

KAFALAH SMALL AND MEDIUM ENTREPRISES LOAN GUARANTEE PROGRAM

2022



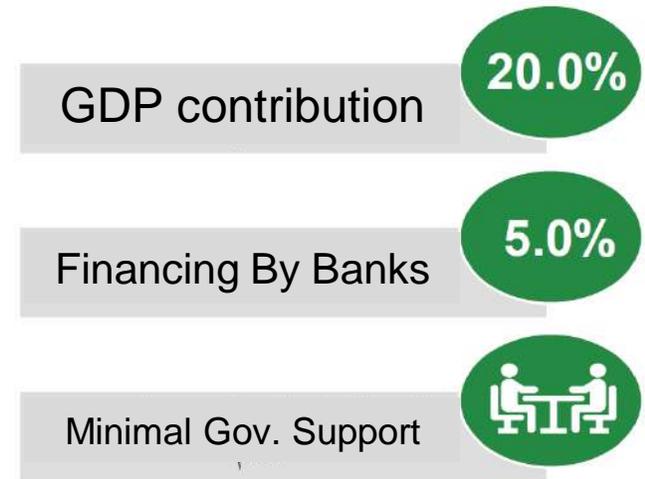
Kafalah derived from Saudi Vision



Vision 2030 Objectives for SME



SME statutes in 2020



Kafalah's Value Proposition



Government Entities

- Encourage development of targeted sectors and areas.
- Achieve strategic objectives.



SMEs

- Assist in obtaining Financing necessary to develop and expand their activities
- Facilitate business growth
- Overcome challenge of lack to funding from formal sector and higher cost of alternative funding.



Financial Institutions

- Reduce lending risk.
- Expand lending portfolio to include SME



Kafalah will contribute to Saudi Vision 2030 strategic objective, supplements the efforts to increase the SME contribution to GDP from 20% to 35% by 2030 by acting upon the value proposition.

Kafalah provides guarantees to the Financial institutions on behalf of SMEs to facilitate their access to funding

Established with an initial capital of SAR 200M and hosted within the Saudi Industrial Development Fund



Objective
Enable lending to SME to the Kingdom by providing credit guarantees to lenders on behalf of SME



Governance
transferred to a Board of Directors appointed by H.E. Minister of Commerce & Investment

Capital increased by SAR 1.5B via a Ministerial decree.



Fund Contribution
SAR 800M from the Private Sector Stimulus Package, and the rest from Government entities Monsha'at & Ministry of Tourism and Banks



Establishing SME Bank

Kafalah is eager on growing its portfolio of Financial institutions to maximize the options for the SMEs

11 Incubators



KFU
 أرامكو السعودية
 Saudi Oromco
 زيادة الأعمال
 BIAC
 جامعة الملك سعود
 King Saud University
 I-be
 نساند
 مبادرة ساند لتمكين ريادة ٢٣
 WORK CORNER
 دعم الصناعات
 صندوق التنمية الصناعية
 SMAFTCO
 BUSINESS GROWTH
 جامعة الجوف
 Jufuf University

23 NBFIs



Almarthal financing
 راية للتمويل
 raya financing
 الشركة الوطنية للتمويل
 National Finance Company
 TAYSEER
 الأيسير
 QUARA FINANCE
 شركة ساند للتمويل
 Matager Finance Co.
 توكيلات
 Towkelot
 شركة التمويل
 Saudi Finance Company
 أملاك
 AMLAK
 الخليفة للتمويل
 GULF FINANCE
 Nayirat
 الأيسير
 aiyusf
 عبد اللطيف جميل
 للتأمين
 alraedah
 توهيل التوفيق
 TUNWEL AT OUSA
 الجبر للتمويل
 aljabr finance
 شركة أمن لتكديرات التمويل
 AMI FINANCIAL SERVICES COMPANY

12 Banks



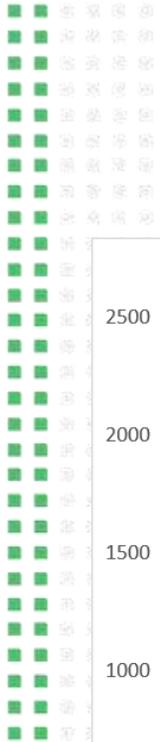
بنك الرياض
 riyad bank
 الأهلي
 SNB
 مصرف الإنماء
 alinma bank
 العربي
 anb
 بنك البلاد
 Bank Albiad
 ساب
 SABB
 بنك الخليج الدولي
 GIB
 بنك الجزيرة
 BANK ALJAZIRA
 الإمارات NBD
 Emirates NBD
 مصرف الراجحي
 Al Rajhi Bank
 البنك السعودي للاستثمار
 The Saudi Investment Bank

