



advansTM 
Growing together

2012-2013 Annual Report

Key figures

as of 31 March 2013 (EUR)

Balance sheet figures for Advans SA SICAR

| | |
|-------------------------|------------|
| Committed capital | 43,600,000 |
| Paid in capital | 40,100,000 |
| Total investment | 39,269,189 |
| Total assets | 45,015,154 |

Statistics for investee companies

| | Total |
|---|-------------|
| No. of financial institutions | 8 |
| No. of employees | 3,643 |
| Points of sales | 140 |
| No. of active loans | 322,783 |
| Outstanding portfolio | 164,302,504 |
| No. of active deposits | 260,997 |
| Volume of active voluntary deposits | 88,102,440 |
| PAR 30 (% of GLP) | 1,22% |

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◆ Letter from the Chairman of the Board of Directors



Despite ongoing economic difficulties in the developed world, developing countries in Africa and Asia where the Advans group is present have largely continued to show economic progress. In the main, the countries in which we operate have remained stable with no major political unrest, and have benefitted from contained inflation rates for the period under review in this report. However, while growth rates remain high, so do poverty levels, with significant disparities between urban and rural areas.

In this predominantly favorable macroeconomic context, our network has proved its capacity both to consolidate and to expand, furthering its aim to provide transparent financial services tailored to the needs of micro, small and medium-sized entrepreneurs, and thereby fostering grass-root level economic development. Our first greenfield, Advans Cameroun, has continued to be profitable for the second year in a row, demonstrating the viability of the “Advans model” which aims to build sound, profitable institutions serving their clientele in a sustainable and responsible manner.

As the Advans group evolves, now with eight operating affiliates, we have continued to extend the Advans model in diverse environments with varying populations – above 150 million inhabitants in each of the countries where we launched our two newest greenfields this year, Pakistan and Nigeria. Advans Pakistan, the group’s first Asian greenfield, opened the doors of its first branch in Mehmoodabad, Karachi to the public in January 2013 and launched a second branch in Lasbela in March. La Fayette Microfinance Bank (Advans Nigeria) began operations in Ibadan at the end of January and has also got off to a promising start. We are confident that both our new greenfield projects will contribute to economic expansion in their respective countries through providing essential financial services to micro and small entrepreneurs. What is more, our latest greenfield project in Tunisia, once launched, will mark a new geographical opportunity for the group as it extends into North Africa.

We are on track to achieve our goal of consolidating the services within our affiliates, using the experience and best practices of our more mature institutions to aid those that are less developed, through knowledge sharing, field expertise missions and exchanges. A particularly effective way to achieve consolidation is the promotion of internal mobility at group level, with local managers moving between the affiliates, thus offering our local staff invaluable opportunities for their professional development. In turn, our younger institutions benefit from the know-how of our more experienced staff who can provide training for employees in new affiliates, with training courses between institutions taking place on a regular basis. Consolidation will improve the quality of services offered by institutions across the group, therefore widening our client base on a long term basis.

I believe that our success over the period would not have been possible without the hard work of the Advans group Manager. I would like to thank all the staff of the Advans group for their ongoing efforts and enthusiasm. Together, we can ensure that the Advans group keeps on reaching out to those who have previously lacked access to financial services, and to support small entrepreneurs with a view to improving their living standards, creating jobs, and subsequently promoting sustainable economic development in the countries where the Advans group is present. On behalf of the entire Board of Directors, I would also like to thank our shareholders for their continued support.

Matthias Adler

Chairman of the Board of Directors

◆ Advans in brief



Who are we?

Advans SA SICAR (Advans SA) is an investment company that facilitates and expands access to financial services for micro, small and medium-sized enterprises (MSMEs) in emerging economies and developing countries. These businesses are fundamental to their country's economic development and are often in need of financial services tailored to their needs.

Advans SA invests for the long term with a view to creating an international network of financial institutions that share the same guiding principles, values and methods. We invest as majority shareholder in the creation of new financial institutions geared to MSMEs, otherwise known as microfinance institutions (MFIs), and also as lead investor in existing MFIs which have a similar mission and wish to be part of the Advans group.

In addition to the core role of providing equity and — in exceptional cases — debt funding via loans or guarantees on a commercial basis, Advans SA co-manages and offers technical assistance to MFIs within the group in order to make them sustainable and profitable. As lead shareholder, Advans SA is also directly involved in the governance of its financial institutions.

Our mission and strategy

Advans SA's primary mission is to create a group of MFIs in developing, emerging and frontier countries. These institutions offer simple yet effective financial services such as loans and deposits to MSMEs with limited or no access to formal banking services. Advans SA's ultimate goal is two-fold: to contribute to the economic development of the countries in which it operates while offering an acceptable financial return to its shareholders.

Advans SA invests alongside like-minded co-shareholders that provide financial support and strategic and operational knowledge. All shareholders have the com-

mon goal of promoting economic and social change while obtaining a fair return on investment. Advans SA's involvement in MFIs is a long-term commitment and it remains the lead or majority shareholder until the MFI is at least profitable and self-sustainable. Advans SA's investments are made in accordance with its risk management policy, which includes geographical risk diversification ratios.

Our values

The corporate culture of Advans SA is based on a set of values and management principles shared by every member institution. Advans SA's core culture encourages growth and support within the group through the sharing of techniques and approaches between its financial institutions.

Catering for our clients' needs

Backing micro-entrepreneurs: Advans institutions offer their customers help and support, tailoring their services to clients' needs and offering a complete range of simple financial products aimed at promoting development, expansion and success.

Providing the client with transparent information: The staff at Advans SA's affiliates ensure that customers are provided with clear and accurate information on Advans products. Respect for the client and thorough background knowledge of micro-entrepreneurship helps avoid over-indebtedness.

Quality service: Good quality service is a guiding principle of the Advans group. Client satisfaction is assessed regularly and our products and services are adapted and developed according to clients' requirements.

Our employee philosophy

Commitment: Staff throughout the group are committed to the overall Advans SA mission and values.

A transparent approach to management: Decisions are taken in a transparent manner and the management procedures in use are open to discussion. This approach not only encourages innovation and fosters individual responsibility but also builds a vibrant and stimulating professional environment.

Encouraging personal and professional development: Human resources are a key component of Advans SA's success. The group's human resources policy favours a low staff turnover rate, internal and external training — particularly through staff exchanges —, performance-based incentives, and opportunities for career progression within the group.

An equal opportunities employer: Advans institutions believe strongly in and promote equal opportunities for employment and career development, irrespective of family origins, friendship connections or professional contacts.

Promoting sustainable development

Monitoring our social and environmental impact: Beyond the economic benefits of microfinance, the Advans group carefully monitors the social and environmental influence of its activities. A Social and Environmental Management System (SEMS) has been outlined at group level and is employed by Advans SA's affiliates. One of the system's most important aspects is an exclusion list that sets out the sectors of activity prohibited from receiving our financial support due to their negative social or environmental impact.

Raising staff consciousness: Every new Advans group employee undertakes a training course on the company's Environmental and Social Policy. Employees are subsequently invited to actively contribute to improvement of our SEMS, sharing their own experiences and discussing the most effective solutions with their colleagues.

Self-sufficiency: The goal of Advans SA's institutions is to achieve financial sustainability after the initial years of growth and investment. Achieving self-sufficiency allows each Advans MFI to expand its influence, reaching out to an extended client base in the long term.

Responsibility and awareness

Integrity: The Advans group's operations aim to combat corruption and illegal activity of any kind. Staff are required to be honest and truthful at all times. In supporting transparent policies (credit policies, recruitment policies, code of conduct, etc.) we aim to prevent corruption and discrimination within each institution.

The fight against money laundering and terrorism financing: This issue is a major concern of both the shareholders and the affiliates of the Advans group. Detailed policies are enforced which follow the recommendations of the Financial Action Task Force (FATF). Advans Anti-Money Laundering and Combating the Financing of Terrorism (AML-CFT) policies were designed according to local regulations. In order to avoid any inadvertent financing of fraudulent activities.

Employing cutting-edge technology and ideas

Using up-to-date technology: Advans institutions use new technology to improve customer relations and services, broaden their customer base and to keep operating costs to a minimum.

Promoting individual expression and innovation: Innovative proposals often come from employees. The staff of Advans MFIs are encouraged to come up with new ideas and ways to improve efficiency and service quality in order to increase client satisfaction.

The Advans model



Advans SA brings together financial and technical expertise in order to transfer the most effective and up-to-date best practices in corporate governance and operations management to its affiliates. The group has developed a standard set of procedures that is implemented throughout the organisation and centred on common tools such as core banking systems, accounting software, Customer Relationship Management and Business Intelligence. The organisation's core values are laid out and communicated to all affiliates through its common policies. The Advans model is constantly updated to reflect the best practices that emerge internally — in all the institutions in the group, and externally — via our shareholders.

◆ The year in review (April 2012 – March 2013)



Two new greenfield MFIs started operations in January 2013, within three weeks of each other: a testament to the viability of the Advans model and the efficiency of our staff at all levels. The year also saw Advans SA increase its share in Amret and key events and projects for the Operations, Human Resources and Audit departments across the group.

Advans Pakistan: the first greenfield in Asia

Advans Pakistan Microfinance Bank Limited (Advans Pakistan), the Advans group's sixth greenfield microfinance institution and the first greenfield to be located in Asia, opened its doors to the public on 7 January 2013. The first branch is located in the neighbourhood of Mehmoodabad in Karachi, the main city of Sindh Province. After three months of operations, the MFI opened a second branch in Lasbela (Jamshed Town), also in Karachi, on 23 March 2013.

Created in April 2012, 70% of Advans Pakistan is held by Advans SA and 30% by FMO, the Dutch development bank, both founding shareholders of the company. The total share capital amounts to PKR 800 million, around EUR 6.3 million at the current exchange rate.

As a registered microfinance bank, Advans Pakistan offers a complete range of financial services to micro, small and medium-sized enterprises (MSMEs): loans to MSMEs that range from PKR 10,000 (ca. EUR 80) to PKR 150,000 (ca. EUR 1,180), and current and savings accounts for both MSMEs and individuals. Additional services such as cheque clearing and SMS mobile banking notifications are due to be launched in the next few months.

Advans Nigeria: the eighth MFI starts operations

La Fayette MFB (Advans Nigeria) was the second greenfield microfinance institution to be opened this year and as such the eighth MFI in the Advans group. The institution opened to the public in Ibadan, Oyo State, on 30 January 2013 after obtaining its final business license.

The head office and the first branch are located in the Dugbe area of Ibadan, the third biggest city in the country. Ibadan is a financial and economic hub and Dugbe is in close proximity to the city's largest market and to other neighboring trading areas. The first few months of operation confirmed that the location is ideal for serving the target clientele as the branch has been busy since it opened.

