate in different courses according to their positions and duties. Coaching and refresher courses were also offered to front-office staff at Branch Offices.

Besides internal training, employees of Amret were also given the opportunity to attend external short training classes or degree programs. There were 83 courses given to staff in 2011, most of which related to financial management, banking operations and management, leadership, risk management and compliance, practical auditing, communication and other technical and people skills. High-potential staff were sent on study tours in order to learn best practice from other microfinance institutions and banks in various countries.



Client profile : Ms Hign Sino

Ms Hign Sino, 60 years old, is a farmer in Rusei village, Orcheu Teal commune, Kien Svay district, Kandal province. She is a mother of 7 children - 1 son and 6 daughters. Nowadays, some of her children work for companies, some have their own business and one of the seven children is a year four university student.

Farming is her major business and she also has other business activities such as providing catering services for weddings and ceremonies, and owning a dump truck for transporting soil.

Ms Hign Sino has been a client of Amret since 1993. Her first loan of KHR 50,000 (EUR 10) was used as working capital to grow vegetables and bananas.

Since then, Ms Hign Sino has greatly developed her business. She has completed 19 loan cycles already and is currently reimbursing her 20th loan with Amret. The loan amounts to KHR 1m (EUR 187) over 12 months. The money was used to replace some of the equipment of her catering business, which was outdated.

Ms Hign Sino explains that after deducting her operating expenses and investments, she saves about EUR 750 per year from her various activities. This is a success for Ms Hign Sino who would never have hoped to have the living-standard she is enjoying today. She is extremely grateful to Amret for that: "Thanks to Amret's loans, my household situation has improved a lot, even if the amounts are small".

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Context

Cameroun in Central Africa, has a population, of 20 million inhabitants. It is bordered by six countries: Central African Republic, Chad, Congo, Equatorial Guinea, Gabon and Nigeria. Cameroun ranks among the poorest countries in the world, with one of the lowest GDP per capita and 48% of the population living below the poverty line.

However, Cameroun has one of the better-endowed primary commodity economies in Sub-Saharan Africa. Agriculture employs 70% of the population. Cameroun is the fifth African coffee exporter, and it ranks among the top ten world producers of cocoa.

2011 was the year of president election in Cameroun. Despite some initial fears of unrest, the elections took place in a calm and orderly manner: President Paul Biya was re-elected with close to 78% of the votes and the country is expected to continue on a stable political and economic trend for the next few years.

According to the International Monetary Fund, the GDP real growth for 2011 is estimated at around 4.1%; clearly a positive evolution after the increase of 2.9% registered in the previous year.

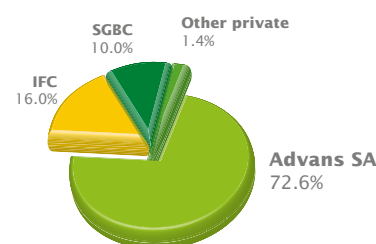
History of the institution



Advans Cameroun is the first greenfield institution of the Advans group. It was incorporated in 2006 as a Microfinance Institution licensed by the Cameroonian Ministry of Finance. It started its operations in May 2007, with the opening of its first branch located in Douala, the country's largest city, followed by a second branch in Yaoundé, the country's capital city, in 2008. After having consolidated its coverage in these cities with the opening of extra branches, the MFI continued its expansion into new regions establishing branches in the Western part of the country (Bafoussam), followed by Bamenda in the English-speaking North-West, and Garoua, in the North. As of March 2012, Advans Cameroun offers its services through a network of ten branches covering five major cities, and plans to open three additional branches in three different cities by the end of the year.

Over the reporting year, the institution intensified its marketing activities to promote its services in the existing branches. Client officer specialization has been implemented to better satisfy the needs of its clientele. A market study was also conducted aiming at launching rural lending in some of the branches, which culminated with the implementation of a pilot program for the product with the financial support of AFD, the French Development Agency. In 2011, Advans Cameroun succeeded in closing the year with positive net income, a great satisfaction for its hard-working and dedicated staff and for its shareholders, early believers in the success of the Advans model.

Shareholding



Key facts and figures as at the end of March 2012

Start of operations: May 2007

278 employees

10 points of sale

9,556 loans outstanding for a total amount of EUR 14.7m

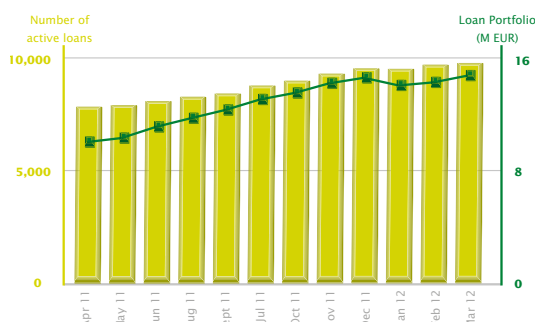
20,105 deposits for a total amount of EUR 6.8m

Lending activity

Advans Cameroun offers a full range of loan products available to all types of customers, such as:

- Group loans for micro-entrepreneurs that do not have physical collateral: the "Advans Ensemble" loan (in English "Advans Together") is a loan granted to groups composed of 2 to 5 clients looking at financing their working capital or buying small equipment. The loan amounts can range between CFA francs 100,000 (EUR 150) and CFA francs 2.5 million (EUR 3,800) per group member.
- Individual loans for micro-entrepreneurs and SMEs with physical collateral to secure loans ranging from CFA francs 100,000 (EUR 150) to CFA francs 50 million (EUR 75,000), namely:
 - "Advans Activité Plus" and "Advans Evolution Plus" cater to the working capital and investment loan needs of micro and small businesses up to an amount of about CFA francs 50 million (EUR 75,000).
 - "Advans Business" working capital loans and "Advans Invest" investment loans target SMEs with higher repayment capacities.

