

**PROPARCO offers** a wide range of financial products tailored to the specific needs of private investors in developing countries (loans, equity, quasi-equity, guarantees). In Southern Africa, Mauritius and Madagascar, PROPARCO's activity is based on 5 types of operations:

### **Providing long-term and/or subordinated financial resources to banking systems**

PROPARCO supports the structuring and sustainable development of banking activity by providing long-term financial products for equity, quasi-equity and debt. In 2008 for instance, PROPARCO granted a ZAR 150M credit facility to Capitec Bank.

### **Supporting the development of companies and using investment fund leverage**

PROPARCO provides a range of financial products (debt, equity and quasi-equity) designed to support companies (manufacturing industries, service sectors, agribusinesses...) in their development. In 2009 indeed, PROPARCO acquired a 10% stake in pan-African rating agency Global Credit Rating, thus promoting a more accurate assessment of risks and a larger recognition of investment opportunities in African markets. PROPARCO also realises equity investments, directly or through regional or pan-African funds.

### **Financing essential infrastructure for growth**

In the framework of infrastructure projects that involve specific financial structures (PPPs, private electricity producers, concessions) and require long-term foreign currency resources, PROPARCO allocates financing in the form of long-term and/or structured loans, equity or quasi-equity. For example, in 2004 PROPARCO participated in the financing of a gas pipeline through Mozambique for Sasol via a \$10M senior loan.

### **Supporting the financing of microfinance institutions**

By supporting microfinance institutions, PROPARCO also contributes to bringing about profound changes to the economic fabric and to the fight against poverty. All types of financial instruments are also available for MFIs. In 2009, PROPARCO granted a ZAR 100M subordinated loan to African Bank.

### **Backing technically our partners**

By assisting in the reinforcement of its partners' capabilities, PROPARCO favours an increase in companies' performances and enhances the developmental impact of its investments (job creation, economic growth, CSR).

PROPARCO is a Development Finance Institution jointly held by Agence Française de Développement (AFD) and by public/private shareholders from the North and South.

PROPARCO's mission is to catalyze private investment in emerging and developing countries in support of growth, sustainable development and achieving the Millennium Development Goals (MDGs).

PROPARCO finances operations which are economically viable, socially equitable, environmentally sustainable and financially profitable.

### **Contact**

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### **Website**

[www.proparco.fr](http://www.proparco.fr)



### **Other partners financed by PROPARCO**

Bank One, Barclays Zambia, BOA Madagascar, Celtel Malawi, FirstRand Bank, Grofin Capital, Industrial Development Corporation, Mozal, Munali, Polana, Real People, Sasol, Zanaco...

### **Areas of operation**

PROPARCO's Johannesburg office covers Angola, Botswana, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe.

In 2009, PROPARCO allocated more than € 130M of financing in Southern Africa, Mauritius and Madagascar.

# PROPARCO's financial products in Southern Africa, Mauritius and Madagascar

investment funds

infrastructures

corporates

banks

PROPARCO finances businesses and banks of all nationalities.

Funding is available in EUR, USD or local currency.

## PROPARCO's and FISEA's financial products in Southern Africa, Mauritius and Madagascar

		FINANCING TOOLS	AMOUNT	MATURITY	RATE	
SMEs, BIG CORPORATES OR INFRASTRUCTURE PROJECTS	Equity	Equity investment in the capital of small companies via partner investment funds	depending on fund strategy			
		Direct equity investment in the capital of companies	€1M to 20M for a minority position (<30%)	5 to 7 years	min. IRR 15%	
	Loans or quasi-equity	Long-term and/or structured senior or subordinated financing	€5M to 50M	up to 15 years	at market rate, depending on the level of subordination	
	Guarantees	Bank loan guarantee (ARIZ*) requested from partner bank max. quota: 50% of loan	max. €2M (equivalent)	1 to 12 years	annual fees: 1.35% to 2.00% of the guaranteed amount	
		Senior or subordinated bank loan guarantee	€5M to 50M	up to 15 years	at market rate, depending on the level of subordination	
FINANCIAL INSTITUTIONS	Private equity funds	Equity investment in the capital of investment funds	€5M to 20M	8 to 12 years	expected IRR in foreign currency: 15%	
	Banks / financial intermediaries (leasing companies, insurance companies...)	Equity	Equity investment in the capital of banks or financial institutions	€1M to 20M for a minority position	5 to 7 years	min. IRR 15%
		Loans or quasi-equity	Refinancing foreign currency and/or equity requirements in the form of senior or subordinated loans	€5M to 50M	up to 12 years	at market rate, depending on the level of subordination
		Portfolio guarantees	Guarantee (ARIZ*) for partner bank loan portfolios that are formed on the basis of predefined criteria and for moderate unit loan amounts	Annual fees based on the outstanding guaranteed amount or fixed fees based on the guaranteed amount		
	Microfinance Institutions (MFIs)	Trade Finance Portfolio Guarantee		€5M to 50M	5 to 7 years	fees based on the guaranteed amount
			Equity investment in MFIs	€1M to 5M for a minority position (<30%)	5 to 7 years	min. IRR 15%
		Loans or quasi-equity	Long-term senior or subordinated financing	€5M to 10M	up to 12 years	at market rate, depending on the level of subordination
		Guarantees	Bank loan guarantee (ARIZ*) requested from partner bank max. quota: 75% of loan	max. €2M (equivalent)	1 to 12 years	annual fees: 1.35% to 2.00% of the guaranteed amount
Senior or subordinated bank loan guarantee	€5M to 12M		up to 12 years	at market rate, depending on the level of subordination		
FISEA**	Investment and Support Fund to African Enterprises	FISEA is an investment fund taking minority stakes (equity and quasi-equity) into companies, financial institutions and investment funds which cannot access traditional financing due to their risk profile.	€1M to 10M	7 to 10 years		

\*ARIZ is a guarantee mechanism managed by Agence Française de Développement. It aims to give SMEs and microfinance institutions easier access to financing. \*\*FISEA is owned by AFD and managed by PROPARCO.