Advans Nigeria is 50.1% owned by its founding shareholder Advans SA, 17.5% by IFC, the private-sector-focused arm of the World Bank, 17.5% by KfW, the German development bank, and 15% by FMO. The total share capital of the company amounts to NGN 1 billion, about EUR 5.0 million at the current exchange rate. Since its inauguration, Advans Nigeria has also received support from AFD, the French development agency, and the Grand Duchy of Luxembourg via a technical assistance facility managed by EIB, the European Investment Bank.

As a registered microfinance bank, Advans Nigeria offers a complete range of financial services to MSMEs: loans ranging from NGN 30,000 (ca. EUR 150) to NGN 1,000,000 (ca. EUR 5,000), as well as current and savings accounts for both individuals and MSMEs.

Advans Côte d'Ivoire: one year on

Our sixth greenfield project, Advans Côte d'Ivoire, launched in March 2012, now has three branches in the capital, Abidjan, in the areas of Adjamé, Marcory and Abobo, and is looking to open a fourth branch in the Yopougon district. The bank got off to a promising start and, after a year of operations, already serves more than 3,300 active clients for an outstanding loan portfolio of FCFA 1.5 billion (ca. EUR 2.3 million). At 31 March 2013, Advans Côte d'Ivoire had almost 130 members of staff.



Amret: Advans SA acquires Oikocredit's stake

In July 2012, Advans SA strengthened its position as lead shareholder of Amret by acquiring the stake held by Oikocredit. The shareholding structure is now as follows: Advans SA holds 44.4% of the shares, GRET 19.4%, Proparco 17.3%, FMO 12.6% and LFP and Botta 4.1% and 2.2%, respectively.

The Advans annual group seminar takes place in Kinshasa

The annual seminar took place in February 2013 in the Democratic Republic of Congo. Bringing together 55 participants from the head office in Paris and managers from across the Advans group, it allowed staff to share their experiences and to discuss innovative tools, organization methods and risk management policies through various workshops.

The HR department optimizes recruitment and key processes

This year, one of the priorities of the Advans group has been to strengthen its human resources policies and practices so as to be able to hire and retain professionals with a long-term commitment to the group and its mission.

To this extent, the Group Human Resources (HR) unit has been working on structuring relationships with our affiliates to optimize key HR processes. The unit carried out an assignment with Amret to assess and develop its annual appraisal process and define a future talent management program. In addition, in early 2013, the HR team from Paris went on a mission to Advans Banque Congo in order to review HR management processes. Suggestions for improvement included: a position and salary scale grading system and mobility and promotion policies.

Short-term and long-term mobility across MFIs continued to be fostered as part of the objective to develop local and regional management across the group. Since the inception of the short-term mobility program in January 2013, 15 Advans staff members have been assigned to different affiliates. The recruitment of local staff has also been improved. In collaboration with local HR teams, Advans extended the use of the recruitment software CATS to its affiliates in Nigeria, Cameroon, Democratic Republic of Congo and Tanzania. This new tool enables local HR teams to optimize their recruitment processes, making candidate selection easier and more efficient.

The Group Audit unit enhances its tools and methodologies

In the context of the continuous growth of the Advans Network — with the beginning of audit activities in Côte d'Ivoire, Pakistan and, later in 2013, Nigeria — , the Group Audit unit has reinforced its capacities, employing a second group auditor in May 2012. A new organization was therefore set up within the unit in order to continue to closely monitor the realities of each country and to respond in an effective way to the needs of the affiliates.

In 2012-13, the Group Audit unit continued to provide technical assistance to the network through regular on-field missions, systematically improving its practices through capitalizing on the experience gained at Group Audit level. In particular over the year, the Group Audit Unit has been reviewing the global audit package for credit reviews, thus providing up-to-date and efficient tools and methodologies for assessing credit risks for the affiliates.

The Group Audit unit also initiated Flash Audit Missions in 2013: complementary to ordinary audit missions, these short, unannounced assignments focus on the key risks identified for affiliate's branches. A specific methodology has been set up in order to facilitate this process. The overall objective is to improve the impact of audit missions across the Advans group.

◆ Outlook for 2013-14



The frontier and emerging countries in which the Advans group operates will continue to have differing levels of economic development, though they should all show strong growth potential throughout 2013 into early 2014. In Sub-Saharan Africa, the International Monetary Fund (IMF) predicts that GDP growth will be 5.6% on average thanks to declining inflation rates and internal demand in both resource-rich and low-income countries. Particularly high increases in GDP growth rates are forecast in the Democratic Republic of Congo — 8.3% in 2013 vs. 7.1% in 2012 — Cameroon, 5.4% vs. 4.7% and Tanzania, 7.2%. Despite the expected slowdown for Côte d'Ivoire, its GDP growth should remain above 8.0% in 2013. Economies driven by natural resources, such as Nigeria and Ghana, are also expected to show attractive growth levels at around 7.1%, despite a decline in oil prices.

In Asia, the Cambodian macroeconomic context will likely remain favourable due to continued investment and advantageous labor market conditions, with GDP

growth increasing from 6.5% to 6.7%. Despite large fiscal deficits and a complex business climate in Pakistan, inflation rates are set to decline over the coming period and its GDP growth should hover around 3.5%. On the political side, upcoming elections in Cambodia and Cameroon are expected to have a limited effect on the economies of these countries.

The Advans group has been looking at opportunities to expand into the Middle-East and North Africa (MENA) region and decided to invest in Tunisia, a country with strong potential for microfinance where GDP growth is expected to reach 4.0% in 2013. During the upcoming year, the Advans group is thus set to gain a foothold in MENA and to inaugurate its ninth greenfield institution: Advans Tunisie. The MFI will serve micro-entrepreneurs in a country where there are approximately 3 million potential microfinance clients with insufficient access to formal lending services, thus fulfilling Advans' mission of providing tailored loans to micro-entrepreneurs in order to promote sustainability and development.



After having successfully covered the main urban centers in their respective countries, older affiliates of the Advans group will start offering services to semi-urban and rural populations. Launched in Bafoussam in July 2012, Advans Cameroun's rural pilot scheme will be extended into two or three additional regions. Furthermore, mini rural branches, new delivery channels and new methodologies for providing larger agricultural group loans will be put in place. After a year in operation Advans Côte d'Ivoire hopes to extend its cocoa financing pilot scheme, reaching out to a greater number of cooperatives and producers in the region.

In Cambodia, Amret will launch individual agricultural loans, with the support of the World Bank, the AgriFin project aims to increase outreach in rural areas lacking formal banking services. Agricultural loans for rural micro-entrepreneurs will be launched in seven of Amret's branches starting from summer 2013; a further six branches will subsequently be involved in the pilot.

The Advans group will continue to place a strong emphasis on training and staff exchanges in the network, promoting team spirit, sharing experiences, and communication between its affiliates. In early September 2013, a seminar for Advans HR managers will take place at the head office in Paris, with workshops and training sessions on core HR processes and best practices. Later in the month a finance seminar for CFOs from all affiliates will take place, again at head office.

Staff exchanges will be on-going throughout the period. For example, Amret's Credit Training Manager will be coaching Credit Officers at Advans Pakistan for a three-month period and staff from Advans Ghana will be undertaking long-term missions training credit officers and bank staff at Advans Nigeria. By transferring know-how from its more mature affiliates to its younger institutions, Advans SA intends to capitalise on the skills of more experienced staff to accelerate the development of the group and constantly improve the Advans model.

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 the first SICAR to be granted the LuxFLAG Microfinance Label.

As at 31 March 2013, Advans SA's total committed capital amounted to EUR 43.6 million, which breaks down as follows:

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



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

Horus has been providing services in the field of development finance since the early 1990s. It built up its expertise in microfinance and SME financing by offering short-term consulting services to donors, governments and financial institutions (banks and MFIs). Horus has also gradually been sought out by financial institutions and microfinance programs for longer-term technical assistance. Horus is not simply a shareholder, it is also the sponsor and manager of Advans SA. In addition it has the privilege of providing technical assistance 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.



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 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 business people.

As of December 2012, the EIB had EUR 436 million in active commitments to about 32 microfinance projects or intermediaries. Operations are financed from the EIB's own resources or under the European Union's mandates. The EIB's microfinance activities are deployed in three regions: Sub-Saharan African, Caribbean and Pacific countries (ACP region), Mediterranean partner countries, and Europe.



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 would increase its range of financial instruments to include equity and debt investments, both provided directly.



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 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. FMO believes 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 three sectors that have high development impact: financial institutions, energy, and agribusiness, food & water. With an investment portfolio of EUR 6.3 billion, FMO is one of the largest European bilateral private-sector development banks.



International Finance Corporation (IFC)

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector. It helps developing countries achieve sustainable growth by financing investment, mobilizing capital in international financial markets, and providing advisory services to businesses and governments. In 2012, its 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 Development Bank (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 2012, KfW Bankengruppe's total financing volume amounted to EUR 73.4 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.



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 the 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.

Corporate Governance



Board of Directors

Advans SA's Board of Directors is primarily responsible for the overall management of Advans in accordance with its articles of association and Luxembourg law. It is composed of qualified senior professionals with extensive experience and in-depth knowledge of financial services.

As at 31 March 2013, its members were the following:

Matthias Adler, Chairman of the Board, Principal Economist — financial and private sector development, Europe, KfW;

Henk Nijland, Manager Financial Institutions — Europe & Central Asia at FMO;

Hiti Singh, Senior Investment Manager, CDC Group (replaced by Maria Largey, Microfinance Investment Manager, CDC Group as of May 2013);

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. As at 31 March 2013, the Investment Committee was chaired by François Lagier.

Audit and Risk Committee

The Audit and Risk Committee of the Board of Directors has a fundamental role in (i) controlling financial information and (ii) supervising the internal control and risk management system of the Advans group and ensuring its effectiveness. The Audit and Risk Committee comprises three non-executive directors appointed by the Board of Directors.

The Manager

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 carry out its management duties, Horus has brought together a team of international professionals, experienced in microfinance and private equity:

Claude Falgon, Chairman and CEO of Horus

Steven Duchatelle, Deputy CEO of Horus

Amanda Hannan, Head of Investment Unit

Alberto Didoni, Investment Officer

Thibaud Ponchon, Investment Officer

Emmanuel Aris, Investment Officer

Vidary Inthamone, Investment Analyst

Juliette Vasseur, Investment Analyst

Katherine Brown, Investment Assistant

Group Audit unit

In May 2009, a Group Audit unit was set up at the holding company level to assist in the creation of effective internal audit units at each Advans SA affiliate. The unit reports directly to the Board of Directors' Audit and Risk Committee on a quarterly basis. Its mission is to contribute to the development, support and supervision of the internal audit departments of Advans group institutions and to ensure the standardization and proficiency of the internal audit function within the group.