16 Partners

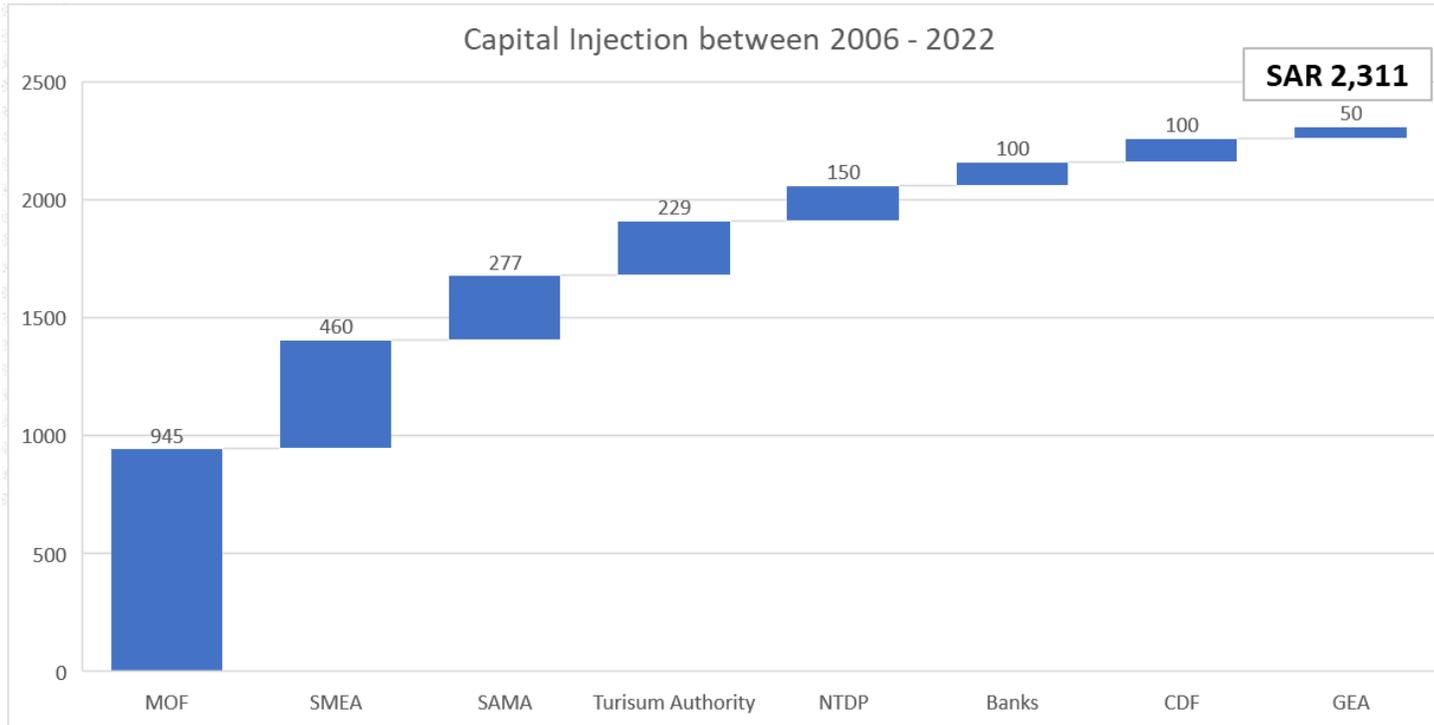


وزارة المالية
 Ministry of Finance
 وزارة التجارة
 Ministry of Commerce
 منشآت
 monsha'at
 صندوق التنمية الوطني
 NATIONAL DEVELOPMENT FUND
 البنك المركزي السعودي
 Saudi Central Bank
 وزارة السياحة
 Ministry of Tourism
 وزارة الصناعة
 والتموين والخدمات
 وزارة الصناعة
 والتموين والخدمات
 وزارة الثقافة
 Cultural Development Fund
 وزارة الحج والعمرة
 Ministry of Hajj and Umrah
 وزارة الرياضة
 Ministry of Sport
 صندوق التنمية
 Development Fund
 برنامج تطوير القطاع
 الوطني
 National Technology
 Development Program
 صندوق التنمية
 Development Fund
 صندوق التنمية الثقافية
 Cultural Development Fund
 وزارة الشؤون البلدية
 والقروية والإسكان
 وزارة الشؤون البلدية
 والقروية والإسكان
 وزارة الثقافة
 Cultural Development Fund

