



NIMAI AFRICA FINANCIAL SERVICES FUND

TO BE REGULATED BY CAYMAN ISLAND MONETARY AUTHORITY (CIMA)

Newsletter – December Issue



Nimai Africa Financial Services Fund – Update

Nimai Capital would like to wish all the investors, associates & business partners a happy & prosperous 2020.

Fund

We are in the final stages of setting up the fund's office in Kenya. The office's physical address will be in Waiyaki way, where there are lot of other institutions & private equity funds. Mr. Pankaj had recently conducted a trip to Bangladesh and met various shareholders of banks and high net worth individuals who appreciated the fund strategy and have the appetite to invest in Africa. We look to receive firm commitments from investors in Bangladesh.

Deal Flow

Nimai Africa 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 fast growing provider of mobile financial services positioned to become a market leader in West Africa. The Company provides integrated mobile payment with mobile wallets to both the banking and nonbanking population of Ghana. The Company has been providing financial services over the past five years to the mass market by connecting banks and wallets through bilateral and multilateral arrangements globally. It had also won the 1st position for at the Premium Bank Ghana Startup Awards.

Team

We have identified potential core team members which include candidates from Kenya. We hope to finalize and bring them on board by the end of March. We will also recruit candidates from other target markets as the fund progresses and once the fund goes live.

Exits & Performances of PE funds in Africa

In this edition of our newsletter we would be discussing about the performances of private equity funds & the no. of exits from the East African market.

Private Equity funds have grown substantially in Africa and out of the 190 deal that have taken place from 2007 to 2018 there have been 44 exits and 10 out of those were to financial investors, 18 through sale to strategic investors, 11 through share buy backs, 3 through IPO, and 2 through others means.

Average number of deals reported per year increased to 42 per year for the period 2017 to 2018 compared to 18 in 2015 to 2016. Similarly, average investment size increased to USD 37 million in 2017 to 2018 from USD 17 million in 2015 to 2016.

Kenya remains the most popular investment destination in EA with Agribusiness, Financial Services and FMCG being the dominant sectors.

Source: <http://eavca.org/>

RECENT UPDATES ABOUT THE TARGET MARKETS

1) KENYA

Economy: A delegation of Kenyan financial sector representatives is set to visit Barbados in the next two weeks to explore business opportunities in the Caribbean.

The visit by the financial sector representatives is part of several agreements reached after discussions between President Uhuru Kenyatta and Prime Minister Mia Amor Mottley of Barbados to deepen business ties between Kenya and the Caribbean nation.

Regulation: Central Bank of Kenya has granted an operational license to Muungano Microfinance Bank Plc. The license will enable Muungano to carry out community-based microfinance banking business.

2) ETHIOPIA

Economy: The World Bank (WB) and the International Monetary Fund (IMF) have pledged to extend more than 5 billion U.S. dollars over the coming three years to support Ethiopia's ongoing economic reforms.

Regulation: Ethiopia has set the minimum spend by solo foreign investors in local businesses and infrastructure projects at \$200,000 as Africa's second most populous country pushes ahead with a privatization drive next year. For those planning a joint investment with a domestic operator, the requirement drops to \$150,000, according to a new draft proposal presented to parliament.

Recent deal: The House of Peoples' Representatives (HPR) in Ethiopia yesterday approved a deal with Djibouti to build a pipeline to transport natural gas from Ethiopia to an export terminal, according to various local media outlets.

3) GHANA

Economy: Ghana is looking to drop its currency, the cedi, to join the new West African currency called "eco," anticipated to replace the CFA franc as early as 2020. Benin, Burkina Faso, Guinea-Bissau, the Ivory Coast, Mali, Niger, Senegal and Togo are planning to drop the CFA franc in favour of the eco as well.

Recent deal: Ghanaian technology company, Celltel Networks Limited, has appointed local finance company, Ed & Co Capital Limited as financial advisors for the \$500 million Ghana Smart Cities project billed to take off in the second quarter of next year.

4) TANZANIA

Economy: The African Development Bank has approved a \$55 million facility to strengthen implementation of reforms to enhance Tanzania's economic competitiveness and private sector participation in the country's growth.

Recent deal: Tanzania has signed an agreement to link its Standard Gauge Railway (SGR) to Burundi and the Democratic Republic of Congo, in a deal that gives Dar es Salaam's multi-billion-dollar project a major shot in the arm. The SGR link gives landlocked Burundi and DRC direct access to the Dar es Salaam Port, greatly boosting Tanzania's Central Transport Corridor.

5) UGANDA

Economy: Uganda's central bank held its benchmark rate at 9% saying subdued inflation provides room to shield the economy from global headwinds and increasing domestic needs for private-sector financing.

Recent deal: A platform was created by the Uganda Bankers' Association (UBA), an association of Ugandan banks, and Eclectics International to develop a network of banking agents in rural zones within 30 months and boost access to financial services. The Agent Banking Company, that gathers banks and financial institutions on the same platform, and the International Finance Corporation (IFC) signed a \$1.9 million agreement to develop the platform.

6) BOTSWANA

Economy: The Botswana government has submitted \$102.5 million supplementary budget to lawmakers for the year 2019-20. Additional funds will be used to pay the pensioners & wage holders in the armed forces & civil services.

Recent deal: First Capital Bank Botswana announced the successful acquisition of Bank of India (Botswana).

7) RWANDA

Economy: The Republic of Rwanda has allocated part of the next financial year's budget to the information and communication technology (ICT) department to develop and support blockchain projects. Blockchain is the underlying tool behind Bitcoin and other cryptocurrencies.

Regulation: The Open banking regulation in Rwanda covers individual consumers and small businesses and addresses data sharing and data portability with a view to encouraging innovation, efficiency, new products developments and new players. As in the UK and Europe, informed customer consent is required.

Recent deal: Qatar Airways has agreed to take 60% stake in a new \$1.3 billion international airport in Rwanda.

Our Target Markets



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