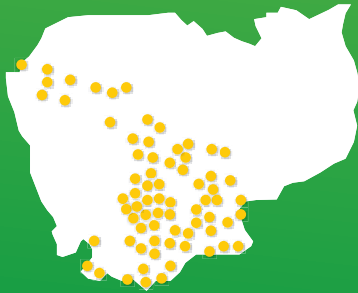


The Advans Group



The Advans group is currently active in eight countries:

Cambodia, Cameroon, Ghana, Democratic Republic of Congo, Tanzania, Côte d'Ivoire, Pakistan and Nigeria.



Contact

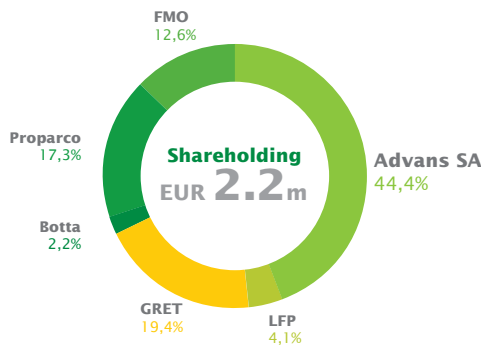
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July 1991
 Start of operations

2,255
 Members of staff

101
 Points of sale



Historical Milestones

- 1991:** GRET, a French NGO sets up an experimental project to deliver microfinance to the rural population of Cambodia
- 2000:** Amret becomes a private limited company and receives a MFI license
- 2001:** Horus/LFP takes a 20% stake in Amret and sits on the Board
- 2006:** Advans SA takes a stake in Amret and gradually increases its holding to become the institution's lead shareholder, currently holding 44.42% of the total share capital.
- 2009:** Amret is one of the first microfinance institutions to be granted a license by the National Bank of Cambodia to collect deposits from the public. Advans SA supports the transformation of Amret from a predominantly village banking institution into a deposit and individual loan institution.
- 2012:** Launch of the SME Loan Project

Context

Cambodia experienced a period of economic growth throughout 2012 (6.5% GDP growth) and in early 2013 thanks to a stable political environment, adequate rainfall and macroeconomic growth driven in particular by strong exports, private investment and agriculture. This dynamic atmosphere has attracted additional investment and tourism and increased exports of garment products. Although this positive economic trend has created employment and contributed to the decline in poverty (from 23% of the population in 2009 to 20% in 2012), rural poverty remains a challenge: 90% of Cambodians living under the national poverty line are from rural areas.

Microfinance has played an important role in contributing to economic and social development in Cambodia, and the implementation of Credit Bureau regulations since March 2012 has been a key step towards the creation of a strong and reliable financial industry. Amret's role in this dynamic environment is to continue providing professional services to rural MSMEs in order to improve standards of living, while undertaking to reduce investor concerns about over-indebtedness.

The evolving economic and political environment has been positive for the microfinance sector with an average loan portfolio growth for Cambodian MFIs of 35% in 2012, followed by 10% in the first quarter of 2013.

Lending Activity

Key Figures

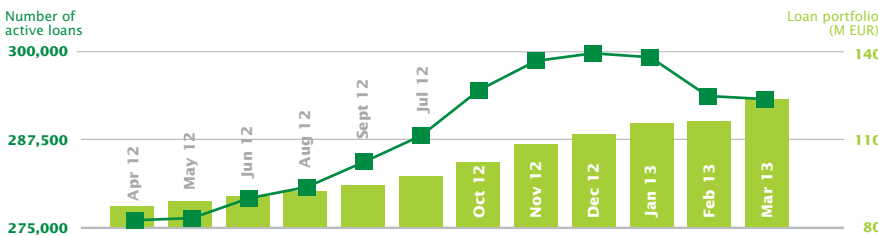


This was another year of strong growth for Amret: the total loan portfolio increased by 43% from KHR 449 billion (ca. EUR 84.4 million) to KHR 640 billion (ca. EUR 123.9 million) between April 2012 and March 2013. The quality of the portfolio was consistently satisfactory over the period studied with the PAR 30 at 0.11% at the end of March 2013.

Amret's portfolio has been growing thanks in part to an increase in the average loan size from KHR 1.66 million (ca. EUR 310) to KHR 2.18 million (ca. EUR 422). Over the same period, the number of active borrowers increased by 8%. The introduction of a new individual loan methodology in mid-2012 led to an increase in the size and number of individual loans. The slow progression of client numbers in the latter part of the period was partly due to the migration of families who would have generally renewed their group loans, and partly due to the increasing demand from client's for higher loan amounts.

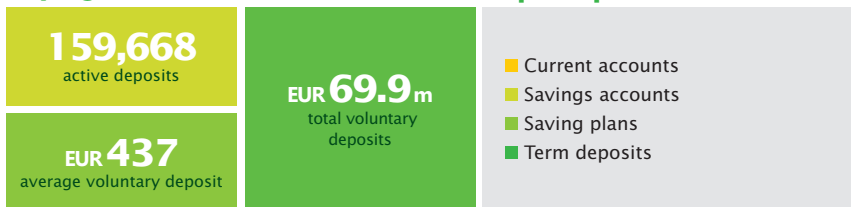
Amret's new loan policies are in line with its commitment to fight against over-indebtedness and are adapted to Cambodia's rapidly developing economic climate. The breakdown of the loan portfolio between Solidarity Loans and Individual Loans is now 31% and 69% respectively, Solidarity Loans still represent 71% of the total number of loans outstanding.

Monthly trend in lending activity, 2012-13



Deposit activity and other financial services

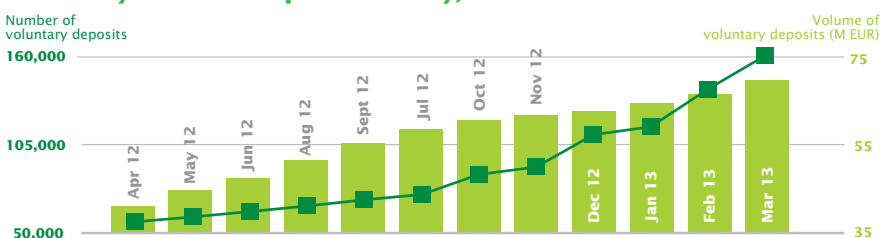
Key figures



Like any deposit-taking financial institution, Amret experiences the challenge of building public confidence and forming professional client relationships in order to encourage customers to save with them. As a result of its hard work, the MFI collected deposits of up to KHR 361 billion (EUR 69.9 million), with a growth rate of 77% over the period considered. The number of active deposits, now at almost 160,000, has more than tripled. Amret was among the top three MFIs in Cambodia in terms of deposit collection during 2012.

In addition Amret continues to diversify its sources of deposits, especially encouraging saving in rural areas in order to reach its long-term goals of sustainability and cost-efficiency. Amret is preparing its growth strategy for the years to come by investing in a new Core Banking System, which is currently being installed in all branches with completion expected by the end of 2013.

Monthly trend in deposit activity, 2012-13



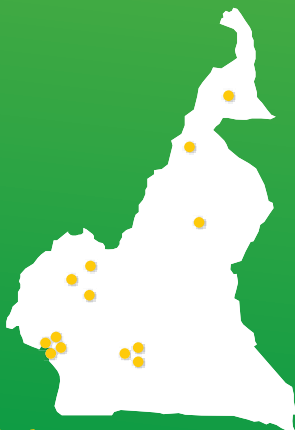
Client Profile: Mr. Chum Sok

Mr. Chum Sok, a farmer in Dak Por village, is one of Amret's longstanding clients. His well thought out business plan and determination, along with a little help from Amret, have brought him success and happiness. Today, Mr. Sok is a member of Amret's Solidarity Credit Committee.

Mr. Sok's first loan was a solidarity credit of KHR 100,000 (ca. EUR 20) which he paid back over a 12-month period in 2000. He used this credit to buy fertilizer, convolvulus seeds, cucumber seeds and cabbage seeds among other products.

Over the years, with the help of small loans from Amret, Mr. Sok has been able to progressively expand his farming business. He now owns a rice paddy of nine hectares, which he shares with his children, and a farm to grow other crops such as watermelon. What's more, he has installed a rice processing plant in his home to process both his rice and villagers' rice for profit. His annual income currently gives him a profit of KHR 10,000,000 (ca. EUR 2,000) and he produces 20 tons of rice per year. Mr. Sok sets aside a small amount of the remaining money to save with Amret.

Mr. Sok says: "The unexpected success that I have attained today has improved my standard of living and makes me very proud; I would like to express my great thankfulness to Amret for granting me loans. Their help has contributed largely to overcoming the difficulties I have had to face."



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May 2007

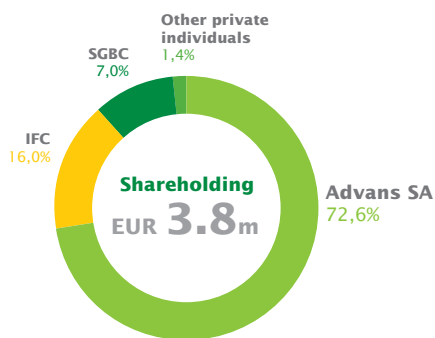
Start of operations

376

Members of staff

13

Points of sale



Context

Cameroon's economy is regarded as fairly dynamic compared to other countries in Sub-Saharan Africa. In a context of contained inflation at 2.9%, economic output has been growing steadily since 1996, mainly driven by Cameroon's strong manufacturing sector, oil revenues and agricultural development as well as import and export activity at the port of Douala. Its GDP growth increased from 4.1% to 4.7% between 2011 and 2012. Politically the country remains stable and has not undergone any major changes since the 2011 elections. However, Cameroon still suffers from high rates of poverty and unemployment: almost 40% of Cameroonians are living under the national poverty line, a figure that has remained unchanged since 2001.

Advans Cameroun has been able to continue its remarkable expansion in this dynamic economic and political environment. Three new branches were opened, in Kumba, Ngaoundere and Maroua, in 2012-13, bringing the total number of branches to thirteen at end March 2013. Advans Cameroun now serves eight key cities in the country. Impressive growth numbers were again recorded in 2012-13: the number of active clients increased by 37% and Advans Cameroun was profitable for the second year in a row. The institution is ready for the challenges ahead, with a focus on optimizing existing branch infrastructure and the profitability of the institution.