Last year's performance was extremely satisfactory, with significant growth rates recorded: the number of active clients increased by 49% to reach more than 21,500 clients and the loan portfolio increased by 56% ending the reporting period (March 2012) at CFA francs 9.6bn (EUR 14.7 million).



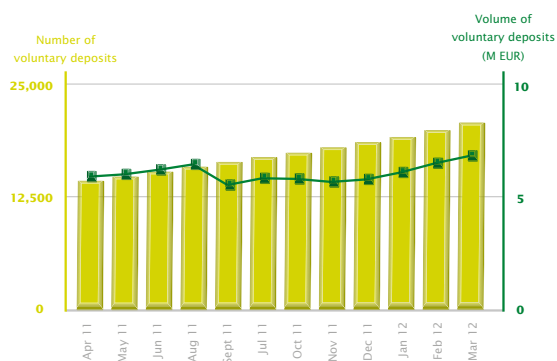
Deposits and other financial services

Advans Cameroun provides its clients with a range of accounts and services such as:

- Current accounts for individuals or businesses, which can have services attached to them such as cheque clearance, internal cheques and free transfers to and from all Advans accounts regardless of the city or branch
- Savings accounts
- Term deposits
- Project accounts
- Islamic accounts (Sharia compliant)
- Money transfers (Western Union)

As at the end of March 2012, the total deposit portfolio amounted to CFA francs 4.4bn (EUR 6.8 million), serving more than 20,100 depositors.

Advans Cameroun plans to launch agricultural lending in July 2012 and will commercialize new products, such as Monifone, a mobile money solution, ATM cards, as well as national and international bank transfers, in cooperation with SGBC, its longstanding partner and shareholder.



Human resources



With its network of 10 branches, Advans Cameroun contributes to providing jobs in the country. In March 2012, the number of employees in the institution was 278. The institution is aware of the importance of offering career development opportunities as well as vocational training to its employees so as to foster their professional fulfillment and consolidate their expertise. Over the year, 15 people were promoted internally and the institution provided both internal and external training to a dozen staff each month.

Advans Cameroun organises mass marketing campaigns on a monthly basis, in which all MFI staff participate. Staff are grouped in pairs and they work together to promote the institution, its products and services. This encourages teamwork irrespective of function, attitude or culture.

More informally, team-cohesion is built day by day in the branches, and also through regular football matches organised between different branches, and sometimes between Advans Cameroun and other companies.

The staff of Advans Cameroun has created a mutual fund, to which each employee contributes a small amount every month and which serves to express solidarity by supporting colleagues during personal events such as births, marriages and funerals.

Client profile: Mr Chatue



Mr Chatue is the owner of an important bakery in the Mokolo district in Yaoundé. When he first got in touch with Advans Cameroun, Mr Chatue was already banking with financial institutions. He started with Advans Cameroun with a first loan of CFA francs 3 million (EUR 4,600) back in 2009. As the relationship with Advans evolved, the loan amounts gradually increased to CFA francs 15 million (EUR 23,000) and the bakery flourished. Thanks to the additional profits, Mr Chatue managed to extend his activity through the opening of two new points of sale. As of today, he employs 80 people, of which 50 are on a permanent contract.

On a personal note, Mr Chatue is the father of two children whose education he holds very dear: he is planning to send them for studies in business schools abroad, either in the United States or in Europe.

Mr Chatue is proud of being a client of Advans Cameroun, appreciating the close follow up by the client officer and the quick disbursement process. He hopes this relationship of trust built over the past three years will allow him to gain access to even larger loans in the future, so that he will be able to keep increasing his activities and thus creating jobs and helping his country develop.

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Context

Ghana is a 24 million inhabitant country located in the Gulf of Guinea, West Africa, and bordered by Côte d'Ivoire, Burkina Faso and Togo. Its capital city, Accra, has a population of 2.3 million.

The Ghanaian economy is characterized by a fair level of integration into the global trading system and by a heavy reliance on commodities, among which cocoa, gold and, more recently, crude oil. After Johannesburg and Lagos, Accra has the third most dynamic stock market in Africa.

With 48.5% of its GDP arising from services and the remainder almost equally distributed between agriculture and industry, the economy of Ghana appears quite mature by African standards. In 2011, the industrial sector grew by 41%, boosted by the entry in production of the oil fields discovered in 2007, resulting in an overall estimated growth of the economy of about 14%. Thus far, GDP growth has mainly been driven by services, including trade, information and communication and financial services.

