FUNDO DE GARANTIA DE CRÉDITO
ANGOLA
(Credit Guarantee Fund)

Global Conference on Guarantee Institutions for SME Financing

Guarantee Institutions for Financing Specific Sectors
Agriculture

Madrid
June 2017
1. Angola - Constraints and Potential

Population ≈ 25 Million
GDP Current US$ (2015): 102,6 Billion
GDP Current US$ (2014): 126,8 Billion

Agriculture % GDP (2012): 7%
Oil % GDP (2012): 47%
Oil Exports > 90%
Agricultural Land > 45%
2. The FGC

FGC established in 2012:
- Facilitate access to credit to businesses, especially to SMEs;
- Public institution;
- Grant counterguarantees to private credit guarantee institutions;
- Provide equity to partially private credit guarantee institutions (below 50%);

- Focus on primary and secondary (excludes oil) sectors;
- Investment financing (allowing for up to 20% in working capital);
- Accountable to the Treasury; Supervision of the Central Bank;
- Ultimate Goal “To establish a National Credit Guarantee System”.

BANKS LOANS

<table>
<thead>
<tr>
<th>Years</th>
<th>Agriculture, Livestock, Fishing</th>
<th>Industry, Mining</th>
<th>Commerce</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 2013</td>
<td>60%</td>
<td>10%</td>
<td>17%</td>
<td>11%</td>
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<tr>
<td>Dec 2014</td>
<td>57%</td>
<td>18%</td>
<td>11%</td>
<td>4%</td>
</tr>
<tr>
<td>Dec 2015</td>
<td>53%</td>
<td>20%</td>
<td>10%</td>
<td>5%</td>
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<tr>
<td>Dec 2016</td>
<td>50%</td>
<td>12%</td>
<td>11%</td>
<td>6%</td>
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</tbody>
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3. Operations

- Guarantee up to 70% of loan; So far indirect guarantees (SMEs approach bank first);
- Guarantee fee up to 2% p.a. on outstanding debt, paid by SME;
- Loans maturity up to 7 years (recently extended to 9 years especially for agriculture projects);
- Government may subsidize interest rates.
4. Performance

**BANKS LOANS WITH GUARANTEE**

- Banks outstanding loans to agriculture, livestock and fishing
- Banks outstanding loans to agriculture, livestock and fishing with FGC guarantee

**Outstanding guarantees as percent of GDP**

0.549%

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FGC Equity
US$ 200 Million

Guarantees
US$ 560 Millions (2.8x)

Finance to Domestic Production
US$ 859 Millions (4.3x)
5. Services and Perspectives

Services to Agriculture:
• FGC provides to SMEs, free of charge, consulting services designing (before issuing the guarantee) and monitoring (after issuing the guarantee) projects, through agriculture expert firms (cost around US$ 4,500,00 a year per customer);
• FGC assists SMEs in negotiating with banks loans restructuring.

Perspectives:
• FADA-Fund for the Assistance to Agriculture Development, created in the 1980’s and until recently inactive, reenacted in 2016;
• New Custom Tariffs expected to further exemptions from customs duties to agriculture equipment and inputs;
• FGC plans to start issuing direct guarantees in 2017.
MUCHAS

GRACIAS