Historical Milestones

2006: Advans Cameroun is registered as a private limited company

2007: Incorporation as a Microfinance Institution and opening of the first branch in Douala, the country's largest city; a second branch follows in Yaoundé the year after

2009: Launch of SMS info, Western Union and external cheque services

2010: Launch of internal cheques and the SME loan

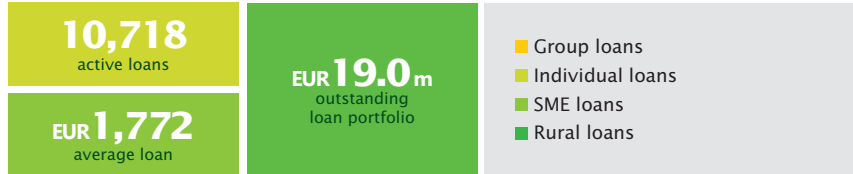
2012: Introduction of money transfers and mobile collection. Advans Cameroun also becomes a Mobile Banking Agent

2012: Pilot on rural lending in the first rural branch in Bafoussam

2013: Pilot testing of ATMs and debit cards. Rural lending scheme to be extended to Bamenda

Lending Activity

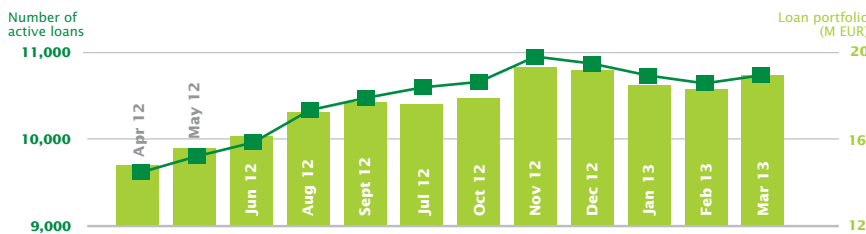
Key Figures



Advans Cameroun continued to expand its loan performance in 2012-13, providing loans to 5,251 new borrowers over the period considered. Growth rates were satisfactory, with the number of active clients increasing by 37% and the outstanding loan portfolio growing 29% to FCFA 12.4 billion (ca. EUR 19.0 million). However, due to a difficult start to 2013 the quality of the loan portfolio suffered, with PAR > 30 at 4.59 % at end March 2013, still the best in the sector.

The rural lending pilot was launched in the area of Bafoussam in July 2012, offering individual or group tailor-made loans to finance agricultural activities. Initially used to finance the second harvest season, later on in the year, loans were disbursed mainly for vegetable farming. From November onwards, prospective actions focused on non-agricultural rural entrepreneurs and poultry farmers. The results are encouraging: at end March 2013, the total outstanding loan portfolio for the branch stood at FCFA 186 million (ca. EUR 282,620) for 266 active borrowers.

Monthly trend in lending activity, 2012-13



Deposit activity and other financial services

Key figures



Deposit products:

- Current accounts
- Savings accounts
- Term deposits
- Project accounts
- Islamic accounts - Sharia compliant

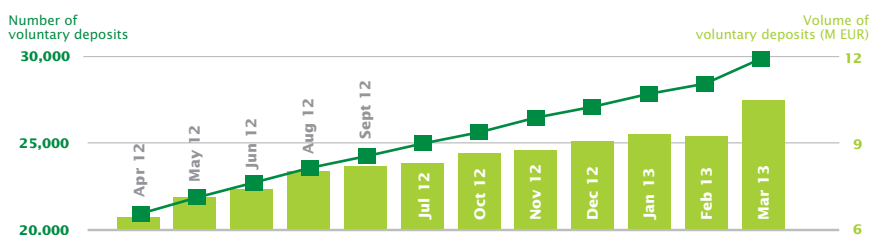
Services on offer:

- Internal and external cheque clearing
- Money transfers (Western Union)
- Mobile banking (Monifone)
- Mobile collection
- Insurance
- Debit card - Advans Easy Cash (available mid 2013)

At end March 2013, the total deposit portfolio amounted to FCFA 6.9 billion (ca. EUR 10.5 million) consisting of 29,779 deposits, representing an increase of 55% in volume terms and 48% in number of deposits compared to year-ago figures.

Mobile collection was introduced this year upon great demand from clients wishing to save in a secure and easy way without having to come to branches. Moreover the trial of Advans Easy Cash, a debit card service tested by Advans Cameroun's staff ended in March 2013. This service, to be made available to customers, will enable clients to withdraw money anywhere in Cameroon from ATMs run by its partner and shareholder SGBC (Société Générale des Banques du Cameroun).

Monthly trend in deposit activity, 2012-13



Client Profile: Mr. Simaze Joni Gaspard

Owner of a grocery store since 2008, higher education graduate Mr. Simaze Joni Gaspard has prospered thanks to the financial services offered by Advans Cameroun. "The revival of my business has been made possible thanks to Advans because this institution trusted me by offering me my first credit".

This first credit, a group loan taken out along with one of Mr. Gaspard's friends, amounted to FCFA 150,000 (ca. EUR 230) and allowed him to buy a photocopier in order to meet his clientele's demands for a photocopying service in the area. After a repayment period of six months, he took out a second loan, and then a third, both dedicated to stock diversification in the store.

Mr. Gaspard is delighted to talk about his business's growth, success that he attributes to both financial and moral support from Advans Cameroun. At 32 years old, Mr. Gaspard is among young entrepreneurs who are successfully finding their own ways into the business world with the help of microfinance.



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October 2008

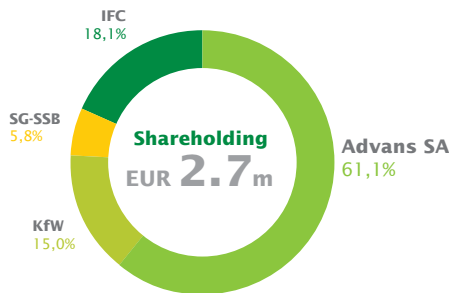
Start of operations

304

Members of staff

11

Points of sale



Context

Ghana, a country with a population of around 25 million inhabitants, is the second-largest economy in West Africa and the twelfth biggest in sub-Saharan Africa. Ghana has enjoyed political stability since 1992. The investiture of President John Mahama in January 2013, after the death of President John Evans Atta Mills in July 2012, shows further strengthening of democracy.

Economically, after a peak in growth in 2011 due to the start of oil production in the country, Ghana's growth stood at 7% in 2012. GDP growth is driven by oil revenues, the services sector and the export of gold and cocoa. The outlook for 2013 real GDP is positive due to significant investments in extractive industries, public infrastructure and commercial agriculture. Moreover, inflation is projected to fall from the current figure of 10.4% to 9.0% by the end of 2013.

MSMEs play a vital role in the Ghanaian economy, generating 40% of Gross National Income and consequently representing major sources of income and employment. However, most of their financial needs remain unmet. Despite political and economic expansion and widespread campaigns against poverty, the latter remains a critical issue in Ghana. The 2013 Human Development Index estimates that 28.6% of the Ghanaian population lives under the national poverty line, with strong urban-rural disparities. As a result, Ghana ranks 135 out of the 186 countries on the index.

In this positive macroeconomic environment, Advans Ghana has successfully furthered the consolidation of its operations. Over the period considered, the MFI opened one additional point of sale and increased its outstanding loan portfolio by 77%, from GHS 8.9 million (ca. EUR 3.5 million) to GHS 15.8 million (ca. EUR 6.1m). The performance achieved on the deposit side was also promising. In March 2013, the total deposit portfolio was GHS 4.8 million (ca. EUR 1.7 million), representing an increase of 52% compared to the previous year.



Historical Milestones

2007: Incorporation of Advans Ghana as a Savings and Loans Company

2008: Start of operations in Accra, near the Mallam Atta Market

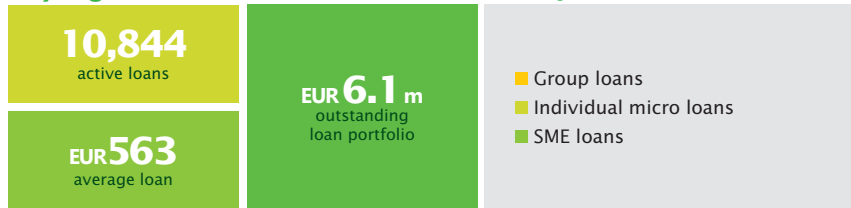
2009: Advans Ghana expands rapidly in the capital city and ends the year with three branches in Accra

2010: Initial expansion outside of Accra; launch of Money Gram, internal cheque services, e-Zwitch cards (Mobile Banking) and SME loans

2012: Launch of external cheques and cheque clearing

Lending Activity

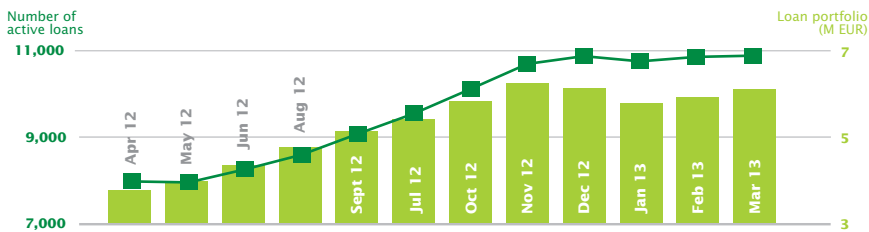
Key Figures



In 2012-13, Advans Ghana recognised strong loan portfolio growth of 77% for an outstanding loan portfolio of GHS 15.8 million (ca. EUR 6.1m) at year end. As at end March 2013, Advans Ghana served over 20,700 clients.

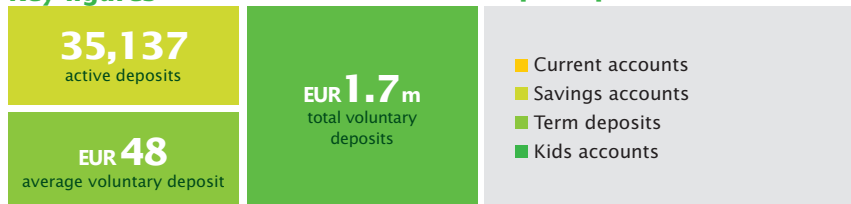
Advans Ghana will likely continue to post loan portfolio growth for the rest of 2013. The focus will be on (i) developing the loan offer by consolidating the upcoming launch of two new loan products — the Guarantor Smart Loan and the Salary Loan; (ii) controlling the quality of the portfolio in a highly competitive environment; and (iii) developing the SME portfolio. In order to achieve this last objective, Advans Ghana has taken two main steps: it has signed an agreement with AFD for a grant dedicated to strengthening the SME department, and hired a SME expert to help firm up SME activity.

