



Thembani

A2F CREDIT GUARANTEE WEBINAR

June 2020

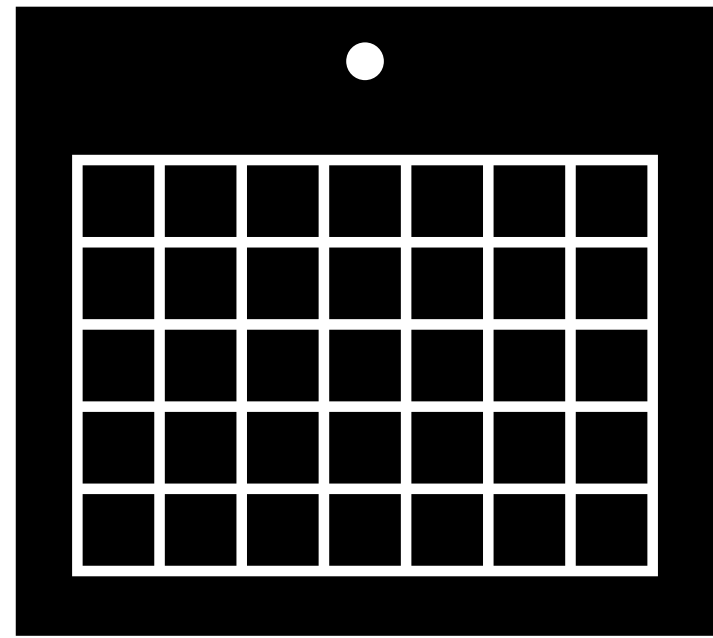


Growing Africa's SME's



The economic potential and growth in Southern Africa is inhibited by the regions inability to fully exploit financial inclusion. One of the critical barriers has been cited as access to acceptable collateral by the financiers

Themبani



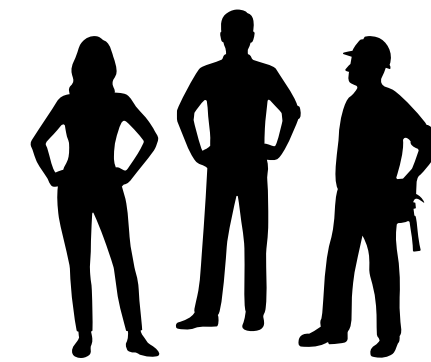
Est. 1996
(24 years Track-rate)



Credit Guarantee



Individual



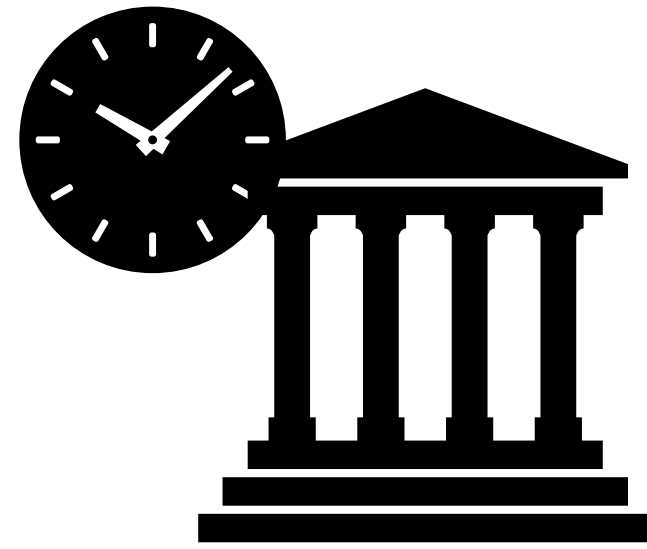
Portfolio



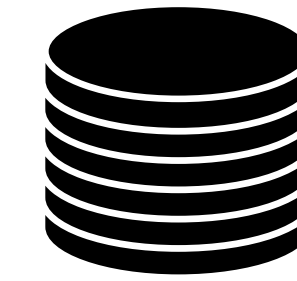
Capacity Building Interventions

Themبani has successfully bridged this gap through its credit guarantee product which successfully provided confidence to the banking sector to lend to microfinance institutions in South Africa and has allowed many businesses to build a credit record, build an asset base, contribute to the country's economy and have the pride and dignity of running their own businesses having crossed the bridge to financial inclusion built by Themبani