Ghana's labour force totals 11.5 million people. More than half of the active population is employed in small-scale farming, while services and industry employ 28% and 20% of the workforce, respectively.

Ghana has historically suffered from public deficits and very high inflation, which led to the re-denomination of the currency in 2007 and to the implementation of a three-year stabilization programme with the International Monetary Fund (IMF) in 2009. The country remains heavily indebted and highly dependent on foreign budget support, but inflation was brought down to single-digit levels in 2010 for the first time in decades.

Perspectives of future growth and development are rather promising for Ghana, provided the country manages efficiently the massive inflows of investment expected in the oil industry and avoids the downsides that often come with it, commonly referred to as "oil curse".

History of the institution



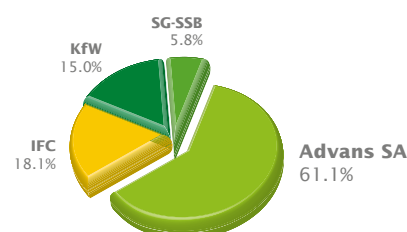
Advans Ghana is a Savings and Loans Company, regulated as a Non-Bank Financial Institution (NBFI) under the Banking Act of 2007. Incorporated on 20 November 2007, Advans Ghana was licensed by the Bank of Ghana on 4 September 2008.

Advans Ghana started its operations in October 2008 in Accra, near the Mallam Atta Market. The institution expanded rapidly in the capital city, where it serves a large population of micro, small and medium entrepreneurs. Advans Ghana started to expand outside Accra in 2010, successively branching out to Koforidua, Ashaiman, Kumasi and Ho. It currently operates out of ten branches. Further network expansion is planned in the coming years.

Shareholding

Advans Ghana was incorporated with an initial capital of GHS 2.65 million, provided by Advans SA, the International Finance Corporation (IFC), the German Development Bank (KfW), and the Ghanaian commercial bank SG-SSB, a subsidiary of the Société Générale Group.

Successive capital increases were carried out in June 2009 and May 2011 to sustain the development of the activity, bringing the total capital of Advans Ghana to GHS 7 million (EUR 2.88 million). Both capital increases were fully subscribed by existing shareholders of the institution. The current capital structure of the institution is as follows:



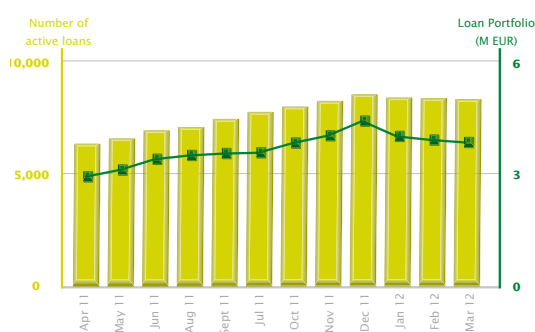
Key facts and figures as at the end of March 2012

Start of operations: October 2008
251 employees
10 points of sale
8,061 loans outstanding for a total amount of EUR 3.8m
18,826 deposits for a total amount of EUR 1.2m

Lending activity

Advans Ghana's range of credit solutions was initially geared towards micro enterprises. With group loans and individual loans for working capital needs and for investments in fixed assets, Advans Ghana was able to meet the needs of a large population of small businesses. Over the period considered, the total outstanding loan portfolio of Advans Ghana grew from EUR 2.8 million to EUR 3.8 million, even after a difficult first quarter in 2012.

Advans Ghana entered into Small and Medium-sized Enterprises (SMEs) lending in 2010 to increase the potential outreach and the social impact of its activities, as well as to accompany the growth of the activity of some of its largest clients.

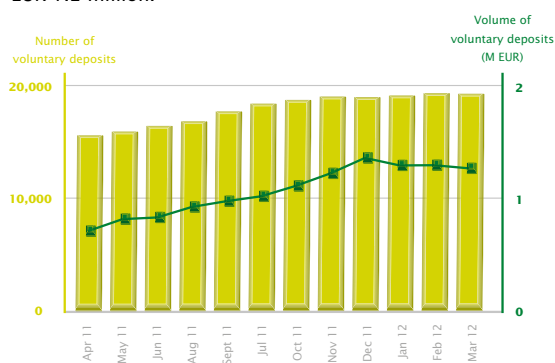


In order to mitigate risks such as death, disability or major damage to assets, Advans Ghana entered into a partnership with MicroEnsure to offer insurance coverage to its borrowers. The insurance policies are offered to borrowers to secure the repayment of their loans and provide them or their relatives with additional benefits should such a risk materialize. In 2011, following a fire outbreak in Agbogbloshie, claims amounting to circa EUR 13,000 were paid to the victims.

Deposits and other financial services



The initial range of deposit solutions offered by Advans Ghana (current accounts, saving accounts and term deposits) was gradually broadened with the introduction of money-transfer services, in-house cheques, and e-Zwich cards (Universal Electronic Payment System established by the Ghana Interbank Payment and Settlement System). Over the period under consideration, the total deposit portfolio of Advans Ghana doubled to reach the equivalent of EUR 1.2 million.



