

Role of Financial Sector - Suitable Investment Routes for (Egyptian) Industrial Areas

Cairo, Egypt



NBE in Brief

-  Commercial Record No. (1)
-  Total Assets EGP 1,365 Bn. in 30/6/2017
-  Total Investments & Loans EGP 607.2 Bn. LE
-  Total Deposits 862 Bn. LE
-  NBE's network consists of 413 branches and outlets in Egypt
-  Largest ATM network in Egypt with 3507 terminals
-  Global presence through out-country (NY, London, South Africa, China, Emirates, Ethiopia, Sudan).

MSMEs are defined as follows (CBE definition):

Enterprises	Current		New (newly established)	
	Business volume (sales/ annual revenues)	Manpower*	Paid capital**	Manpower*
Micro	Less than 1 million EGP	Less than 10	Less than 50 thousand EGP	Less than 10
Small	1 million to less than 50 million	Less than 200 persons	50 thousand to 5 million for industrial enterprises and 3 million for non- industrial	Less than 200 persons
Medium	50 million to less than 200 million		5 million to 15 million for industrial enterprises and 3 million to 5 million for non-industrial	

* The volume of employment is a pilot and doesn't define the company or enterprise.

** "paid capital" is used in the case of new companies and establishments instead of business volume for one year from starting activity until business volume data is available, therefore this is temporary classification and then the original definition based on the volume of business shall be applied.

NBE Finance for CBE Initiative to support Small Enterprises (existing and new)

- **Existing:** (Sales / yearly revenue from 1 million to 50 million EGP)
- **New:** (Capital from 50 thousand EGP to less than 5 million EGP for industrial institutions and less than 3 million EGP for non-industrial institutions)
- **Eligible Enterprises:** All Small Enterprises according to CBE initiative (Annual Sales / Revenue from EGP 1 to less than 50 Million) for sole proprietorship or companies either new or existence in all economic sectors
- **Purpose:** Financing all investment needs and operational costs
- **Repayment and Grace period:** up to 10 years including 1-year grace period
- **Interest Rate:** 5% Simple decreasing annual rate without commission
- **Customer Self-Contribution:** According to the feasibility study with a minimum contribution 10%

NBE Finance for CBE Initiative to support Medium Enterprises (existing and new)

- **Existing:** (Sales / Yearly revenue from 50 million to 200 million EGP)
- **New:** (Capital from 5 million to 15 million EGP for industrial institutions and from 3 to 5 million for non-industrial institutions)

Financing of Working Capital	Financing of new machinery, equipment, production lines.
Benefiting projects:	
Every Performing Medium Companies and Institutions As per the CBE definition whether individual institutions or companies (existing and new) working in the industrial, agricultural, new and Renewable energy Sectors.	
Return Rate:	
12% annually	7% without commission.
Return and Grace periods:	
Short term Finance.	As per the cash flow for the project with a maximum period of 10 years including the grace period.
Self-Contribution:	
-----	As per the project economic feasibility with a minimum of 15%

Environmental Compliance Agreement (ECO)

- **Purpose:** finance equipment and machineries related to industry compliance except taxes & customs
- **Target:** private sector co. working at industrial engineering, metal, texture, food, chemicals, leather, and furniture
- **Loan:** Min. 500K EGP, and Max. 7 Mn. EGP
- **Interest Rate:** 3.5%
- **Tenor:** 5 yrs with 1 yr grace
- **Financial Structure**
 - Self-Contribution 5 : 30%
 - Loan 95 : 70%

Egyptian Pollution Abatement Project – Phase III (EPAPIII)

- **Purpose:** Assist existent industrial projects for env. compliance in cooperation with EEAA
- **Max. Loan:** 15 Mn. Euro, and min. 200K Euro
- Loan up to **90%** of investment cost
- **Tenor:** 5:8 yrs include 1:2 yrs
- Grant up to 20% according to:
 - Use finance in the dedicated purpose
 - Repayments according to schedule
 - Issue the required certificates from EEAA
- **Interest Rate:**
 - Foreign Currency: LIBOR/ EURIBOR 6M + 2 : 3%
 - Local Currency: Corridor Rate + 2%

The Spanish Credit Line

- **Eligible projects:** All SMEs and startup projects with maximum annual turnover of Euro 50 million –according to EU’s definition- and maximum 250 employees
- **Loan Purpose:** Finance the supply of Spanish-made machineries and equipment, where it is eligible to finance up to 45% of components that are not of a Spanish origin as long as it is supplied directly by a Spanish contractors
- **Loan Currency:** EGP (NBE will bear currency exchange risk)
- **Loan Amount:** Maximum equivalent in Euros to SDR 2 Million
- **Interest Rate:** Fixed interest rate ranges from 6% - 7.5% annually
- **Commandment Fee:** 0.25% over undisbursed loan amount
- **Management Fee:** 0.375% paid once upon loan approval
- **Repayment Period:** 5 years including 1-year grace period (fixed period).

GGF for RE/EE

- **Eligible projects:** All existing SMEs and Non SMEs
- **Loan Purpose:** Finance the supplies for EE/RE
- **Loan Currency:** EGP, USD, & Euro
- **Loan Amount:** Maximum equivalent in Euros to 10 Million
- **Interest Rate:**
 - Local Currency: Corridor rate + 0.5%₀ HMDC
 - Foreign Currency: Libor/Euribor 6M + 5% + 0.5%₀ HMDC
- **Repayment Period:** up to 6 years including the grace period.

EIB LoC

- **Eligible projects:** All type of projects
- **Loan Purpose:** Finance investment needs for new and existing enterprises
- **Loan Currency:** EGP, USD, & Euro
- **Loan Amount:** Maximum equivalent in Euros to 12.5 Million
- **Interest Rate:**
 - Local Currency: Mid Corridor rate + 2.5%
 - Foreign Currency: Libor/Euribor 6M + 4.5%
- **Repayment Period:** up to 10 years including 3 years grace period.

“Your Factory is Ready with Licenses”

- **Eligible projects:** Projects that IDA approve to allocate full utilities industrial units to operate in the industrial zones
- **Loan Purpose:** Finance 75% of the investment needs for such projects
- **Interest Rate:** according to CBE initiatives or other available programs
- **Repayment Period:** up to 10 years including the grace period.

Thank You