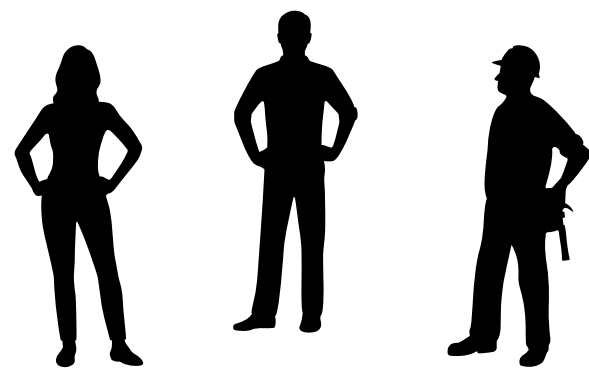
Impact



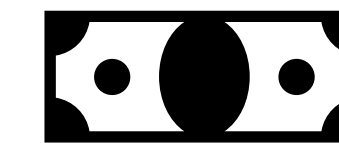
Guarantees to date US\$28.5 million



Facilitated US\$121.5 million Loans



2.2 million people impacted



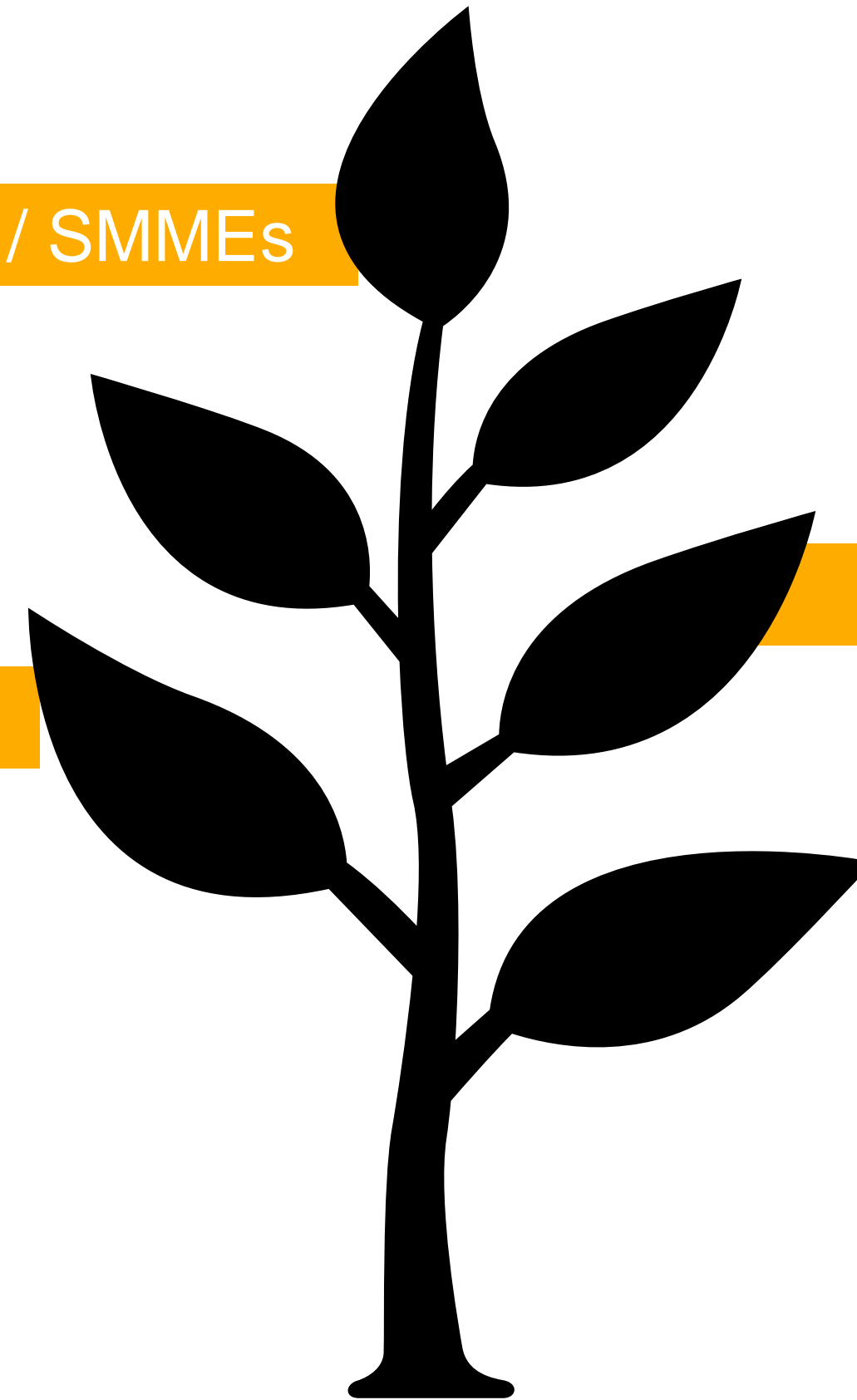
One of the lowest call rates in the industry

