

Rigotnomics Development Bank



Quarterly Report – June 2009

Dear investors,

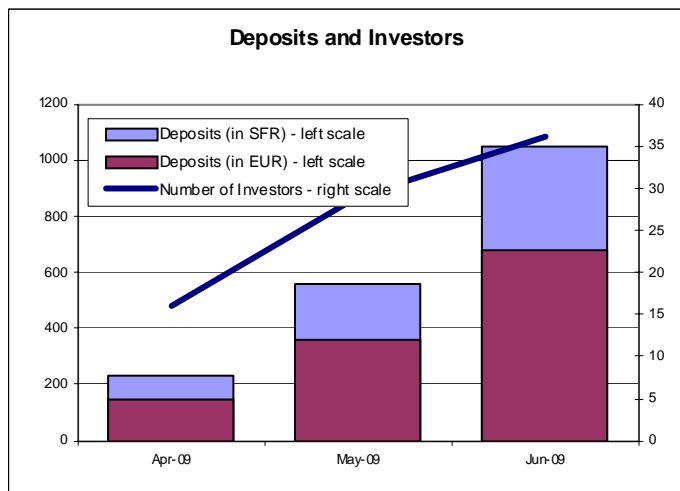
Thank you for choosing the RDB. Believe it or not, your money is invested with the greatest concern for economic and social returns. Our portfolio is now worth more than 1000 SFr and growing. With this Quarterly Report we aim to maintain a high level of transparency on our investments' composition and performance.

The ultimate goal of the RDB is to kick-off the development of regions which have limited access to capital by financing entrepreneurs which we believe are the solution to development. In view of that, we are serious about maximizing the returns to RDB investors.

Again, we would like to thank you for your trust in the RDB and hope that you will stay with us for some time. Keep in mind that by investing with us, you make a sound investment and contribute to the development of impoverished regions.

Investors

As of June 2009, we count 36 investors with individual deposits going from 5 to 308 SFr and averaging 29 SFr. Since our initial fundraising in April, deposits have constantly increased from 230 SFr to the current level of 1060 SFr as the number of investors has more than doubled. We hope to double the value of our funds by the end of the year by attracting new investors and convincing "old" ones to increase their capital stock.

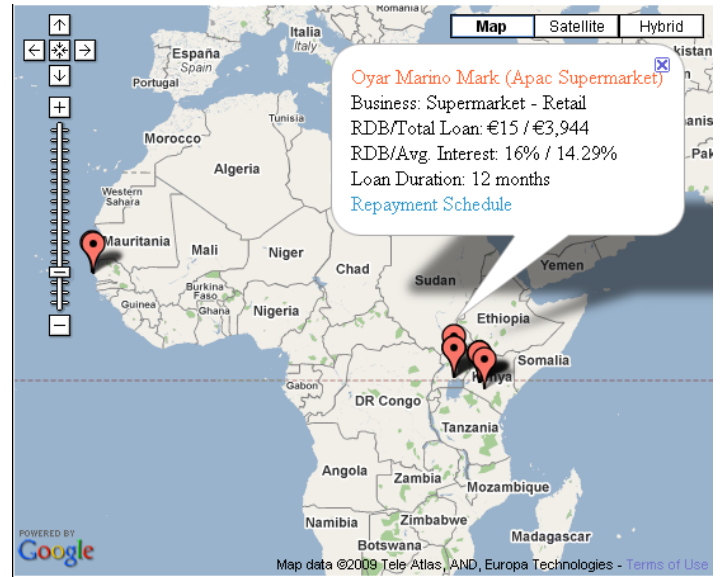
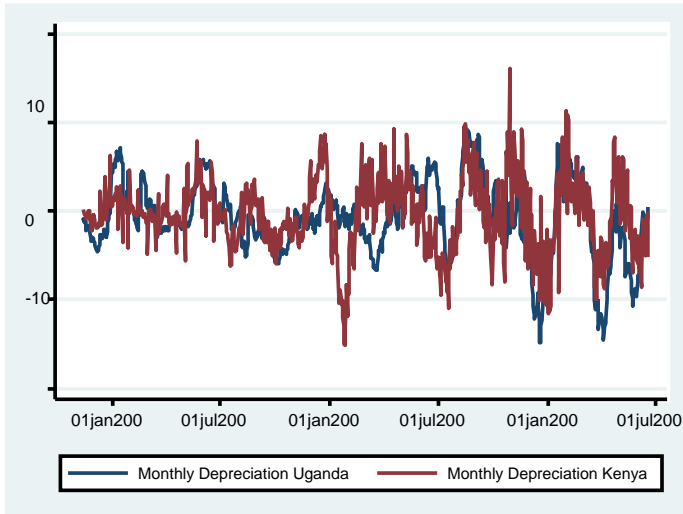


Investments

A total of 320 euros has been lent to entrepreneurs (at an average interest rate of 16.42%) and another 305 euros has been successfully bid on new investments with an average interest rate of 18.27%. Of the remaining funds 155 euros are currently in active bids and 110 euros are held in cash, as a buffer for potential withdrawals and to be invested in new projects.