Monthly trend in lending activity, 2012-13



Deposit activity and other financial services

Key figures

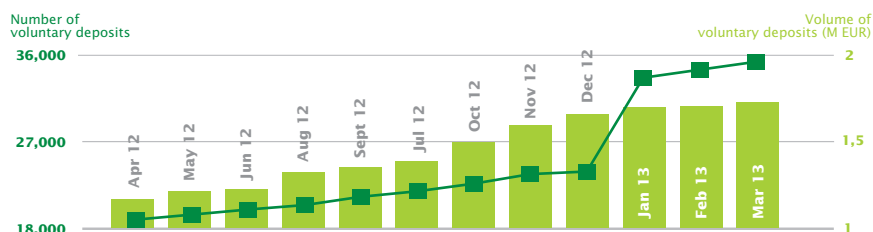


The deposit portfolio grew by GHS 1.5 million (ca. EUR 580,000) in 2012-13 representing an increase of 52% compared to March 2012. This performance can be attributed to the clear focus on deposit mobilization during the period. Some specific initiatives were implemented, such as the re-orientation of staff towards deposit mobilization, deposit portfolio management by Customer Service Officers, and the introduction of additional services such as Saturday banking.

In addition to the services currently offered (MoneyGram and e-Zwich), Advans Ghana will seek to expand its range of products by offering Western Union money transfer services to its clients during the course of 2013.

Since the introduction of the cheque clearing service in September 2012, inward clearing has processed 94 transactions for a total of GHS 300,000 (ca. EUR 115,000) while outward cheque clearing recorded 177 transactions for a total of GHS 168,000 (ca. EUR 65,000).

Monthly trend in deposit activity, 2012-13



Client Profile:
Mr. Samuel Gavor

Mr. Gavor's tailoring business was initially located in a wooden hut. However, in 2011, he took out his first loan of GHS 800 (ca. EUR 310) to secure a permanent home for his business. He finalized this plan six months later when he acquired his first store with a second loan of GHS 1,500 (ca. EUR 580).

After showing a good repayment track record, Mr. Gavor secured a third loan of GHS 2,500 (ca. EUR 970) in 2012 to buy sewing equipment to meet high demand from the increasing number of customers. Mr. Gavor then bought his second store, which serves as a showroom for his work. He also acquired air conditioning by means of a generator that supplies power to his two shops.

Today Mr. Gavor owns three stores. He recently secured a third shop at Darkuman (Accra) where he sells fabrics and wax prints. He is using his current loan with Advans Ghana of GHS 4,000 (ca. EUR 1,550) to purchase fabrics and more advanced sewing equipment.



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July 2009

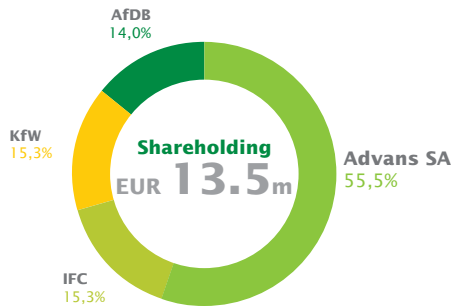
Start of operations

253

Members of staff

6

Points of sale



Context

The Democratic Republic of Congo (DRC) has gradually recovered from the war which ended in 2003. Recent years have also been challenging for the DRC, as it has had to face a food and livelihood crisis, a drop in commodity prices and political insurrection in the eastern part of the country. The situation has clearly improved: the country showed a growth rate of 8.2% in 2012, one of the highest rates in sub-Saharan Africa according to the IMF.

However, with an annual demographic growth rate above 3%, the DRC has found it difficult to transform economic expansion into socio-economic development. Ranking last on the UNDP's 2013 Human Development Index (186th position), the DRC has a banking rate that is among the lowest in the world with only 3% of the population owning a bank account. In other words, only 1.9 million accounts exist for a country with a population of 70 million inhabitants.

After a long dormant period the banking and microfinance sectors are now experiencing a strong growth phase due to the creation of new banks and MFIs across the country, along with healthy consolidation of the sector.

Since its creation, Advans Banque Congo has been gradually expanding its network; in October 2012 it launched its sixth branch in Kinshasa. Network expansion outside the province of Kinshasa is scheduled from 2014 onwards, once economic and financial equilibrium is attained. In 2012-13, Advans Banque Congo increased its lending to SMEs, thus tripling its outstanding SME portfolio, which stood at USD 7.2 million (ca. EUR 5.6 million) at the end of the period considered. The proportion of SME loans increased to 51% of the outstanding portfolio at end March 2013 vs. 39% at end March 2012.



Historical Milestones

2008: Incorporation of Advans Banque Congo

2009: Start of operations in Kinshasa, DRC's capital and largest city. Launch of National and International Transfers (SWIFT)

2010: Launch of SME loans and Mobile Banking ("Advans Mobile")

2011: Advans Banque Congo opens three new branches in the areas of Masina, Lemba and Delvaux (Kinshasa)

2012: Launch of internal cheques, external cheques and cheque clearing

Lending Activity

Key Figures



Loan products:

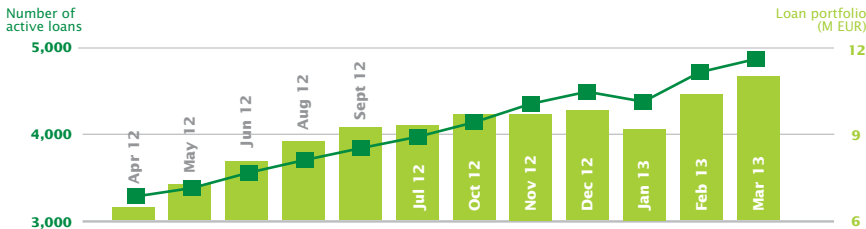
- Individual micro loans
- SME loans

Advans Banque Congo's loan portfolio increased significantly in 2012-13, to total over USD 14.2 million (ca. EUR 11.0 million) with 4,853 active loans by the end of March 2013, compared to a portfolio of USD 7.7 million (ca. EUR 5.8 million) with 3,121 active loans at end March 2012. This represents a growth rate of 84% in terms of volume.

However, 2013 got off to a difficult start for Advans Banque Congo, mainly due to the closure of the Chinese market, which created supply problems for customers, and the transport strike. This greatly affected the quality of the loan portfolio. The latter remained consistently satisfactory through 2012 to stand under 3% at end December, but increased over the fourth quarter of 2012-13, although it is still below 5%.

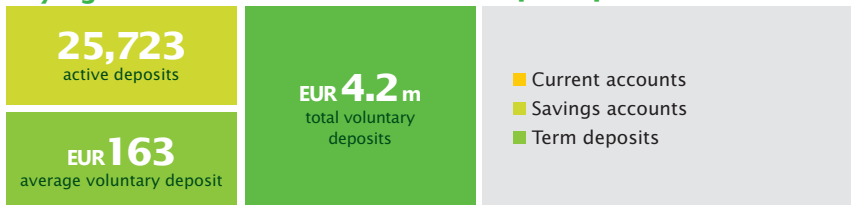
Enjoying an outstanding reputation both in the field of microfinance and SME economic operations, Advans Banque Congo recently increased its credit ceiling from USD 100,000 (ca. EUR 80,000) to USD 200,000 (ca. EUR 160,000) in order to serve a wider range of micro-entrepreneurs.

Monthly trend in lending activity, 2012-13



Deposit activity and other financial services

Key figures



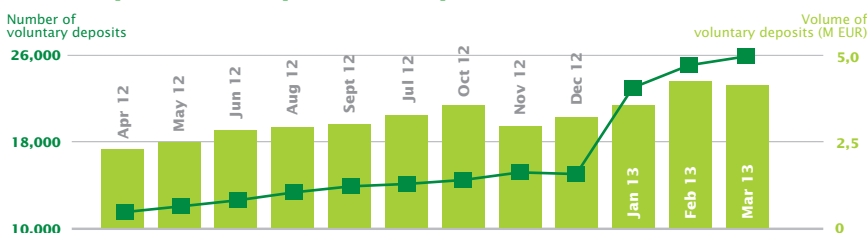
Deposit products:

- Current accounts
- Savings accounts
- Term deposits

As at end March 2013, Advans Banque Congo had an outstanding deposit portfolio of USD 5.3 million (EUR 4.2 million) which, in comparison to last year's figures, represents an increase of 81%. The average outstanding deposit is USD 215 (ca. EUR 160), which underlines Advans Banque Congo's commitment to targeting low-income customers.

Over the year, Advans Banque Congo continued to expand its product range, by introducing both internal and external cheque facilities. There are also plans to introduce banking cards in order to meet clients' needs, as well as to increase deposit mobilization. In addition, several large-scale partnerships are on-going with various players in the private sector of the DRC, which is likely to help broaden Advans Congo's outreach.

Monthly trend in deposit activity, 2012-13

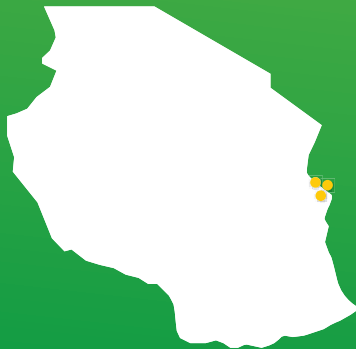


Employee Profile: Mr. Pathy Kalengayi Ntita

Pathy is Head of the Human Resources and Logistics departments for Advans Banque Congo. Pathy first became familiar with the bank as an intern in 2008, before it opened. He signed a permanent contract with the organization in January 2009 as a Customer Services Agent. Since then, Pathy has been promoted several times, firstly to Loan Coordinator in July 2009, then to manager of the second agency in Bandal in April 2010. He has occupied his current position as Head of HR since April 2011, and took charge of the Logistics department in January 2012.

Pathy has a degree in International Relations from the University of Kinshasa and has also carried out a good deal of training with Advans Banque Congo. He did a month and a half of training with Advans Cameroun, before the bank opened in DRC, and has participated in several internal training sessions on management and organization. As for his HR role, Pathy received training sessions given by the Horus team from Paris. What is more, Pathy is currently in his final year of a certified banking qualification.

In the future, Pathy would like to see Advans Banque Congo to continue to invest in its staff and training schemes and see the continuation of the application of the core Advans values. For Pathy, team spirit and cohesion are essential for a productive working atmosphere. He believes that communication and recognition of staff contributions at all levels has been and will be key to Advans Banque Congo's success and fulfillment of its long term goals.



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February 2011

Start of operations

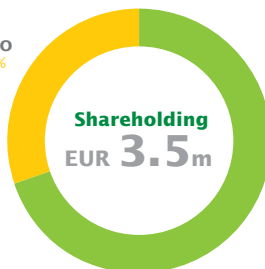
183

Members of staff

3

Points of sale

FMO
30%



Advans SA
70%



Historical Milestones

2010: Incorporation of Advans Bank Tanzania as a fully-fledged bank regulated by the Bank of Tanzania

2011: Start of operations in the poorer district of Manzese in Dar es Salaam

2011: Launch of SME loans

2011: Opening of a second branch in the most economically-active area of Dar es Salaam

2012: Advans Bank Tanzania launches ATM services through the Umoja Switch network system

2012: Launch of a mobile banking operator service (M-Pesa) in partnership with Vodacom

2013: Opening of a third branch to the public in the Temeke district, thus covering the whole area of Dar es Salaam with three branches

Context

The East African country of Tanzania, located on the coastline between Kenya and Mozambique has remained one of the most peaceful countries on the continent. Economic development in recent years has expanded constantly, with GDP growth at 6.5% in 2012. Agriculture, industry, wholesale and retail trade, transport and communication are the key drivers of this progress. Meanwhile, inflation rates have been brought down from 17% to 12%. The country's budget is still dependent on foreign support, but the recently-discovered gas resources in the South foster the hope that this dependency will possibly fade out one day. The Tanzanian Shilling has also remained remarkably stable in comparison to the US Dollar in recent years.

