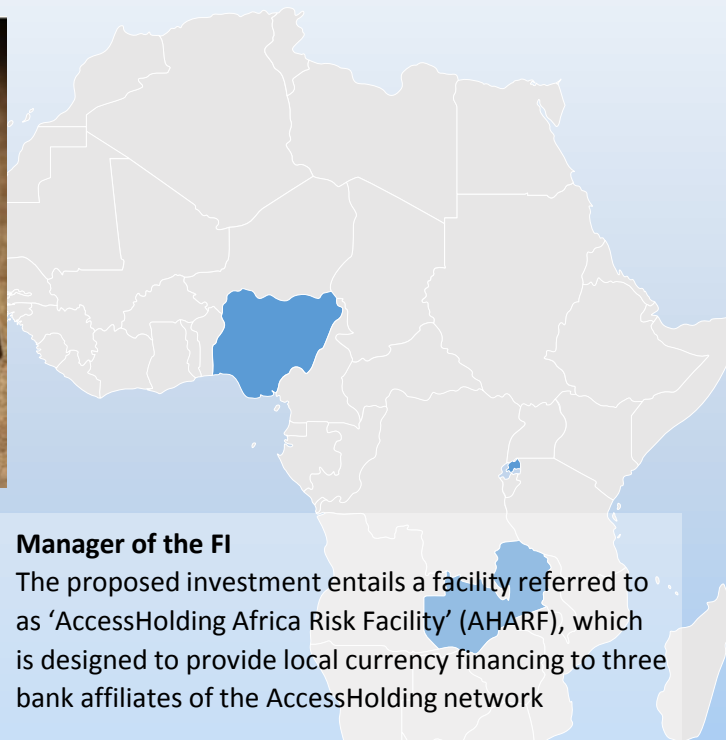


Dutch Good Growth Fund



Ministry of Foreign Affairs of the Netherlands

Dutch Good Growth Fund



AccessHolding Africa Risk Facility (AHARF)

AccessHolding (AH) is a German based network of 10 microfinance banks across Africa, Eastern Europe, Central Asia and South America. AH was set up in 2006 to operate and scale greenfield banks in developing countries, focusing on the micro and lower SME segment. The facility will support the network's affiliates in Nigeria, Rwanda and Zambia, which stand out as having most acute funding needs. AB Microfinance Bank Nigeria was established in 2008, it serves around 38,000 clients through 20 branches. AB Bank Zambia was established in 2011, serving 15,000 clients by the end of last year. Its branches are currently concentrated around the Lusaka area, but plans to widen its outreach. AB Bank Rwanda, is the youngest of the three and only started operations 4 years ago. It has around 4,000 clients which it served through 5 branches. For all three institutions SMEs compose a significant part of the portfolio (over 50%) and are an important segment for further growth. All banks offer credit and deposit services to their clients. Related to their years in business, the affiliates are in various stages of expanding their product offering to include mobile banking and overdrafts.

Sector(s)

Production

Amount Invested

DGGF will provide a facility that consists of local currency senior- and subordinated debt. The facility can reach up to EUR 10m, to be drawn down in two tranches by the three affiliates.

Manager of the FI

The proposed investment entails a facility referred to as 'AccessHolding Africa Risk Facility' (AHARF), which is designed to provide local currency financing to three bank affiliates of the AccessHolding network

Impact

The SMEs targeted by this facility tend to fall in the gap between where MFIs and commercial banks operate. The AccessBank affiliates aim to fill this gap by providing SMEs with adequate financing instruments. DGGF's risk facility comes in at a moment when these affiliates are ready to further scale their SME portfolio but temporarily do not have access to sufficient funding due to adverse macroeconomic conditions or a limited track record of the institution. By supporting them in this particular time, DGGF plays an important bridging role. Next to being provided in local currency, the DGGF loans are structured with an innovative mechanism which further limits the effects of exchange rate volatility for the institutions.

By financing approximately 400 SMEs and prioritizing the production sector, the DGGF investment is expected to contribute to job creation and revenue growth of SMEs. It is expected that by further scaling their SME operations and weathering the adversities of the market, the AccessBank affiliates will generate demonstration effects and contribute to spreading best practices in SME lending.

Website: <http://www.accessholding.com/>