Via the e-Zwich infrastructure, Advans Ghana offers its clients deposit collection services directly at their doorstep, a service commonly referred to as "Susu" in Ghana. After a successful pilot in 2010, the "E-Susu" service was rolled out in 2011. At the end of March 2012, 830 depositors entrusted their savings on a regular basis to the collectors of Advans Ghana.

The major goal for Advans Ghana in the year 2011 was to consolidate its position in the marketplace, ensuring that all the products introduced in line with the forecasts. In coming months, Advans Ghana plans to introduce external cheque clearing services, which will allow its clientele of small entrepreneurs to use their current accounts for their daily transactions.

Human resources

In 2011, Advans Ghana's workforce increased from 232 to 251 while two additional branches were opened in the cities of Ho and Kumasi.

Advans Ghana's Human Resources policy puts a strong emphasis on internal promotion: in 2011, 23 employees were promoted to fill various vacancies at Head Office and Branch level. Most of the professionals promoted had started working at entry level positions. Advans Ghana is proud of this achievement, which materializes on-going efforts undertaken by the management to build the capacity of its staff.

Advans Ghana's training unit performed close to 41,000 hours of training during the period under consideration, including inception training for newly-hired staff, as well as refresher courses for more experienced employees. The main focus of these trainings is to improve performance and quality of banking services provided to clients.

Team-building activities are regularly organized at Advans Ghana to strengthen the cohesion of the group and create a friendly atmosphere. In November 2011, the entire staff gathered for a day of sport and fun. Regular monthly branch management meetings and weekly branch meetings form part of the MFI's team building initiatives.

Staff profile :

Mr Gideon Nana Kwaku Asante Danso



One dynamic and self-motivating young person who witnessed the birth of Advans Ghana is Gideon Nana Kwaku Asante Danso.

Gideon joined Advans Ghana in May 2008. He was amongst the very first client officers of the institution. Since then, he has risen through the ranks from Client Officer to Senior Client Officer and is currently the Branch Manager of the Kumasi branch.

Describing a busy day in the life of a Branch Manager, he says, "I am either the first or among the firsts to get to the branch. I first check all my correspondence, responding where necessary. Next, I review the expected repayments for the day and week as well as the defaulting clients. I then check the disbursements done so far vis-à-vis the individual client officer and branch objectives and devise strategies to meet these targets. I assign files to the client officers and, thereafter, I perform the pre-committee checking of the loan application to be later discussed in loan committee meetings.

Other aspects of my day include signing disbursement contracts and account opening forms, attending to clients with complex issues, coaching of the client officers, field visits (selected follow-ups and recoveries), and management visits. With such a busy daily schedule, I normally leave the office quite late".

Gideon holds a Bachelor of Arts degree in Economics and Psychology from the University of Ghana. Currently an Association of Chartered Certified Accountants (A.C.C.A) Student, Gideon hopes to qualify as a Chartered Accountant very soon.

Contact

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Context

The Democratic Republic of Congo is located in Central Africa. It is the second largest country in Africa and the third most populated with 69 million inhabitants. Kinshasa, the capital city, has a population of nearly 10 million.

Despite the disruptions suffered by the country at the end of the year due to the electoral process, the DRC recorded a GDP growth of 6.9% in 2011, slightly lower than the rate reported in 2010 (7.2%). This growth has been underpinned mainly by the dynamism of the extractive industry, the construction and trading sectors but also by the increasing domestic demand and the formation of fixed capital. The pace of GDP growth in 2012 is expected to be partially affected by the global economic downturn. Nevertheless, the IMF and the government have estimated a GDP growth of 6.6% for 2012.

The inflation rate in 2011 stood at 15.5%, compared to 9.8% in 2010. This was mainly the result of strong inflationary pressures experienced in the first half of 2011 due to the increase in global food and oil prices.

The Congolese franc, the national currency, has remained remarkably steady against the U.S. dollar throughout the year, which made it possible for the Central Bank of Congo (BCC) to lower the base rate on a regular basis. In early 2012, the BCC's base rate and the BTR (renewable treasury bills) rate dropped significantly below 5%, thus reducing the returns on investments denominated in Congolese franc.

Banking supervision has been tightened with the assistance of the International Monetary Fund, which aims at bringing banking practices in line with the highest international standards.

Banking activities have maintained their strong growth and the sector's outstanding loan portfolio reached the symbolic USD 1 billion threshold in late 2011 (from USD 713m up to 1.2bn, i.e. 68%), while deposits in Congolese banks increased from USD 1.6bn to 1.9bn (+22%).

Banks are increasingly keen on targeting small and medium enterprises (MSMEs) but also private individuals. However, the challenge to provide universal access to banking services remains huge as access to banking is still very low (1.4 million bank accounts for 70 million inhabitants). The BCC announced an ambitious objective of bringing the access to banking rate to a double-digit level by the end of 2012. Events such as the International Day of Savings held in 2011 for the first time in the DRC with the support of KfW will help contribute to achieve this goal.

History of the institution

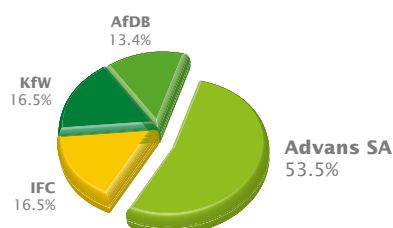
Advans Banque Congo is a fully-fledged bank established in July 2008. The bank was authorized to operate by Presidential Decree No. 09/017 of 23 April 2009 and started its activities in July 2009.

