

ARIZ IN 3 WORDS



CONFIDENCE

a local team by your side,
a close relationship



SIMPLICITY

a standard, simple
and rapid to use tool



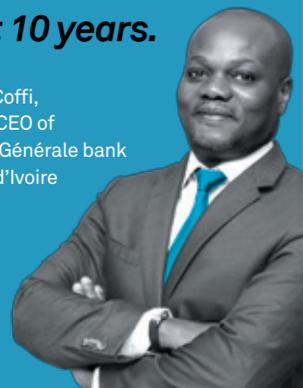
ACCELERATOR

a tool to develop your
SME activity



ARIZ is a stimulating product for the bank: it has allowed us to support over 300 Ivorian SMEs in the past 10 years.

Harold Coffi,
Deputy CEO of
Société Générale bank
in Côte d'Ivoire
(SGBCI)



WHAT IS ARIZ ?

ARIZ is a final loss guarantee offered to financial institutions by AFD to cover 50 to 75% of an individual loan or a loan portfolio for SMEs and microfinance institutions (MFIs). It allows:

Companies, from small businesses to structured SMEs

- to access term loans.

Microfinance institutions

- to finance their operations and deploy their lending activity.

Our financial partners

- to share the credit risk,
- to reduce the level of collateral required,
- to be assisted in the development of a strategy and products for SMEs,
- to increase their lending capacity thanks to the improvement in their solvency ratio and AFD's signature.

10 YEARS OF ARIZ



+1,500
guarantees signed



75 MFIs
supported



+6,000 SMEs
supported



100
partner
banks



37
countries
(90% of activity
in Africa)



€1,8 Bn
of loans guaranteed

AFD is an inclusive public financial institution and the main actor in France's development policy. It makes commitments to projects that genuinely improve the everyday lives of people, in developing and emerging countries and in the French overseas territories. AFD works in many sectors – energy, health, biodiversity, water, digital technologies, training – and supports the transition to a safer, more equitable and more sustainable world: a world in common. Its action is fully in line with the Sustainable Development Goals (SDGs). Through its network of 85 agencies, AFD operates in 109 countries and is currently supporting over 3,600 development projects. In 2017, it earmarked EUR 10.4bn to finance these projects.

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In Sub-Saharan Africa, SMEs generate some **60%** of employment and a third of GDP.

90% of microenterprises and SMEs in Sub-Saharan Africa do not have access to credit or do not use it.

Small and medium-sized enterprises (SMEs) make up the bulk of the economic base in developing and emerging countries. To create and develop their activity, they need medium and long-term financial resources. However, they are often perceived as risky clients and they continue to have very limited access to financing. AFD's solution is to offer financial institutions a risk-sharing mechanism: ARIZ.

ONE TOOL, TWO PRODUCTS



You are a lending institution,



You are in Africa, Latin America or Asia,



You want to develop your microenterprise/SME activity in all sectors,



We share the risk related to this financing with you.

The advantages of ARIZ risk sharing



Coverage in **local currency** or in the loan currency (no exchange risk)



Regular dialogue with AFD's local agency



Rapid two-phase compensation

Thanks to the loan from BoA, guaranteed by ARIZ, we were able to acquire Niger's first MRI in 2014. 153 people have now benefited from an MRI scan.

Ali Ada,
Director of the Magori polyclinic in Niamey



| | SILENT RISK SUBPARTICIPATION | MAXIMUM AMOUNT OF LOANS GUARANTEED | QUOTA GUARANTEED | MATURITY OF ELIGIBLE LOANS | RISKS COVERED | TRIGGERS | APPRAISAL | COMMITMENT |
|--|------------------------------|---|--|--|---|---|--|--|
| SINGLE DEAL GUARANTEE ALLOCATED ON A LOAN-BY-LOAN BASIS | | €4m or the counter value in local currency | 50% of the loan for SMEs 75% of the loan for MFIs | 2 to 12 years for SMEs 1 to 12 years for MFIs | final loss after recovery of the collateral taken by the lender | acceleration declared by the lender, insolvency proceedings | swift appraisal by AFD's local agency based on the financial institution's credit file | communication of information on the guaranteed loan: signing, disbursement, unpaid debts |
| GUARANTEE ALLOCATED FOR A LOAN PORTFOLIO | | between €10,000 and €300,000 or their counter value in local currency | 50% | between 1 and 7 years. Time period to build the portfolio: 2 years | | | delegation of risk analysis to financial institution | communication of six-monthly reporting on the loans guaranteed |