



## FNB backs BON's SME Economic Recovery Loan Scheme

09 February 2023

FNB Namibia has welcomed the Bank of Namibia's (BON) SME Economic Recovery Loan Scheme and commits to the deployment of funds aimed at helping businesses get set for economic recovery.

The SME Economic Recovery Loan Scheme is meant to assist distressed Small and Medium Enterprises (SMEs). The scheme will provide funds through participating commercial banks, to eligible businesses to assist them in paying for operational expenses such as salaries, rent and lease agreements, contracts with suppliers. The Ministry of Finance & Public Enterprises, in partnership with BON, have availed N\$500 million to SMEs through participating banking institutions.

"In line with the announcement by The Ministry of Finance & Public Enterprises and BON, and as member of Bankers Association of Namibia, FNB is proud to partner with Ministry of Finance & Public Enterprises and other Namibia Banks on this initiative" FNB CEO Erwin Tjipuka says.

Tjipuka adds "we commend the Ministry of Finance & Public Enterprises and BON for emphatic response to businesses that have faced unprecedented challenges as a result of the adverse impact of Covid-19. We believe BON's guarantee allows us to continue honoring our obligation to depositors while using our credit extension capabilities to be a conduit for Government's support of businesses. This is evidence that partnerships can help Namibia to decisively respond to genuine economic recovery. The scheme aims to provide additional funding to qualifying businesses to grow the Namibian economy and foster job creation within the country."

He explains that this decision was taken to demonstrate FNB's commitment to leveraging the SME Economic Recovery Loan Scheme as an invaluable SME support mechanism. This financial support will allow many to optimize their operations to potentially withstand the current economic pressures, "says Erwin.

FNB Executive for Commercial Banking Sepo Haihambo says "we have already begun processing applications and will enhance our processes as we ready ourselves to go live on 13 Feb 2023, to ensure that customers can access the loans seamlessly across our branch network."

She further noted that the Loan Scheme is not about emergency financial relief but is an opportunity for the banks to contribute to the growth, development, and resilience of the entire SME sector. "The Recovery Loan Scheme with revised requirements, has the potential to act as a real catalyst of growth for SMEs, which is more important than ever in terms of contributing to the country's sustainable economic recovery."

“While the previous Covid-19 assistance loans were restrictive in terms of qualifying criteria and what businesses could use the funding for, the application processes for these SME Economic Recovery Loan Scheme are far simpler, and applicants are not limited in terms of how they can use the funding” FNB Head of Business Banking responsible for SME & Mid Touch segment Tomas Lindji explains.

“The only restrictions are that the loans cannot be used to repay shareholder loans or settle debt and entities and sole proprietors must be tax registered. This means that companies are able to invest the funding into the aspect of their business they need to in order to support its future growth” he concludes.

FNB assures customers that it will prioritise the provision of SME Economic Recovery Loan Scheme, as the default term lending solution, for business clients with an annual turnover of between N\$0 – N\$60 million.

The application process will include FNB’s stringent internal credit process, as well the overall qualifying criteria set out by Bank of Namibia. Clients are advised to check the FNB website and App or talk to their Relationship Managers for more information.

Businesses can apply for support via the SME Economic Recovery Loan Scheme through their Relationship Managers or branch network countrywide or alternatively send your request to the following email: [CGS@fnbnamibia.com.na](mailto:CGS@fnbnamibia.com.na)

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