TECHNICAL DATA SHEET

INDIVIDUAL GUARANTEE OF BANK LOANS

DEFINITION

- The individual guarantee of bank loans offered by the FSA aims to facilitate access to small and micro-business credit. To that end, the FSA covers part of the loan risk supported by the lending bank. This product therefore aims to share the credit risk of bank funding in order to facilitate the funding of projects / operations carried out by companies.
- With the individual guarantee of bank loans, the FSA can intervene, alone, as a co-guarantee with other guarantors or as a counter-guarantee the commitments envisaged by the banks to facilitate the funding of projects or operations, of an industrial or agricultural nature, business and infrastructure, financially profitable and economically viable.

TERMS OF GUARANTEE

Final loss guarantee (when exceptionally the guarantee of payment defaults).

CURRENCY

The guarantee is allowed in the funding currency.

TARGET AUDIENCE / BENEFICIARIES

- Direct beneficiaries: Credit institutions and SFD, national and international financial institutions and regional financial institutions;
- Indirect beneficiaries: small and medium-sized companies and industries, micro-businesses, Large companies, all private or para state companies, viable, having their head office and their main field of activity in one of the FSA Member States.

ACTIVITIES AND ELIGIBLE OPERATIONS

- Sector: All legitimate sectors.
- Operations: Business creation, Renewal and / or strengthening of operating capacities, mergers and / or acquisitions, Restructuring and Privatization, operating funding.

REFERRAL

- The guarantee request must be sent to the FSA by the credit institution (bank, financial institution, etc.) accompanied by the following documents:
- the risk analysis report or assessment report drawn up by the requesting institution ;
- the Project Business plan developed by the borrower, if available ;
- the certified financial historical statements of the three (3) last fiscal years, if the company is active ;
- the legal, administrative and regulatory documents related to the project management structure ; and
- all other documents necessary for risk assessment.
- However, the Company may also request, prior to its approach to the credit/ lending institution, a letter of interest from the FSA on the basis of its business plan

QUOTA

- Ceiling amount and Maximum quota: 80% of contribution amount in principal, without exceeding 30% of the FSA effective equity. This rate remains unchanged, even in the event of a co-warranty.
- Minimum guarantee or minimum amount: CFAF 100 million.

FEES

- Commitment fee: 0.5% to 1.5% flat of warranty amount, due and payable immediately upon acceptance of the indicative offer (Terms sheets) from the FSA;
- Guarantee fee: 0.5% to 2.5% of outstanding warranty payable at the start of the period following the repayment schedule of the bank loan.

SAFETY REQUIRED

Real and / or personal, and other repayment mechanisms to be taken by the lender and registered in its favor and possibly including additional conditions recommended by the FSA .

GUARANTEE CALL UP AND PAYMENT

- The Direct Beneficiary brings into play the FSA guarantee as soon as the occurrence of an event authorizes it, in particular (i) when the termination of the credit is declared (the pronunciation of term expiry) and / or (ii) The borrower is in any of the collective debt clearance procedures (preventive settlement, receivership or liquidation).

- Subject to the satisfaction of the clauses of the Guarantee Agreement, the Fund pays the Beneficiary a deposit equal to 50% of the outstanding amount of its commitment (Beneficiary's claim in principal x guaranteed portion) on the appeal date within a maximum period of thirty (30) calendar days at most, from the date of receipt of all the required documents.

- The balance of the compensation is paid at the end of all recovery procedures (amicable and judicial) and after transmission of receipts of the Debtor's insolvency or of a default certificate. In any case, the payment of the remainder is made within a maximum period of thirty-six (36) months from the deposit payment.

MAIN BUSINESS BENEFITS OF THE INDIVIDUAL GUARANTEE OF BANK LOANS

Individual guarantee of bank loans allows credit institutions to:

- Facilitate the funding of projects led by companies, participating to risk sharing by the FSA;
- Be more comfortable in funding the economy, to the financial warranty;
- Help secure the funding granted and protect against unpredictable elements that generate counterparty default risks;
- Increase the volume of funding granted to businesses;
- Improve the quality of the loan portfolio and their solvency ratio, in view of the new prudential system inspired by Baloise in the Member States;
- Optimize the allocation of effective equity, according to the same prudential framework;
- Ensure immediate cash flow in the event of risk deterioration, within the framework of the collateral call;
- Strengthen security backed by loans granted to SMEs / SMIs;
- Facilitate the granting of loans to project leaders who do not have sufficient security.

The individual guarantee of bank loans allows project promoters to :

- Make their projects a reality, thanks to the funding obtained with the FSA guarantee support;
- Create wealth in the local economy: Added value and impact on households, public finances, shareholders or associates of the company, banks, post creation, maintenance of existing posts.

- The individual guarantee of bank loans allows the FSA to :
- Promote private investments in its Member States, by sharing risk with credit institutions;
- Increase the impact of the private sector in the Member States, an essential link to bring them towards emergence;
- Facilitate the mobilization of local savings for the investment funding;
- Contribute to the fight against poverty by allowing SME / SMI to access bank funding and Microfinance institutions in order to receive refunding lines with the banking system;
- Contribute to the strengthening of support mechanisms for SMEs / SMIs in the Member States.