All the repayments to our investments are on time and so far we made an annualized overall gain of 10% on the repaying loans. The return with respect to total deposits is with 1% much lower since most of our investments have just been activated and did not start repaying yet. Others still to be approved.

We also made a small currency gain due to an exchange rate appreciation in Uganda and Kenya. However, we cannot hedge ourselves against currency fluctuations as East African currencies move together.



Our active investments are widely spread across three countries with a slight bias towards Kenya. Currently, 47% of our funds are invested in Kenya, 28% in Senegal, and 25% in Uganda. The respective average ex ante yearly interest rate per country is given by 16%, 13% and 18.6%.ⁱ

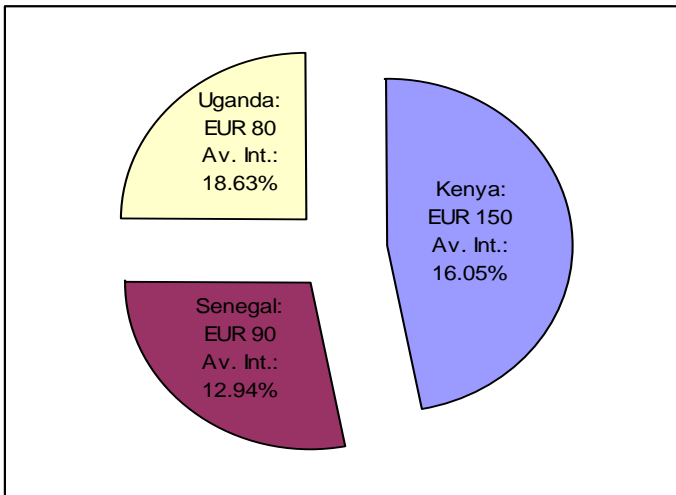
General News and Outlook

The RDB is always open to suggestions from its investors. This report is part of the extensions the RDB has undergone to increase transparency for investors and third parties. Additionally, we introduced an investment map section on our website in which you can quickly navigate to overview our investments. A second step will be to keep investors informed directly about their own return share via a personalized account at the RDB. This information will be available shortly via a password protected webpage for each investor.

In the medium run we aim at extending our investments across a wider range of developing countries, extending to Asia and Latin America.

One of our longer term projects is to transform the current form of the RDB based on deposits to an investment form in which shareholders can purchase and resale their shares in the RDB at anytime. A share in turn is a claim on a portion of the interest from the projects.

The exact guidelines for future investment, the calculation of your personal interest rate and the haircut fee applicable if funds are withdrawn prematurely are set out in the newly available [Investors Guide](#).



Box 1 features some more detailed information about the first two entrepreneurs the RDB invested in.

For more information on our investments and their status see our new [investment map!](#)

Contact us for some free stickers!

email: rigotnomics@gmail.com


web: rigotnomicsdevelopmentbank

phone: +41 22 908 5944

offices: Pavillon Rigot (R31 and R5),
11A Avenue de la Paix, Geneva CH-1202





Meet [Trent Kamau Kimani](#). Trent lives in Nakuru in Kenya  where he owns a business of selling scratch cards, money transfer via M-PESA, selling phones and phone accessories. He has been in this business for five years now. Last year he made a profit of 1126, enough to live happily with his wife and 3 children, and paid 4 employees 270 a month. Out of the 13,441 loan he got to buy a delivery motorbike, mobile phones and scratch cards to expand his business, the RDB provided 15 at 13%. We have already received 2 monthly repayments out of the 30 scheduled. The provider of the loan, [Ebony Capital Enterprise Limited](#), has never had a default since starting with MYC4 in April 2008 and lending to 558 businesses. The default risk is just 0.48%!



Meet [Robinah Byabasajja](#). Robinah lives in Kampala, the capital of Uganda  where she has been running her nursery school, the Skylight Nursery school and Day Care, for the last 10 years. Through this learning institution, she plays an important role in promoting universal primary education. Out of the 1,000 loan she got (this is her second MYC4 loan) to construct more classrooms and buy furniture and 3 computers, the RDB provided 15 at 9.75%. This loan allowed her to increase the school's capacity to more than 100 pupils. Last year



she made a profit of 984 to support her husband in providing food, shelter, health care and education for their children, and paid 5 employees a total of 3000. [FED](#), the provider of the loan, has been a MYC4 partner for 2 years now, funding 1964 businesses and seeing 4.19% defaulting.