As of March 31, 2012, Advans Banque Congo operated out of five branches, all of them in Kinshasa. In 2011, three new branches received the approval of BCC and the bank was able to expand in the areas of Masina, Lemba and Delvaux. Advans Banque Congo plans to expand its network in Kinshasa with the opening of an additional branch in 2012.

Shareholding

Advans SA is the majority shareholder of Advans Banque Congo, holding 53.5% of the share capital alongside the African Development Bank (AfDB), the German Development Bank KfW Entwicklungsbank (KfW) and the International Finance Corporation (IFC), the private sector arm of the World Bank Group.

In 2011, Advans Banque Congo increased its share capital from USD 13 million to USD 16 million:



Key facts and figures as at the end of March 2012

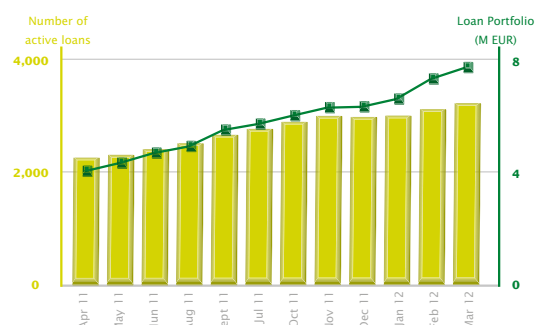
Start of operations: July 2009
217 employees
5 points of sale
3,121 loans outstanding for a total amount of EUR 5.8m
10,775 deposits for a total amount of EUR 2.2m

Lending activity

Advans Banque Congo provides a full range of loans denominated in USD. These products are targeted at micro-entrepreneurs and SMEs with financing needs for working capital or investments. The bank has become widely known among small and medium businesses and recently increased its maximum credit size to USD 100,000.

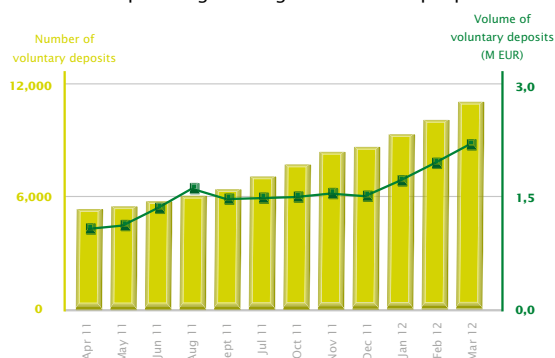
Following the resumption of activity after the election period, Advans Banque Congo experienced strong growth in its loan portfolio which rose by 130% over the reporting period: from EUR 2.5m in December 2010 to EUR 5.8m in March 2012. Number of borrowers also increased: as of March 31, 2012, Advans Banque Congo served more than 3,100 borrowers.

One of the bank's priorities for 2011 has been to pursue growth while maintaining the quality of its loan portfolio. Results were encouraging and, as at March 31, 2012, PAR 30 was, at 3.10%, one of the lowest in the industry.



Deposits and other financial services

As at March 31, 2012, the number of deposit accounts was 10,775 for a total deposit volume of EUR 2.2m, i.e. a 142% increase in volume from the previous year. In line with the Advans group's mission, the average amount of deposits equivalent to EUR 202 demonstrates the commitment of Advans Banque Congo to target low-income people.



In 2011, Advans Banque Congo continued expanding its product range. Since September 2011, it has been offering to its clients MoneyGram transfer services in addition to national and international transfer services.

Furthermore, in May 2011, the bank added a new feature to Advans Mobile, its mobile-banking solution, allowing its clients to transfer money between different Advans accounts via mobile phone. This new module complements the other existing m-banking services: debit and credit alerts, provision of account balances, mini account statements and access to exchange rates.

Advans Banque Congo plans to add additional services such as cheques and prepaid cards in the upcoming months, which will allow the bank to satisfy the needs of its existing clientele and increase its current base of depositors.

Advans Mobile : testimonial of Samuel Nkuba Mukuna, 54, importer of medical products

"I subscribed to Advans m-banking services so as to stay updated on the banking transactions in my account. I have provided all of my clients with my USD current account number linked to Advans Mobile so that I can receive and monitor their payments on such account.

The advantage for me is that I am notified when my clients make their payments and such information keeps me updated on the status of my account.

I am very satisfied with the mobile banking services provided by Advans Banque Congo".

Human resources



From 2011 to 2012 the number of employees has significantly increased, reaching 217 in March 2012 compared to a staff of 125 in January 2011. This increase is primarily due to the opening of new branches in 2011 and the hiring of additional staff in the headquarters.

In line with the human resources policy of Advans Banque Congo and the key principles promoted by its shareholders, 16 employees - five at headquarter and 11 in the branches - were promoted to middle management positions in 2011. To prepare them for their new roles and their taking over additional responsibilities, these young executives attended training management programs delivered by professionals of the Advans Group. In addition, since November 2011, three middle-managers have been undergoing banking training courses, with majors in corporate finance, economics and regulatory framework for banks at the "Institut Technique de Banque", the higher education institute for bankers in Kinshasa.