The banking sector is enjoying reasonable growth. However, with more than 50 banks, numerous MFIs and SACCOs, competition is becoming increasingly fierce. This is especially the case in bigger towns, while rural areas remain largely unprovided for by finance institutions.

Despite this sustained growth and stability, Tanzania remains a poor country, with approximately one third of its population living below the poverty line. The lack of correlation between GDP growth and the reduction of poverty can be explained by the relatively slow expansion of the agriculture and manufacturing sectors, which provide employment for almost four out of five workers in Tanzania.

In this context, Advans Bank Tanzania is focusing on meeting the demands of MSMEs, which represent an important part of the economic fabric of the country. The number of urban MSMEs is estimated at 2.7 million, with annual growth of 100,000 new urban MSMEs per year.

Lending Activity

Key Figures



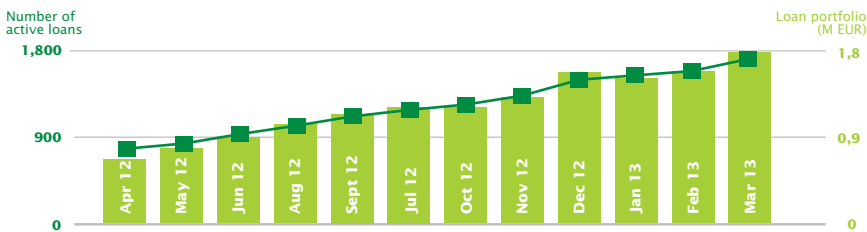
Loan products:

- Individual micro loans
- SME loans

At end March 2013, Advans Bank Tanzania had a portfolio of 1,696 active loans for an outstanding loan portfolio of TZS 3.6 billion (ca. EUR 1.8 million). The outstanding volume of loans and number of active borrowers rose by 177% and 138% respectively over the reporting period. The average loan disbursed increased from TZS 2.2 million (ca. EUR 1,080) to TZS 2.8 million (ca. EUR 1,370) over the period thus underlining the increasing weight of SME loans in the portfolio. SME lending increased to 30% of the total portfolio volume in March 2013 vs. 15% of the total portfolio in March 2012.

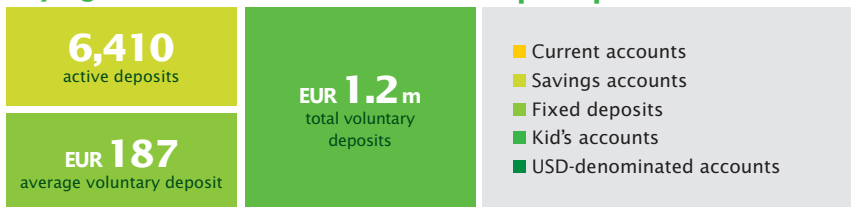
In order to make loan repayments more convenient, Advans Bank Tanzania has partnered with Vodacom M-Pesa, a mobile money service, to allow borrowers to repay their loans with 40,000 agents around the country.

Monthly trend in lending activity, 2012-13



Deposit activity and other financial services

Key figures



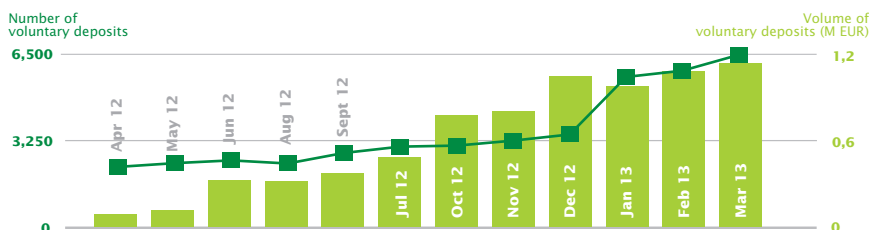
Deposit products:

- Current accounts
- Savings accounts
- Fixed deposits
- Kid's accounts
- USD-denominated accounts

As at end March 2013 and after 26 months of operations, the bank had opened 6,410 accounts totalling TZS 2.3 billion (EUR 1.2 million). The bank has significantly developed the number and type of financial services on offer in the past year. The introduction of the ATM card service was the main achievement. Depositors are now able to carry out transactions through a network of 150 ATMs throughout Tanzania. This year, Advans Bank Tanzania also introduced cheque services and domestic transfers, as well as agent services for M-Pesa, with a view to drawing more clients to the branches.

Alongside development of the retail depositors, management has partnered with insurance companies in order to collect large deposits through the institutional fixed deposits scheme.

Monthly trend in deposit activity, 2012-13



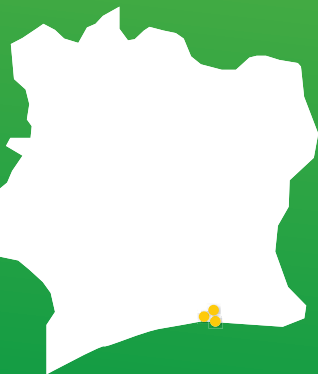
Client Profile: Mr. Dismas Severine Tagalile

Mr. Tagalile owns businesses in Kariakoo, Dar es Salaam. He sells braids, weavings and wigs, mostly to women. He imports his products from countries such as Nigeria and Dubai.

Mr. Tagalile was one of Advans Bank Tanzania's very first clients and started using the loans offered by Advans when he only had a small shop at his home in Manzese. Now, after four loans of TZS 2 million (ca. EUR 980), TZS 4 million (ca. EUR 1,960), TZS 5 million (ca. EUR 2,450) and TZS 10 million (ca. EUR 4,900), he has been able to purchase large premises in Kariakoo, an upcoming and vibrant business district.

He is currently repaying his fourth loan cycle and hopes to take out a fifth loan as he is impressed by the quality of customer service offered by Advans Bank Tanzania.

Mr Tagalile is a loyal and satisfied customer and says that he would not bank with anyone else: "I started with one small shop in Manzese, now I own two big stores and I am able to provide my family with all they need. Advans Bank Tanzania has been and continues to be such a very big support to my business and I can't imagine banking with anyone but them". When asked if there were any improvements to be made he replied: "To me everything is satisfactory, we business people are longing for affordable and easy access to loans, which is exactly what Advans offers."



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March 2012

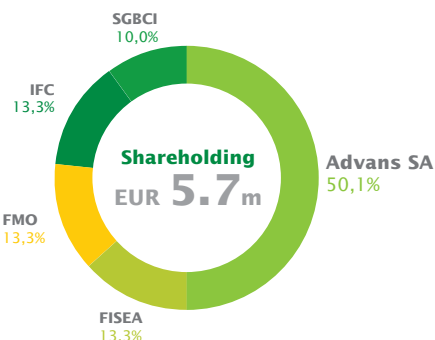
Start of operations

129

Members of staff

3

Points of sale



Context

Until 1999 Côte d'Ivoire was the most prosperous country in West Africa, representing 40% of the WAEMU (UEMOA) GDP. The political and military conflict which erupted in 2002 changed this situation entirely, with the country's economy suffering badly. Nevertheless, from 2007 onwards, the economy has gradually gained a new lease of life. In 2009 Côte d'Ivoire signed up to the Heavily Indebted Poor Countries (HIPC) initiative, a program which allows the country to receive special assistance from the IMF and the World Bank. 2012 was a year of economic recovery, with GDP growth of 9.8%, higher than the IMF forecasts, driven mainly by public investment and a dynamic services sector. Growth forecasts for the coming years are based, beyond the political stabilization of the country, on the capacity of the Ivorian authorities to remove several barriers to growth through dynamic reforms on energy, coffee and cocoa, education, health, climate business, etc.

Although microfinance has benefited from support of the government in Côte d'Ivoire over the past 30 years, the MSME market remains underserved. The main source of credit for MSMEs comes from credit unions and cooperatives which are sometimes in precarious situations, despite the fact that some new international players have recently entered the market. The 2010-11 political crisis following the presidential elections had a significant impact on the country's economic and social development. Micro and small businesses were badly affected by the unrest in the country and therefore greatly in need of assistance and support to survive. As a result, the country ranked below the regional average on the 2013 Human Development Index, coming 168th out of 186.

The above-mentioned crisis which lasted until May 2011 forced management to delay the preparation phase of Advans Côte d'Ivoire. However, since that date, economic activity has slowly resumed in Côte d'Ivoire. Advans launched its operations in March 2012 and the first year's results are very encouraging.



Historical Milestones

September 2011 - March 2012: Six-month preparation phase

March 2012: Advans Côte d'Ivoire opens its doors to the public in Adjamé, a district containing the Abidjan's largest market

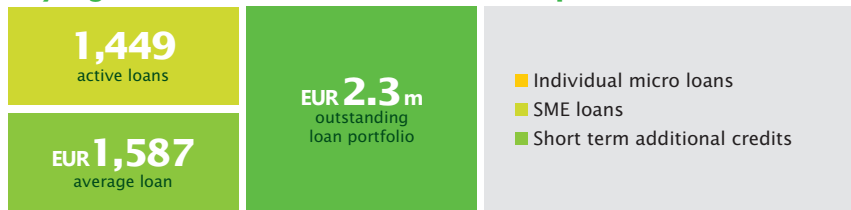
September 2012: Opening of a second branch in Marcory, in Abidjan

February 2013: The third branch in Abidjan opens in Abobo

After 12 months of operations: The fourth branch in Yopougon (Abidjan) is almost ready to start operations

Lending Activity

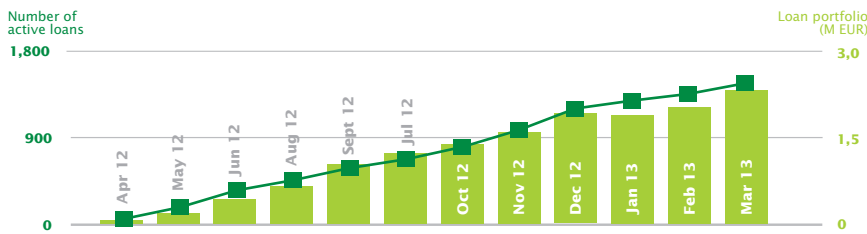
Key Figures



During the year, Advans Côte d'Ivoire partnered with the Cocoa Livelihoods Program (CLP) and Kiva to finance yield-increasing agricultural inputs for smallholder cocoa farmers in the country. The CLP increases farmers' incomes while strengthening local service capacity through the following three objectives: improving market efficiency and building farmers' capacity; developing the production and quality of cocoa at farm level, and enhancing farmers' competitiveness.

