

FNB/Nasria Credit Guarantee Scheme

by FNB Namibia



NASRIA

YOUR SPECIAL RISKS INSURER



Agenda

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FNB/Nasria - FNB Namibia Youth & Women beyond collateral



With this background and FNB Namibia's continued commitment to supporting SMEs, it has become necessary that we continue to stimulate economic growth by providing additional funding to more SMEs. This will enable them to continue paying their operational expenses and employees, thereby protecting, and maintaining financial stability in Namibia and ultimately growing the economy and fostering job creation.

On this basis, FNB Namibia wishes to negotiate or propose new prudential limit or allocation to reinstate the scheme, and present recommended operational terms and qualifying criteria in order to reach more SMEs.



Conditions of the Scheme



Application of Funds

- ✓ Business expansion purposes;
- ✓ Acquire assets;
- ✓ Raise capital to service a contract/tender on amortize basis;
- ✓ Acquire additional opportunities;
- ✓ Financing other business-related expenditure requiring terms finance;
- ✓ Should not be used to pay off other existing debts and this need to be feature on customer loan agreement.



Loan Conditions

- ✓ FNB proposed new prudential limit of N\$50 Million;
- ✓ Term: Minimum of 12 months with a maximum of 60 months (5 years amortize);
- ✓ Minimum: N\$50,000 - Maximum: N\$2,500,000 of facility size;
- ✓ Businesses with an annual turnover ranging between N\$0-N\$20million;



Special Features

- ✓ Fixed Loan Term - The SME Loan has an amortization period of 60 months (6 months max capital and interest moratorium can be allowed per client request and thereafter amortize over 54 months);
- ✓ No re-advance/repaid or prepaid amount may be redrawn in terms of this agreement;
- ✓ Customers can only have one active FNB/Nasria CGS Loan at a time;
- ✓ Early settlement - Customers can settle the loan early and pay no penalty fees.

Target Market & Selling Points



Businesses that require funding to expand or restructure their balance sheets, with a turnover of less than N\$20 Million per annum, both historical or forecast/projected.

Health and Medical SMEs



SMEs with plan[s] for business expansion purposes
management buy in our outs for existing business;

Educational SMEs



Youth (less than 40 years old)-owned SMEs;

Start-ups;



Social business structures

Agricultural SMEs



Digital SMEs and E-commerce



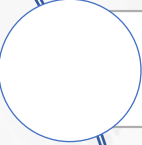
Eligibility Criteria



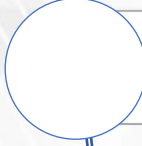
A Borrower needs to comply with following eligibility criteria in order qualify for a Guaranteed Loan:



Turnover not exceeding N\$20 Million per annum historical or forecast/projected



Is established and operating in Namibia; Be solvent / must demonstrate solvency



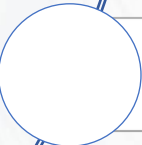
Will use the loan to grow the economy, sustain jobs and create job opportunities




Is considered creditworthy subject to the lending policy of the participating Financial Institution (FI)



The borrower's lack of sufficient collateral represents the only reason why the participating FI is reluctant to approve a loan



Be registered with the national tax authority, Namibia Revenue Agency (NamRA), and be tax compliant and submit a certificate to that effect issued by NamRA



Be a registered business entity with BIPA and/or registered (including sole proprietorship) with the relevant regulatory body where it is regulatory requirement



Exclusions

Specific exclusions will include the following:

- ✓ Restructured loans;
- ✓ Production or trade in any product or activity deemed illegal under Namibian laws ;
- ✓ Production or trade of ozone-depleting substances subject to international phase-out;
- ✓ Commercial logging operations for use in primary rain forest;
- ✓ Production or trade in wood or other forestry products than from sustainably managed forests.
- ✓ Production and trade in weapons and munitions;
- ✓ Production or trade in alcoholic beverages (excluding beer and wine),
- ✓ Gambling, casinos and equivalent enterprises,.
- ✓ Production and activities involving harmful or exploitative forms of forced labor and/or child labor as defined by national regulations;
- ✓ Any loans where misrepresentation, mis-description and/or non-disclosure is evident.



Eligibility Criteria

- 01 Business plan/profile and Company documents (Incl. Resolution);
- 02 Annual Financial Statement (Income Statement & Balance Sheet) for the last 3-4 years;
- 03 Creditors & Debtors Age Analysis – Latest;
- 04 Management Accounts – Latest;
- 05 Cash flow projections for 12 months;
- 06 Personal Balance Sheet- Directors/Owners/Member's or sureties;
- 07 If leased premises, lease agreement to be provided.
- 08 TAX confirmation and Good standing certificates from the NamRa and ITAS statement latest and External Debt Confirmation







Q&A