Recognizing the importance of providing its clients with high-quality services, Advans Banque Congo includes staff training among its key actions. These trainings range from introductory training for all new employees, technical training for every specific function in branches and headquarters as well as follow-up training on specific topics.

Client profile : Mr Romain Nzau Nanga



Mr Romain Nzau Nanga, 49, comes from the province of Bas-Congo. As an entrepreneur, he started his business in 2006 by wholesaling and retailing dry goods. He now owns two outlets, the first one, located in Kinshasa central market, is run by his son, and the second one, in the town of Kinshasa, is managed by his wife and himself.

Romain discovered Advans Banque Congo through a client officer who was canvassing in his neighborhood. He took part in a survey for Advans and then decided to apply for a loan in Advans Banque Congo's Gombé branch in 2011.

His first loan of USD 2,500 (EUR 2,000), obtained in April 2011, has been used to increase his inventory. After Romain has repaid his credit by making regular deposits in his current account, Advans Banque Congo has granted him a second loan in the amount of USD 4,500 (EUR 3,600) to be repaid in 10 months. According to Romain, these two loans from Advans Banque Congo have served him to expand and develop his two stores activities. The additional profits generated from his activity, enabled him to purchase a used car and household appliances to improve his daily life and that of his family.

As he works in a very competitive environment, Romain relies on his warm welcoming attitude and his loyalty programs to keep his clientele.

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Context

Tanzania is a country of 44 million inhabitants located in Eastern Africa. Its diverse topography varies from the high mountains of the Kilimanjaro down to the central plateau and the plains along the coast with the Indian Ocean. The economy depends heavily on agriculture, which employs 80% of the country's labor force and accounts for more than 70% of its exports. Other driving forces of the economy are tourism, mining and the construction industry.

According to the CIA World Factbook, the country ranks 201 out of 226 with a GDP per capita of USD 1,550 (PPP). With 36% of the population living below the poverty line and unemployment rates above 10% of the active population, Tanzania faces enormous social challenges. Although inflation seemed under control over the past few years, it increased significantly since 2011 to reach an expected 18% in 2012. The main reasons include the droughts which affected the country and the appreciation of global commodity prices, including oil.

In a climate of political stability, and economic growth (6.7%) forecasted by the International Monetary Fund in 2011, and thanks to continuous international budget support, Tanzania is expected to further improve its infrastructure in the coming years which will bring further development to the country.

History of the institution



Advans Bank Tanzania Ltd is the fourth greenfield and the second fully-fledged bank of the Advans group. It was incorporated in May 2010 and is regulated by the Bank of Tanzania (BoT) under the provisions of the Banking and Financial Institution Act. Advans Bank Tanzania is a commercial bank focused on providing banking services to micro, small and medium-sized enterprises. It disbursed its first loan on February 2011 at its Manzese branch in Dar es Salaam, which is also where its head office is located.

The opening of the second branch followed nine months later, in November 2011. It is located in the Kariakoo market area of Dar es Salaam. During the first months of 2012, the institution received the approval of the BoT to open a third branch in the south of Dar es Salaam, which should be effective during the 2012/2013 financial year.

Shareholding

The total share capital of Advans Bank Tanzania amounts to TZS 7.2 billion (EUR 3.4 million). In conformity with its investment strategy, Advans SA holds a controlling 70% of the bank's shares. Advans SA co-invested along with FMO, a long term partner of the Advans group, which owns the remaining 30% of Advans Bank Tanzania's share capital.



Key facts and figures as at the end of March 2012

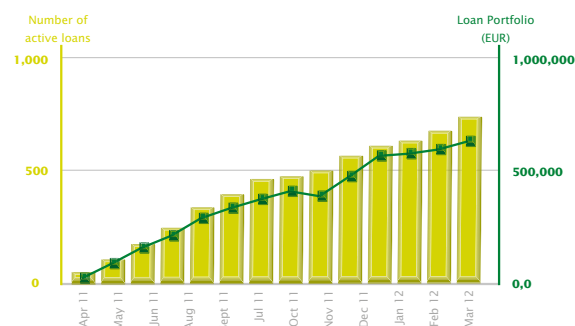
Start of operations: February 2011
58 employees
2 points of sale
712 loans outstanding for a total amount of EUR 623k
2,141 deposits for a total amount of EUR 95k

Lending activity

Advans Bank Tanzania offers loans to finance working capital and investments in fixed assets to cater for the needs of micro, small and medium entrepreneurs. As such, it offers two types of loans: business and SME. Business loans target micro and small enterprises and range from TZS 500k (EUR 236) to TZS 10m (EUR 4,710) to TZS 50m. Catering to small and medium enterprises with higher borrowing capacity, SME loans range from TZS 10,000,000 (EUR 4,710) to TZS 50,000,000 (EUR 23,552).

As at the end of March 2012, Advans Bank Tanzania had a portfolio of 712 active loans for an outstanding loan portfolio of TZS 1.3bn (EUR 623,028). 85% of the total outstanding volume is composed of business loans.

