



Empowering you to face
the future with confidence

The Facilitated Finance Program for companies negatively impacted by the COVID-19 pandemic

The program covers two customer classifications:

1. Small and Medium Enterprises
2. Negatively Impacted Companies

This program intends to support both classifications of previously (prior to COVID-19) economically viable entities that have been negatively impacted economically by the COVID-19 pandemic, to assist them with covering payments related to trade payables, payroll, rents and G&A up to 31 December 2020. This facility cannot be used to repay installments related to prior credit facilities. The bank shall deposit the amount needed directly into the final beneficiaries' bank accounts and not directly to the applicant.

Delinquent applicants as defined by Central Bank of Kuwait instructions are not eligible to apply for this facility.

Maximum limit of finance:

The maximum limit of finance provided to the negatively-affected client is the amount of deficit in the net cash flows until the end of December 2020. This deficit should be calculated as per a comprehensive study of the negatively-affected client's financial position. The bank would review the deficit amount in June and in September 2020.

Features

1. The loan amount will be decided by the private bank, who will manage the whole loan application and approval process
2. Loan amounts up to KD 500,000 for SMEs (funded 80% by the Kuwait National Fund (KNF) and 20% by private banks). Any funding to SMEs in excess of the KD 500,000 limit to be funded 100% by the private banks
3. Up to 2.5% fixed interest rate for private bank financing and 0% interest for KNF financing
4. Loan amounts for non-SMEs fully funded by private banks
5. No fees
6. No prepayment penalties
7. No business collateral or personal guarantee required
8. Loan repayment grace period for 1 year
9. Loan repayment period of 2-3 years, inclusive of the grace period

THE POWER OF BEING UNDERSTOOD

Program Summary

Beneficiaries	Financing type and its cost on the country's budget
A. SMEs as defined by Kuwait National Fund law	<ol style="list-style-type: none">1. Soft loans for a period of 2-3 years2. One year grace period3. Yearly interest does not exceed 2.5% for the private bank portion and 0% for the KNF portion, resulting in a weighted average cost of 0.5%4. The government will be 100% liable for the 1st and 2nd year interest5. The client and the government will be jointly liable for the 3rd year interest (50/50)
B. Companies affected by the current situation	<ol style="list-style-type: none">6. Soft loans for a period of 2-3 years7. One year grace period8. Yearly interest does not exceed 2.5%9. The government will be liable for the 1st year interest10. The client and the government will be jointly liable for the 2nd year interest (50/50)11. The client will be 100% liable for the 3rd year interest

RSM support

RSM can coordinate with your banker to understand and help you deliver the specific requirements and documentation that your banker requires from you for this facility application. In addition, RSM can support you with short-term financial projections, including monthly and quarterly cash flow projections, to help you plan for the future as well as enable you to provide the cash flow projections required by your banker.

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