The Product

Capacitate and support emerging entrepreneurs / SMMEs

Assist business/entrepreneur to build their asset base

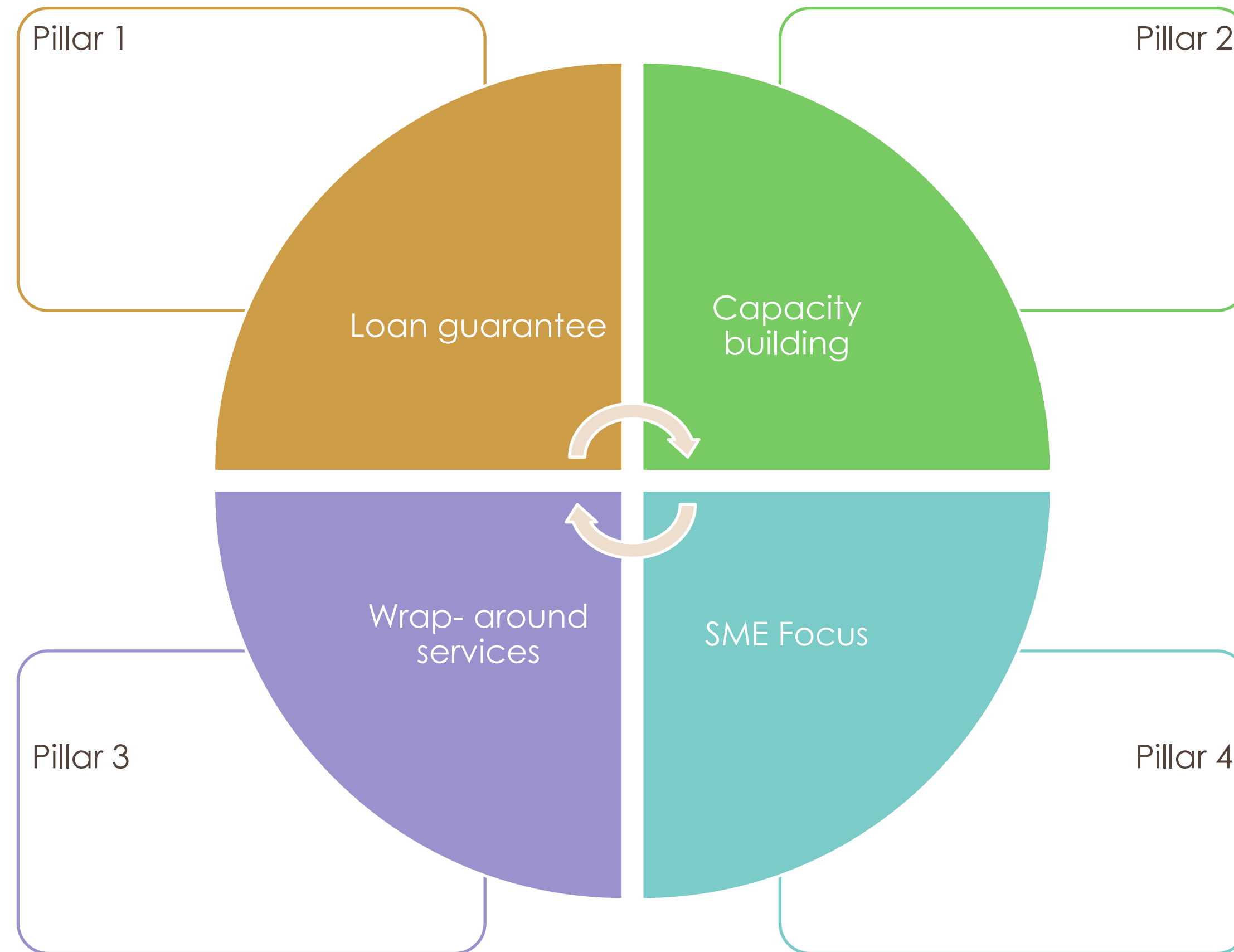
To facilitate access to finance



The Vision

To create success and sustainability in business enterprises and communities in Southern Africa through access to financial products and services

What we do



We help build economically self-sufficient and healthy communities in Southern Africa, through the provision of loan guarantees, capacity building and related services to local businesses

Competitive Advantage

Among the best guarantees

The maximum limit of collateral offered is much higher than that of our competitors

Careful risk management

Each guarantee application is treated as an individual project and a full due diligence is conducted by our team

First class guarantee

We leverage better terms for each client with lenders

Value adding support

We assess each business with the aim of capacitating it to ensure viability and sustainability

Wrap-around support

We have created networks across industries to assist our clients with access to technical support and markets

We stay close to our clients

Each client is given individual attention by the business support and monitoring team

In-house and network expertise

Financial institutions trust our ability to give a fair assessment of a business and incorporate our advice into their contracts.

Competitive Advantage... Cont.

- Sector Specific/Fit for purpose Guarantee Products.
- Portfolio Guarantees for institutions or Funds.
- Access to finance/ credit lines, business support services
- Access to information
- Access to training
- Mentorship

Competitive Advantage... Cont.

- Flexibility to work with different lenders who are willing to provide funding to impactful sectors and geographic areas considered high risk by mainstream commercial funders.
- Bringing together different stakeholders to create ecosystems that provide an enabling business environment
