

B. Immediate Recovery Measures 2

Capital injection and support to Government portfolio companies and other major companies.

Capital Financing for large private companies and corporations Concessional Financial Products to support large industries/taxpayers through DBSI

Amount Allocated: \$18,000,000.00

Purpose: Continue production, employment & export

Proposed DBSI product name: **CORVID19 Export & Upgrade Stimulus Scheme**

Underwriting Criteria

1.0 Eligibility

1.0 Borrowers that meet the following criteria: have net capital greater than \$1.6M have an annual turnover greater than \$10M and have more than 25 employees. (This covers medium to large enterprises.)

2.0 Must provide financial statements for the last 3 years up to December 2019 with management accounts up to March 2020 clearly demonstrating impact of the pandemic on the business.

3.0 Tax clearance certificate from the Department of Inland Revenue certifying tax compliance with the country's tax laws, or that arrangements have been made and entered into to bring the applicant into compliance as at 31 December 2019.

4.0 Compliance certificate from SINPF as at 31 December 2019 or that arrangements have been made and entered into to bring the applicant into compliance as at 31 December 2019.

5.0 Business plan supported by projected cash flows and market confirmation on how funds will be utilized. The BP must clearly articulate how the funding required will assist the business, improve profitability, quality, increase in employment to pre-COVID19 levels projected date when this is to be achieved, and projected future employment in the next 3 years. Must discuss innovative approaches to business in 'view of the new normal' which is yet unclear, clearly demonstrate how current business will adapt to the new norm if there is going to be a change, or improvements to be carried out to bring about efficiencies in existing operations, also discuss new technologies the business intends to introduce, if any.

2.0 Amount that can be borrowed under this program:

Maximum of \$6.5Million.

3.0 Term:

This will be based on the project but is not expected to be more than 7 years. Terms of up to 10 years and beyond, including grace periods can be considered provided the projects are for introducing new technologies, innovation, improving quality processes, etc., to meet export requirements. The relevant risk premium will be applicable when considering loans greater than 10 years.

4.0 Facilities that can be accessed:

Any projects that can clearly articulate that funding will reduce overall job losses, and support growth of the economy especially in terms of export, manufacturing, import substitution and innovations to industry and facilitate increase in rural economic activities.

5.0 Collateral Requirement:

Normal commercial collateral requirement will be required.

6.0 Equity Requirement:

Equity requirement: minimum of 20% of capital sought. Real estate property maybe substituted in lieu of cash injection.

7.0 Interest Rate Offered.

8% for the first \$2M thereafter 13%. Weighted Average Interest Rate offered is 11.46%

This is based on a maximum loan of \$6.5M.