



NIMAI EMERGING FINANCIAL SERVICES FUND

TO BE REGULATED BY CAYMAN ISLAND MONETARY AUTHORITY (CIMA)

Newsletter – September Issue



Nimai Emerging Financial Services Fund – Update

Fundraising Update

We have received good traction from reputed investors such as institutions and family offices across markets and most of them have appreciated NEFS fund’s diaspora banking strategy in South Asia.

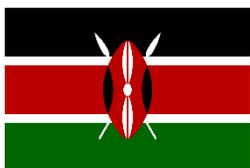
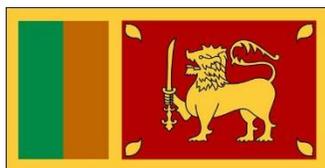
Deal Flow

Nimai Emerging Financial Services Fund has received widespread attention in the financial services sector in the target countries with the fund receiving several potential investment opportunities such as; a well reputed and fast-growing insurance company in Ghana that is seeking \$12-\$15 million in funding for expansion of its operations. The insurance company represents a great opportunity in growth equity and in terms of wealth creation for the investors.

Team

Nimai Capital has expanded its team of analysts and associates to aid in evaluating the substantial deal flow and maintain relations with the prospective investors.

Our Target Markets



Remittances Inflow to Target Markets

Introduction

For the September issue of our newsletter, we will be focusing on the remittance inflows and trends to our target countries of the **Nimai Emerging Financial Services (NEFS)** fund i.e. Bangladesh, India, Nepal, Sri Lanka, Ghana, Kenya and Tanzania.

Remittances are a major component of the GDP for emerging markets. They have become the largest source of external financing in the emerging markets with remittances being greater than Foreign Direct Investment (FDI) and Development Assistance. In some countries, remittances account for a significantly larger share of GDP than merchandise exports.

Remittances as part of the NEFS Strategy

Remittances are an important part of the NEFS value creation strategy. The NEFS fund will seek to channel these remittances through our investee companies which aid the investee companies in acquiring customers and increasing customer satisfaction and hence creating value for the investee company and the investors.

The increase in the customer base will also help in **enabling financial inclusion** and aid in economic development. The following table is the remittance inflow to the NEFS target countries over the last eight years along with the remittances as a share of GDP in 2018.

in \$ USD m

Target Markets	2011	2012	2013	2014	2015	2016	2017	2018	As a share of GDP in 2018 (%)
Bangladesh	12,071	14,120	13,867	14,988	15,296	13,574	13,498	15,496	5.41%
India	62,499	68,821	69,970	70,389	68,910	62,744	68,967	78,609	2.92%
Nepal	4,217	4,793	5,589	5,889	6,730	6,612	6,928	8,064	27.99%
Sri Lanka	5,153	6,000	6,422	7,036	7,000	7,262	7,190	7,464	8.07%
Ghana	2,135	2,155	1,864	2,008	4,982	2,980	3,536	3,803	7.34%
Kenya	934	1,211	1,304	1,441	1,569	1,745	1,962	2,720	3.04%
Tanzania	410	390	382	389	388	403	403	430	0.77%

Source: World Bank

Summary

- **Bangladesh** received **\$15.5 billion** and **ranked 11th globally** in remittance inflows which contributed **5.41%** to its GDP in 2018. Bangladesh saw an increase of **14.8%** in the remittance inflows in 2018 despite slowed migrant deployment.
- **India** received **\$79 billion** and **ranked 1st globally** in remittance inflows which contributed **2.92%** to its GDP in 2018. India saw an increase of **13.98%** in 2018 despite a high remittance cost.
- **Nepal** received **\$8.1 billion** and **ranked 19th globally** in remittance inflows which contributed **28%** to its GDP in 2018. Nepal's GDP is greatly dependent on remittance inflows with the remittance inflows doubling in the last 8 years. The remittance inflows increased by **16.4%** in 2018.
- **Sri Lanka** received **\$7.5 billion** and **ranked 20th globally** in remittance inflows which contributed **8.1%** to its GDP in 2018. Sri Lanka saw an increase of **3.8%** in remittance inflows which contributed to a reduction in its current account deficit in 2018.
- **Ghana** received **\$3.8 billion** and **ranked 40th globally** in remittance inflows which contributed **7.3%** to its GDP in 2018. Ghana's remittance inflows have almost doubled over the last 8 years with the remittance inflows increasing by **7.5%** in 2018.
- **Kenya** received **\$2.7 billion** and **ranked 50th globally** in remittance inflows which contributed **3%** to its GDP in 2018. Kenya has seen its remittance inflows triple over the last 8 years largely due to the rise of fintech. Kenya saw an increase of **38.6%** in remittance inflows which contributed to a reduction in its current account deficit in 2018.
- **Tanzania** received **\$430 million** and **ranked 110th globally** in remittance inflows which contributed **0.77%** to its GDP in 2018. Tanzania saw an increase of **6.7%** in 2018 despite a high cost of remittance in Africa.
- A total of **\$116.5 billion** was sent to the target markets, out of which **54%** was sent from the **GCC countries**.

Disclaimer

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