After twelve months of operations, Advans Côte d'Ivoire has provided more than 3,000 loans for a total cumulated amount of FCFA 2.8 billion (ca. EUR 4.2 million). At the end of the period, the outstanding loan portfolio was FCFA 1.5 billion (ca. EUR 2.3 million) consisting of 1,449 active loans. This successful start is promising for the future of Advans Côte d'Ivoire, which will seek to rapidly become one of the leading MFIs in the country.

Monthly trend in lending activity, 2012-13

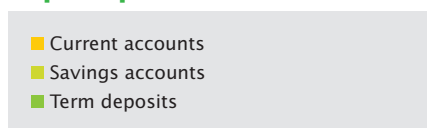


Deposit activity and other financial services

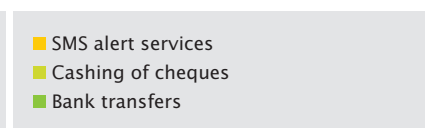
Key figures



Deposit products:

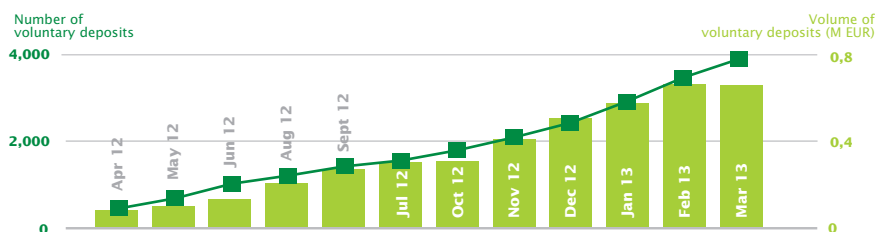


Other Financial services:



Advans Côte d'Ivoire's deposit activity looks promising. Over the period, the deposit portfolio increased significantly: the number of active deposits rose from 269 to 3,864, and volume increased from FCFA 16.3 million (EUR 24,860) to FCFA 435.3 million (EUR 663,620).

Monthly trend in deposit activity, 2012-13



Client Profile: Mr. Fruitueux Deo Gratias

Mr. Deo Gratias has been a household appliance trader since 2001. He started his business with a capital of FCFA 4 million (ca. EUR 6,100) and one store. Now after two loans from Advans Côte d'Ivoire, his business consists of five stores and its capital has increased significantly.

His experience with Advans Côte d'Ivoire began with a loan of FCA 10 million (ca. EUR 15,240). This loan was taken out in order to diversify the types of product on offer, as well as to increase the turnover of the company. Satisfied with this first loan experience, Mr Deo Gratias took out another loan of FCFA 22 million (ca. EUR 33,540) with Advans.

Between the first and the second loan, Mr Deo Gratias's business continued to grow and he has been able to use a portion of his profits to invest in housing construction, something that will serve as a legacy and a source of additional, sustainable income.

Mr. Deo Gratias talks enthusiastically of Advans' contribution to the development of his business. *"I got my first loan from Advans at a time when I truly needed it. I was impressed by the speed with which my request was processed and Advans' comprehension of my financial needs. I hope that Advans' activities will continue developing in the future, for example, it would be useful if it could increase its lending ceiling in order to meet more fully our needs."*



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January 2013

Start of operations

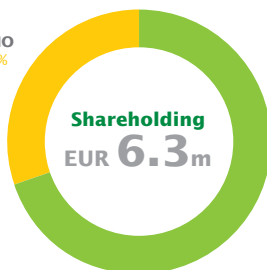
87

Members of staff

2

Points of sale

FMO
30%



Advans SA
70%



Historical Milestones

April 2012: Advans Pakistan is incorporated and regulated by the State Bank of Pakistan

January 2013: Advans Pakistan's first branch opens its doors in the Mehmoodabad area of Karachi

28 January 2013: Disbursement of the first loan amounting to PKR 20,000 (ca. EUR 160)

March 2013: The second branch opens in Lasbela, also based in Karachi

Coming soon: The third branch will be opened in Gole Market, Karachi

Context

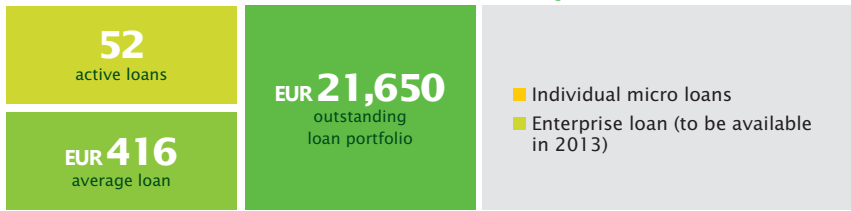
With a population in excess of 180 million people, the Islamic Republic of Pakistan (Pakistan) is ranked as the sixth most populous country in the world. Pakistan's economy is heavily dependent on agriculture, which employs 43% of its labour force and accounts for a large quota of the country's exports. Other driving forces of the economy are textiles, shipping, and the production of cement and fertilizers. Pakistan is also extremely fortunate in terms of human resources with more than half the population below the age of twenty-four which, if managed properly, could help the country's economy get back on its feet. Blessed with natural resources and manpower, Pakistan is listed as one of the next eleven emerging economies.

However, the country's GDP per capita ranks 178 out of 229. The inflation rate, which hovered around 8% in 2007, increased to almost 12% in 2012 and dipped in early 2013 to below 10%. Pakistan is currently facing several challenges: with the cost of living swelling rapidly and rising unemployment, poverty levels have increased with more than 50% of the population living below the poverty line. Meanwhile, the economy is still recovering from the devastating floods that hit the country in 2010-11.

Advans Pakistan Microfinance Bank Limited is the Advans Group's first greenfield in Asia. The bank opened its doors to the public in January 2013, aiming to provide MSMEs with access to financial services with a view to encouraging sustainable development in the country.

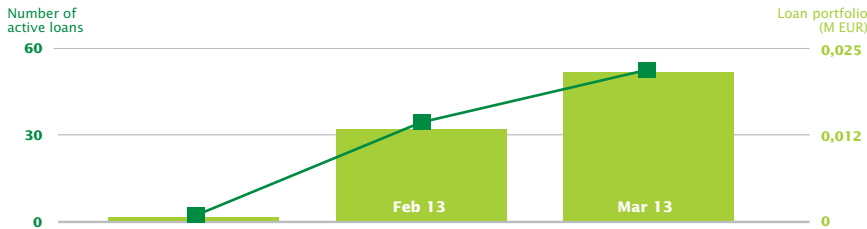
Lending Activity

Key Figures



At the end of March 2013, Advans Pakistan had a portfolio of 52 active loans for an outstanding loan portfolio of PKR 2,8 million (ca. EUR 21,650).

Monthly trend in lending activity, 2012-13



Client Profile: Mr. Zulfiqar

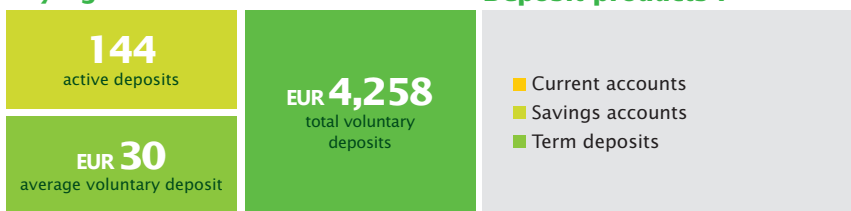
Mr. Zulfiqar started trading in sewing machines in the Mehmoodabad area of Karachi in 2002. He is assisted by one employee and, thanks to his good reputation in the area, his business is starting to flourish. Mr. Zulfiqar had previously taken out loans from other institutions and he was thus familiar with microfinance. He chose a loan from Advans Pakistan this time because he was impressed by their professionalism, their friendly customer service, and the transparency of the information distributed to him.

He took out a loan of PKR 40,000 (ca. EUR 310) for a one year term and has already paid back four instalments. The loan has helped him increase his working capital, something which was necessary with the constant flow of new orders.

Mr. Zulfiqar is eager to develop his business further in the future and is already thinking about taking out a new loan in order to redecorate his shop.

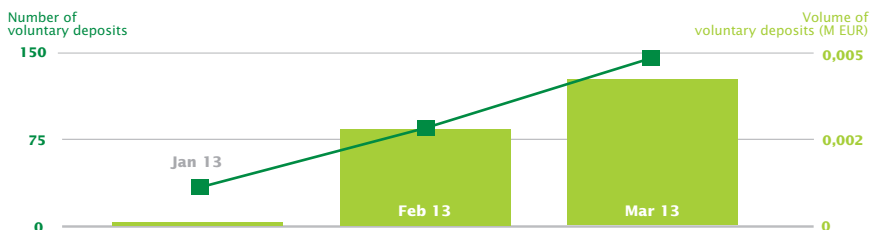
Deposit activity and other financial services

Key figures



The bank offers cheque books to its deposit clientele. As it strives to provide superior services to its clients, Advans Pakistan is considering the introduction of various additional services. Projects include ATM cards, domestic transfers and ATM machines.

Monthly trend in deposit activity, 2012-13



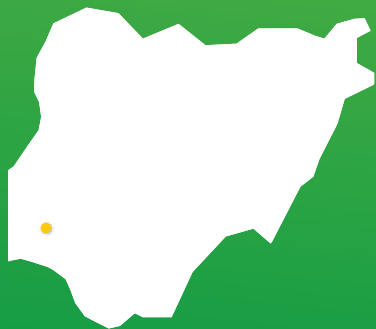
Human Resources

The HR department aims to provide a challenging work environment while simultaneously rewarding team members for their performance. Maintaining a friendly and stimulating working atmosphere will help the organization towards accomplishing its global vision. To date there are a total of 87 staff members on board.

Advans Pakistan will continue to promote employee training and development through offering banking, general management and professional programs. These courses will encourage

employees to enhance their understanding of the banking sector through practical and theoretical training.

The HR department's main focus is to strengthen the bank's workforce by recruiting the best available talents and providing them with fast career growth opportunities. The bank aims to become an employer of choice by offering competitive salary packages, on-the-job training and young leadership schemes. Career development initiatives have been introduced on a performance-related basis for core positions with four internal promotions occurring during the year.