- By targeting projects that are high impact, we contribute to job creation, gender & youth empowerment in industries located in rural and peri-urban areas
- We are considered an innovative partner of note and an opinion leader by corporates who are willing to fund rural projects but need a risk sharing partner
- We provide a second chance to enterprises that have faced natural or unexpected disasters such as drought, to start over again.

Pioneer

- Issued the 1st guarantee enabling Micro Finance Institution to access commercial banks credit lines
- Partnered with incremental housing loan providers to extend credit to individuals in non-formal employment sector to improve their homes
- Extended guarantees to small contractors building schools and RDP houses through government programs
- Partnered with private financial institutions to fund women farmers
- Partnered with Corporate firm to pilot a cell captive model for maize farmers across the country
- Partnered with DFI to extend credit to commercial farms redistributed to worker co-ops in Western Cape

Lessons Learnt

- Banks are willing to tap into sectors considered high risk through risk sharing
- Bringing in the other pillars of support services, etc reduces chances of default
- Partnerships with other organisations that will provide specialist support to clients is critical
- Over time, with established relationships and trust between banks and guarantee providers the focus does become about building sustainable SME's and not about de-risking
- The instrument used to secure the guarantee determines the appetite of the lender
- Honouring calls or claims on guarantee and ease of claiming is key to building trust between the guarantee provider and banks

Future

- Thembani is actively working on establishing a local fund that will address Africa's unique environment.
- Developing innovative guarantee product offerings across sectors
- Bringing in technology into the credit guarantee space

Partners

Financing Partners



Partners ... Cont.

Other Partners