Evolution of the loan portfolio:



Deposits and other financial services

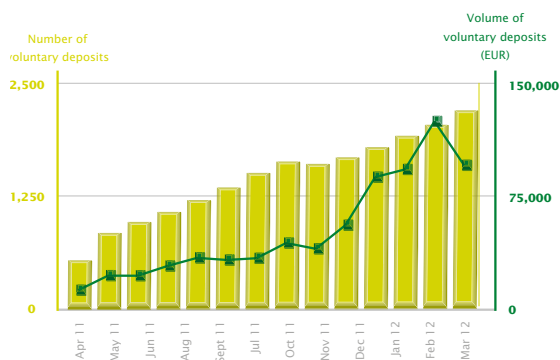
Advans Bank Tanzania offers a wide range of deposit products, including current accounts, savings accounts, fixed deposits, kids accounts, and USD-denominated accounts.

The bank also offers services such as SMS alerts, allowing its clients to have immediate access to their account balance.

In order to better serve the needs of its clients, Advans Bank Tanzania is currently working on the introduction of various additional services such as ATM cards, cheques as well as domestic transfers which should be launched in 2012. It will be the first institution of the Advans group to install an automatic teller machine and introduce debit cards for its clientele.

As of March 2012, the bank had opened 2,141 accounts totalling TZS 200.9m (EUR 95,000).

Evolution of the deposit portfolio:



Human resources



Advans Bank Tanzania invests in its human resources as it believes in the importance of taking care of its employees to prepare the future of the company. The management promotes a culture of proximity, based on listening, participation and transparency. Internal communication means were recently introduced to regularly inform employees on the performance of the company, challenges and opportunities ahead.

Advans Bank Tanzania has a global remuneration and benefit policy which aims at promoting merit among its staff, while offering wages that are in line with the living standards of the country.

After one year of operations, Advans Bank Tanzania has a staff of 58 employees.

Client profile: Mr Ezadi



Peter Ezadi started its activity in 2002 in Manzese, Dar es Salaam, as a dress designer. He is assisted by his only child and two trainees he recently hired. He is working with providers from Dubai, Nigeria, the Democratic Republic of Congo and also buys his dresses in the Kariakoo market, the largest covered market of Africa. He produces on average six dresses a day, mainly inspired by traditional Ghanaian and Nigerian designs. His clients are very satisfied with his work.

Despite being approached by several other financial institutions, Peter took his first loan with Advans Bank Tanzania, as he particularly appreciated the transparent information received and the personalized follow-up of the loan process. Although initially a bit sceptical about loans, he soon realized to what extent his collaboration with Advans Bank Tanzania allowed him to improve his business. He has already repaid two successive business loans of circa EUR 250, which allowed him to extend his portfolio of clients. Peter is now thinking how to use a third loan of EUR 500 to expand his business in the nearby cities, or Morogoro, or Dodoma. He has already liaised with people in those cities to find out more about potential opportunities and logistics.

Contact

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Context

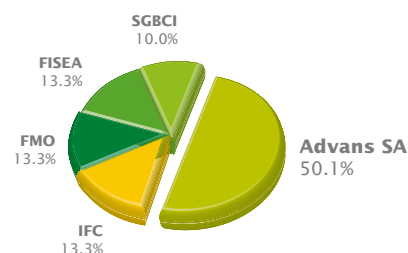
Advans Côte d'Ivoire opened its doors to the public on March 14th 2012, after an intense preparation phase which began in September 2011. Even though Advans Côte d'Ivoire had obtained its license in November 2010, the political and social crisis which hit the country lasted until May 2011 and forced the management to delay the preparation phase. The economic activities slowly resumed after 9 months of an almost complete halt. The current context is one of opportunities: the political crisis which severely struck Côte d'Ivoire has given way to a period of reconstruction and rebuilding of the country's infrastructure. Micro and small enterprises were hard hit by the country's turmoil and, more than ever, need adequate support to make a new start. The intense activity in Advans Côte d'Ivoire's first branch in Adjamé, Abidjan's most economically active district, confirms this need.

During the preparation phase, the management team coordinated the various tasks leading to the launch of activities, namely: the identification of the premises for the first branch and the head office, the recruitment of a first batch of branch staff and of back-office staff, and the setting up of initial back-office departments (logistic, operations, finance and IT). Other activities included : conducting the initial in-depth market survey, designing the initial product range, implementing the MIS (banking and accounting software; interconnectivity and hardware) and devising the initial set of communication tools.

The experience accumulated by the Advans group in setting up greenfield operations enabled Advans Côte d'Ivoire to accelerate this preparation phase. The first team of branch staff were sent to Cameroun and given the opportunity to work alongside the more experienced teams of Advans

Cameroun. The launch of activities also greatly benefited from the presence of experienced branch managers from other Advans institutions, who were sent to Côte d'Ivoire for short oversight missions. Now that it has launched operations, Advans Côte d'Ivoire will seek to rapidly become one of the leading MFIs in the country.