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January 2013

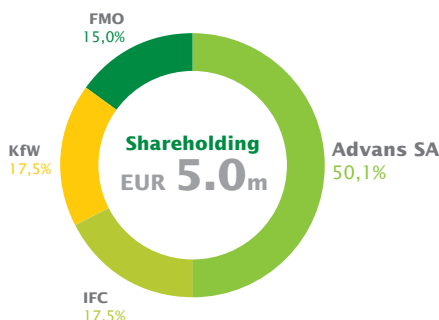
Start of operations

56

Members of staff

1

Point of sale



Context

Nigeria is one of the most dynamic African countries with high economic potential, it is also the most populated country in Africa with over 160 million inhabitants, 40% of whom are under 15 years old. The country has undergone substantial economic growth in recent years and came out of the recession with its economy reasonably intact.

The Nigerian economy relies heavily on the oil sector, which accounts for around 25% of its GDP. The rest of the economy depends on agriculture, and the service and trade sectors, whilst the secondary or manufacturing sector is very small. However a small informal sector producing a range of goods for local markets also exists. The main industrial areas are centred around major cities such as Lagos, Kano, Kaduna and Ibadan. As a result, unemployment levels vary from region to region with the oil-producing Niger Delta region having the highest unemployment rate at 29.5%.

The commercial banking sector has flourished in Nigeria since the deregulation of the economy in the late 1980s, but there is a disparity between the sophisticated commercial banking sector and the lack of support for MSMEs. The total assets of Nigerian Microfinance Banks represent less than 1% of commercial banking assets. According to a recent survey by the non-profit, independent organisation Efina, access to loans for small businesses in Nigeria is very limited with only 9.9% of MSMEs having access to funding.

After conducting a market survey throughout the country, the Advans group decided to create its Nigerian affiliate in Ibadan, the capital city of Oyo State, where access to financial aid for small businesses seemed to be most sought-after. Advans Nigeria is the sixth greenfield in Africa and the seventh of the Advans group.



Historical Milestones

April 2012: Advans Nigeria receives approval in principle from the Central Bank of Nigeria (CBN) to operate as a State Microfinance Bank

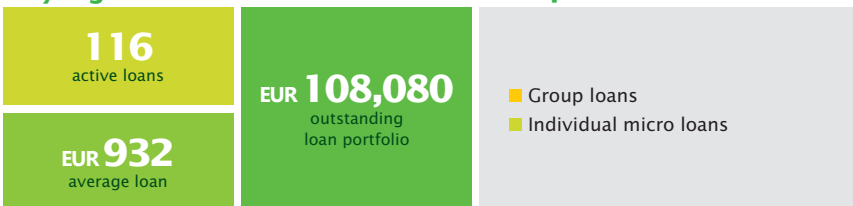
June 2012: The MFB is incorporated with its headquarters in Ibadan, the capital of Oyo State

January 2013: Receives the final licence as a microfinance bank from the CBN

30 January 2013: Operations are launched

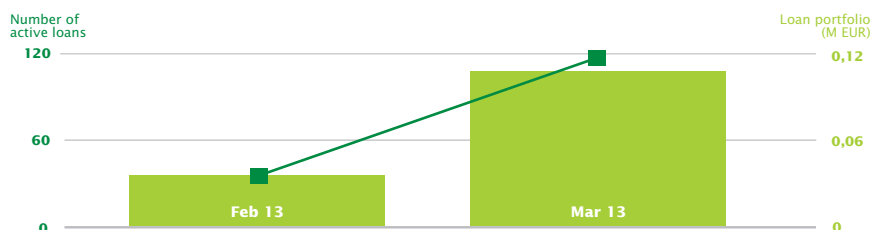
Lending Activity

Key Figures



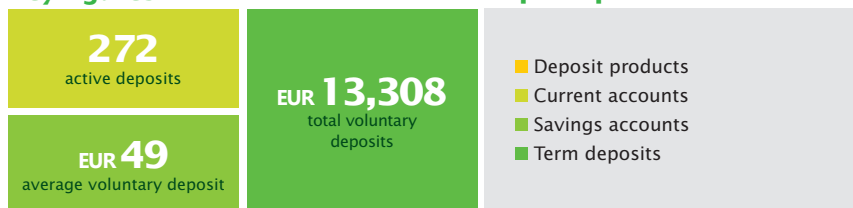
At the end of March 2013 Advans Nigeria had a portfolio of 116 active loans, for an outstanding loan portfolio of NGN 21.6 million (ca. EUR 108 080).

Lending activity since start of operations



Deposit activity and other financial services

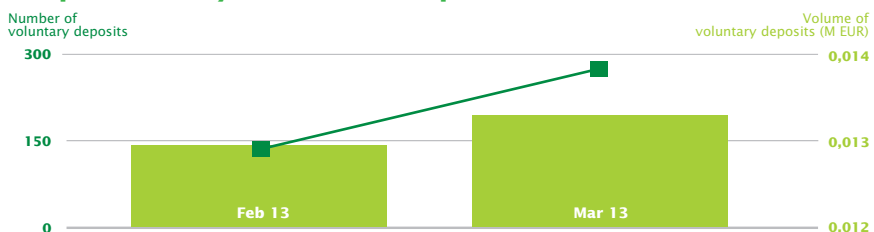
Key figures



Deposit products include current, savings and term deposit accounts. At end March 2013, the total voluntary deposit portfolio amounted to NGN 2.7 million (EUR 13,310), which consisted of 272 active deposits.

In March 2013, Advans Nigeria launched an SMS alert service for its borrowers. In the future, Advans Nigeria also plans to offer transfers, ATMs and various other means of payment.

Deposit activity since start of operations



Client Profile: Mr. Adewale

Mr. Adewale is a resident of Ibadan who predominantly sells suits. He is one of the first clients to take advantage of the services provided by Advans Nigeria to expand and diversify his business.

How did you start your business?

I started with one suit and over time I moved into selling from a mobile van. I bought my present shop in 2009 when my customer base grew stronger.

Did you have any financial partners prior to Advans?

I made an effort to obtain support from some banks in 2009 when part of my working capital was used to buy a shop but I could not meet their collateral requirements and I turned down all invitations from MFBs because of their unrealistic interest rates and rigid conditions.

Why did you choose Advans?

Advans is very reasonable and business friendly. Loans without stringent collateral or inflexible conditions have never been available in Ibadan.

How has Advans benefited you?

I have been able to meet the demands of my clients, have secured agreements as a distributor and increased my profit greatly.

How do you see yourself five years from now?

I would like to be a major importer. I have eight business proposals which until I starting talking with Advans I thought was impossible. I will be carrying them out one after the other. I am preparing to go to China with my next loan cycle.



Human Resources

Advans Nigeria believes that the success of the institution lies with its staff and therefore ensured that its new employees were well prepared for the opening of the bank in February 2013. At the end of March 2013, Advans Nigeria already had a team of 48 staff including 19 loan officers, two operations assistants and three IT specialists. A team of 11 client officers was sent to Ghana in September 2012 for seven weeks of exposure training. They shared their knowledge and experience on their return with the other client officers back in Nigeria. In addition, all operations staff received a five-week training course in November 2012.

During March 2013, the HR department began to develop its internal promotion scheme for the first batch of middle managers, focusing on observation and assessment of staff with the aim of selecting four team leaders and a client services supervisor. In order to promote and encourage team building and staff relations, weekly sports training sessions for employees have been taking place since the beginning of the year. The entire staff of the institution also takes part in a monthly meeting to review performance and set out goals for the coming months.

Advans Nigeria's HR department will continue to focus on training, promotion and team building in order to provide the best service possible to its clients.

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:

- In 2012-13, Advans SA posted a net profit of EUR 3,460,676, mainly attributable to unrealized capital gains on investments, restated for exchange rate fluctuations.
- Cash revenues, which amounted to EUR 828,727, mainly consist of: (i) dividends paid by Amret; (ii) interest received from the Central Bank of Nigeria for the initial amount deposited as part of the licensing process of La Fayette Microfinance Bank; (iii) repayment by La Fayette Microfinance Bank of part of the upfront cost of preparation of the project; and (iv) payment for group internal audit services.
- Operating expenses decreased by 4% compared with 2011-12 and mainly consist of:
 - Manager's fees covering the preparatory work for new investments and the monitoring of existing investments;
 - Pre-incorporation expenses amortised over a five-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 2013 (in EUR)

| | 31 March 2013 | 31 March 2012 |
|--|-------------------|-------------------|
| ASSETS | | |
| Fixed Assets | | |
| <i>Shares in affiliated undertakings</i> | 22,844,072 | 16,235,682 |
| <i>Amounts owed by affiliated undertakings</i> | 400,000 | - |
| <i>Shares in undertakings with which the company is linked by virtue of participating interests</i> | 16,025,117 | 9,017,776 |
| <i>Total fixed assets</i> | 39,269,189 | 25,253,458 |
| Current assets | | |
| <i>Amounts owed by affiliated undertakings becoming due and payable within one year</i> | 581,636 | - |
| <i>Amounts owed by undertakings with which the company is linked by virtue of participating interests becoming due and payable within one year</i> | 321,894 | - |
| <i>Other receivables becoming due and payable within one year</i> | 77,001 | 174,330 |
| <i>Other transferrable securities</i> | - | - |
| <i>Cash at bank</i> | 4,765,434 | 8,100,925 |
| <i>Total current assets</i> | 5,745,965 | 8,275,255 |
| Total assets | 45,015,154 | 33,528,713 |
| LIABILITIES | | |
| <i>Tax becoming due and payable within one year</i> | -3,210 | - |
| <i>Other creditors becoming due and payable within one year</i> | -54,277 | -31,722 |
| Net assets | 44,957,667 | 33,496,991 |
| EQUITY | | |
| <i>Paid-up share capital</i> | 40,100,000 | 32,100,000 |
| <i>Share premium account</i> | 142,000 | 142,000 |
| <i>Retained earnings</i> | 1,254,991 | 93,845 |
| <i>Profit/(loss) for the financial year</i> | 3,460,676 | 1,161,146 |
| Total shareholders' equity | 44,957,667 | 33,496,991 |

Profit and loss account for the financial year ended 31 March 2013 (in EUR)

| | 31 March 2013 | 31 March 2012 |
|--|------------------|------------------|
| INCOME | | |
| <i>Interest income</i> | 150,621 | 23,850 |
| <i>Dividend income</i> | 522,779 | 150,138 |
| <i>Other operating income</i> | 155,327 | 198,172 |
| <i>Net changes in fair value on financial fixed assets</i> | 4,155,833 | 2,371,876 |
| Total net income | 4,984,560 | 2,744,036 |
| EXPENSES | | |
| <i>Operating expenses</i> | 1,505,561 | 1,573,673 |
| <i>Depreciation on formation expenses</i> | - | - |
| <i>Interest payable and charges</i> | 322 | 223 |
| <i>Taxes</i> | 18,001 | 8,994 |
| Total expenses | 1,523,884 | 1,582,890 |
| NET PROFIT | 3,460,676 | 1,161,146 |







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