Balance sheet (euros)

Balance items		Cumulative (end of period)			Change to prev. month	
Code	Item name	Apr-09	May-09	Jun-09	May-09	Jun-09
A	Total deposits received	150.00	359.00	676.00	209.00	317.00
B - 1	Amount in open bids	120.00	115.00	155.00	-5.00	40.00
B - 2	Amount outstanding in active bids	30.00	208.48	411.80	178.48	203.32
B - 2.1	- of which not approved yet (pending)	0.00	90.00	100.00	90.00	10.00
B - 2.2	- of which no repay yet	30.00	90.00	255.00	60.00	165.00
B - 2.3	- of which started repay	0.00	28.48	56.80	28.48	28.32
B - 3	Cash holdings	0.00	35.73	109.97	35.73	74.24
B	Total Balance	150.00	359.21	676.77	209.21	317.56
Repayment Record						
C - 1	Principal repaid	0.00	1.52	8.22	1.52	6.70
C - 2	Interest and currency loss (after tax)	0.00	0.21	0.77	0.21	0.56
	- of which gain/loss on cur. Exch.	0.00	0.00	0.00	0.00	0.00
Memo Items:						
D - 0	Net Profit	0.00	0.21	0.77	0.21	0.56
D - 1	Exchange rate gain on principal	0.00	0.00	0.02	0.00	0.02
D - 2	Default loss	0.00	0.00	0.00	0.00	0.00
D - 3	Tax paid on Interest	0.00	0.04	0.13	0.04	0.09
E - 1	Initial amount invested	30.00	120.00	320.00	90.00	200.00
E - 2	Initial amount invested in repaying funds	0.00	30.00	65.00	30.00	35.00

Our loans

Name	Location	Business	RDB Loan (€)	Total Loan (€)	RDB Interest Rate	Loan duration (months)	Status
Amazing Communication	Nakuru, KE	Communication	25	7,132	17.00%	15	Pending
Ciru's Jewelleries	Nakuru, KE	Jewelry/flowers	30	7,680	19.75%	18	Pending
Codou NDOUR	Dakar, SN	Artwork Store	70	16,872	14.13%	12	Active
Esther Wambui Njibu	Nakuru, KE	Hardware shop	60	6,583	17.00%	24	Active
Faith Stationaries	Nakuru, KE	Stationary	20	6,034	16.75%	20	Pending
Fortune Communication	Nakuru, KE	Communication	20	5,486	16.75%	24	Pending
Francis Njoroge Maragu	Nakuru, KE	Public Transport	20	4,389	16.75%	24	Active
Gorgui SAMBE	Ngor, SN	Car Rental	20	10,123	11.75%	18	Active
Haruna Mwanje	Masaka, UG	Import & Export	35	11,889	18.25%	24	Pending
Honest Bernard Uisso	Dar es Salaam, TZ	Wholesale shop	40	4,000	22.00%	12	Pending
Ipyana D.Mwasaga & Alpha Swai	Dar es Salaam, TZ	Phone accessories	35	1,765	16.75%	12	Pending
Isaac Bisaso Kafero	Masaka, UG	Mini supermarket	30	3,963	16.75%	15	Pending
John Gichomo Mbugua	Nakuru, KE	Public Transport	20	7,680	16.75%	24	Active
Magnewt Cyber Cafe	Nakuru, KE	Cyber Cafe	20	8,778	19.75%	28	Pending
Marimo Construction ltd	Nairobi, KE	Construction	35	29,921	16.75%	11	Active
Martin Aluchula	Nairobi, KE	Supplier	10	7,747	16.75%	12	Pending
Molly Bagala	Kampala, UG	Ladies' shoes	40	15,000	24.25%	36	Active
Oyar Marino Mark	Apac, UG	Supermarket	15	3,944	16.00%	12	Active
Robinah Byabasaija	Kampala, UG	Nursery school	15	1,000	9.75%	12	Active
Sadat Mpoza	Kampala, UG	Transport services	10	4,500	24.50%	24	Active
Shaban Hemed Shenyange	Dar es Salaam, TZ	Selling spare parts	20	3,890	22.00%	12	Pending
Sserwadda Paul	Kampala, UG	Retail & Wholesale	20	1,836	16.75%	12	Pending
Trent Kamau Kimani	Nakuru, KE	Phones accessories	15	13,441	13.00%	30	Active

ⁱ The ex ante rate does not need to coincide with the ex post rate since repayments by entrepreneurs are monthly, and the yearly rate is only obtained if funds are reinvested every month at the same rate. Also, the withholding tax of the respective countries reduces the effective return. Finally, exchange rate changes and default can reduce the value of the interest and the principal.