Shareholding



Key facts and figures as at the end of March 2012

Start of operations: March 2012

63 employees

1 point of sale

1 loan outstanding for a total amount of EUR 457

269 deposits for a total amount of EUR 25k

Lending and deposit activity



As in other Advans institutions, Advans Côte d'Ivoire initially targets urban MSMEs. It offers two simple working capital loan products, and disburses loans from EUR 250 to EUR 15,000, in local currency. On the deposits side, Advans Côte d'Ivoire offers a complete set of current and savings accounts, as well as basic financial services such as internal transfers, SMS alert services and account information sent via mobile phone and the cashing of third party cheques.

Human Resources

As at the end of March 2012, its first month in operations, Advans Côte d'Ivoire already had a team of 63 people, including 48 branch staff and 35 client officers. Recruited in September 2011, 11 branch staff had the opportunity to spend 5 months in Cameroun, participating in the first on-the-field training scheme of such proportion within the Advans group. Armel Ouattara, was one of Advans Côte d'Ivoire's Client Officers who took part in the training mission to Advans Cameroun:

Staff testimonial : Armel, Client Officer at Advans Côte d'Ivoire



Armel, you were part of the first batch of client officers of Advans Côte d'Ivoire and were sent to Advans Cameroun for practical training. Can you tell us how the training went ?

Armel: The training was very practical and indeed an invaluable experience. We were initially assigned at the Dakar branch in Douala, for two weeks, where we "shadowed" branch staff at various front and back-office positions. It was the opportunity to discover the range of products offered by Advans Cameroun and get some practical experience of the banking software, which we would later use at Advans Côte d'Ivoire. We also participated in group promotion activities with the staff of Advans Cameroun. After a while, we fitted so well in the group that one could hardly tell who came from Côte d'Ivoire!

We then underwent a 2-week theoretical training, which covered policies, procedures and core values of the Advans group. Our previous field exposure allowed us to make the most of this training and to ask good questions.

After this training, I was assigned to Madagascar Branch in Yaoundé, where I "shadowed" an experienced client officer for one month. I learned a lot from him about the day-to-day duties of a client officer, including clients prospection, loan appraisals and follow-up on arrears. I had the opportunity to participate in loan committee meetings. After one month, I was autonomous and started to work on my own, with the support of experienced client officers of Advans Cameroun.

What have you learned during these five months?



During this practical on-the-job training, I learned a lot from experienced professionals and got to know exactly what would be expected from me when I go back to Côte d'Ivoire. It was also the opportunity to discover the spirit of the Advans group, which is made of brotherhood, joy, respect and appreciation for jobs that are well done. To me, it is the most important thing we have learned in Cameroun and we have passed on to our colleagues in Côte d'Ivoire.

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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 with a net result of EUR 1.16m. Profits are mainly due to unrealised capital gains on its participations. These capital gains reflect an increase in the underlying value of Amret and the foreign exchange rate fluctuations between the Euro and the currencies in which Advans SA's investments are denominated.
- Cash revenues, which amounts to EUR 372,000 mainly consist of (i) interest earned on cash balances; (ii) fees and interest related to guarantees provided to the group; (iii) dividends received and (iv) payment for group internal audit services.
- Operating expenses increased by 25% from last year and are mainly composed of:
 - Manager's fees covering the preparatory work for new investments and the monitoring of existing investments;
 - Transfer agent and depository bank fees, due as a SICAR;
 - Auditor and tax consultancy fee;
 - Legal fees in connection with investments;
 - Internal Audit fees.



Balance sheet for the financial year ended 31 March 2012 (in EUR)

	31 March 2012	31 March 2011
ASSETS		
Fixed Assets		
<i>Total fixed assets</i>	25,253,458	20,794,271
Currents assets		
<i>Amounts owed by affiliated undertakings becoming due and payable within one year</i>	-	60,021
<i>Other receivables becoming due and payable within one year</i>	174,330	
<i>Other transferrable securities</i>	-	500,965
<i>Cash at bank</i>	8,100,925	2,223,362
<i>Total current assets</i>	8,275,255	2,784,348
Total assets	33,528,713	23,578,619
LIABILITIES		
<i>Other creditors becoming due and payable within one year</i>	-31,722	-242,774
Net assets	33,496,991	23,335,845
EQUITY		
<i>Paid-up share capital</i>	32,100,000	23,100,000
<i>Share premium account</i>	142,000	142,000
<i>Retained earnings</i>	93,845	-16,614
<i>Profit/(loss) for the financial year</i>	1,161,146	110,459
Total shareholders' equity	33,496,991	23,335,845

Profit and loss account for the financial year ended 31 March 2012 (in EUR)

	31 March 2012	31 March 2011
INCOME		
<i>Interest income</i>	23,850	9,087
<i>Dividend income</i>	150,138	114,364
<i>Other operating income</i>	198,172	259,807
<i>Net changes in fair value on financial fixed assets</i>	2,371,876	1,031,118
Total net income	2,744,036	1,414,376
EXPENSES		
<i>Operating expenses</i>	1,573,673	1,252,532
<i>Depreciation on formation expenses</i>		11,102
<i>Interest payable and charges</i>	223	82
<i>Taxes</i>	8,994	40,201
Total expenses	1,582,890	1,303,917
NET PROFIT	1,161,146	110,459



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