Frequently Asked Questions

INDUSTRIAL LOANS

1. What is the Interest Rate on Industrial Loans?

- Industrial loans are subject to fixed annual interest rate of 3.5% applied to the utilized portion of the loan, and 0.5% per annum applied to the unutilized portion.

2. Eligibility Criteria for Industrial loans

- Applicants must submit all required and duly approved official documentation applicable to industrial companies and establishments.
- For industrial manufacturing projects, the minimum land area allocated to the project shall be not less than 1,000 m^2, and must be sufficient to
- accommodate production facilities, operational areas, warehouses and support services, in accordance with the regulations and requirements of relevant / regulatory authorities.
- The minimum eligible industrial loan amount shall be KD 100,000.

3. Financing of Industrial Land Purchases

- Industrial loans are not granted for the purpose of financing the purchase of industrial land.
- Financing may be extended for the following purposes:
  - New factories and projects are under construction.
  - All types of expansion projects, including, but not limited to, the introduction of new products, capacity expansion, relocation to a new site, replacement of obsolete assets cost overrun… etc.
  - Financial restructuring of industrial companies.
  - Acquisition of existing projects, provided that the financing excludes the value of the land.

4. What Collateral is required for an Industrial Loan?

- The primary security for the industrial loan shall be a mortgage over the commercial enterprise, inclusive of all existing & future assets, together with a mortgage over the entire factory that is the subject of the loan, whether the factory is under construction or fully operational.

- The Bank may, at its discretion, require additional collateral from the customer, which shall remain in effect until the industrial loan has been fully repaid, as deemed appropriate by the bank.

AGRICULTURAL LOANS

1. What is the management fee rate on agricultural loans granted by the Agricultural Financing Portfolio?

- A management fee of 2.5% annually applies to the amounts withdrawn from agricultural loans.

2. What is the grace period and repayment term granted to the borrower by the Agricultural Financing Portfolio?

- The borrower is granted:
  - A grace period of up to three years for new projects.
  - A two-year grace period for existing projects.
  - Fruit and palm tree projects are granted a grace period of up to five years.

- As for the repayment term:
  - Short-term loans are repaid within one year from the date of disbursement.
  - Long-term loans repaid within a period not exceeding ten years, depending on the nature of the agricultural project.

SMALL ENTERPRISE FINANCE

1. Is full-time commitment a requirement for financing?

- Yes, the project manager must be fully dedicated to managing the project and cannot hold another government or private sector job (must be registered under Chapter Five or be retired).

2. What is the minimum and maximum amount of financing?

- The minimum amount of financing is 5,000 KWD, and the maximum amount is 400,000 KWD.