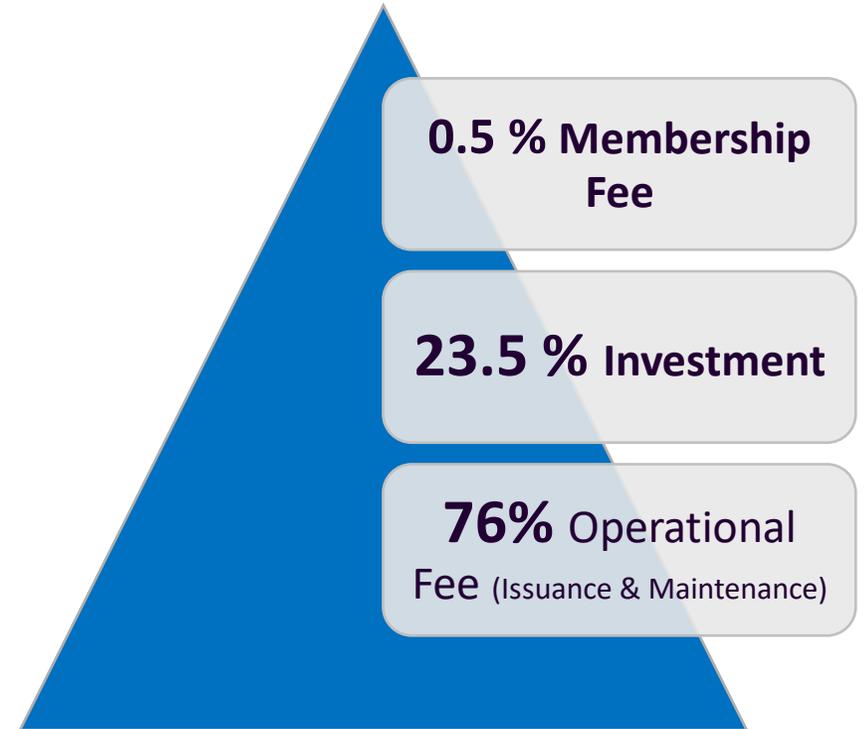
Kafalah capital & Revenue



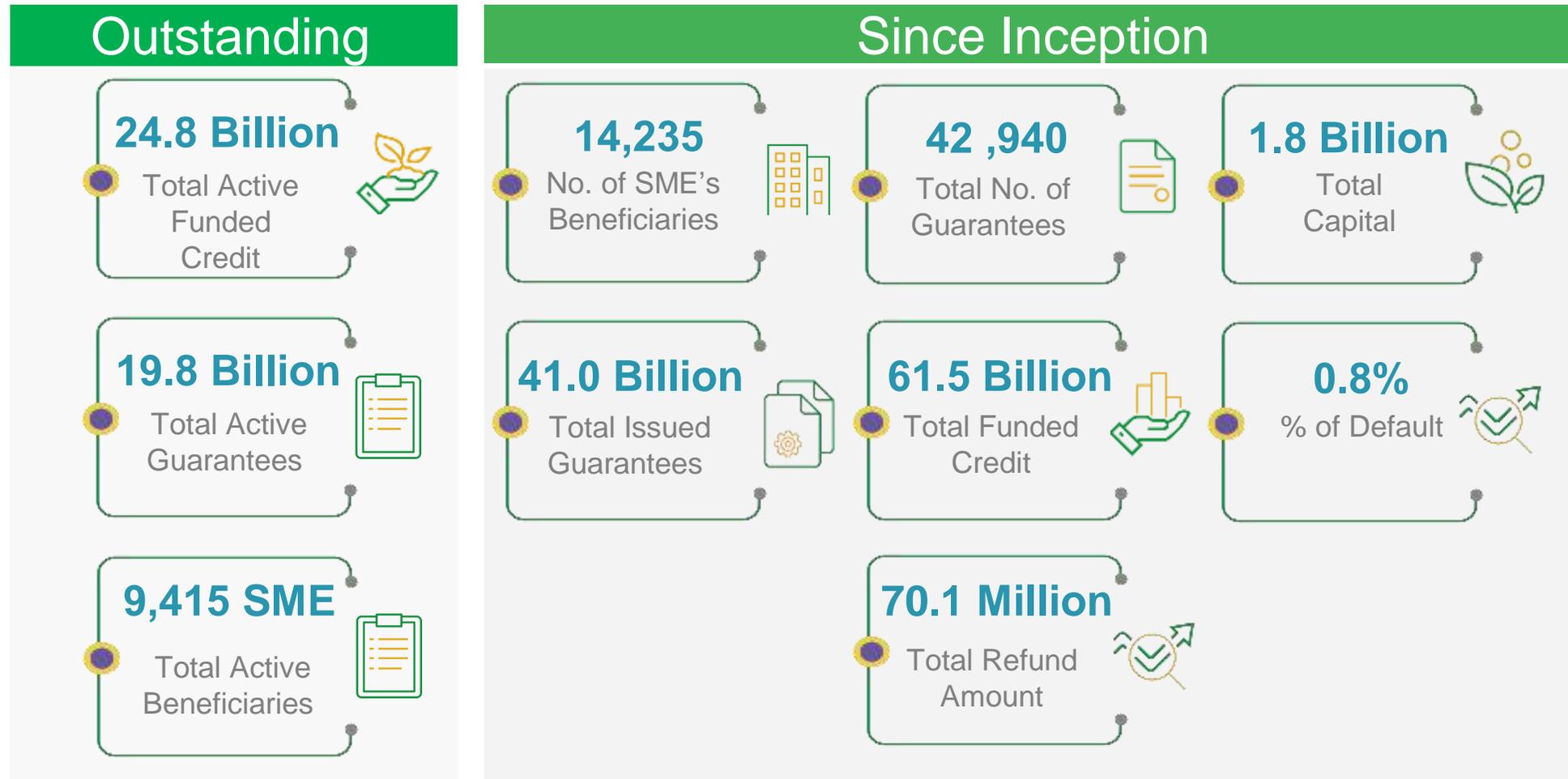
Capital composite



Revenue Structure



Overview of the program performance until the end of December 2021

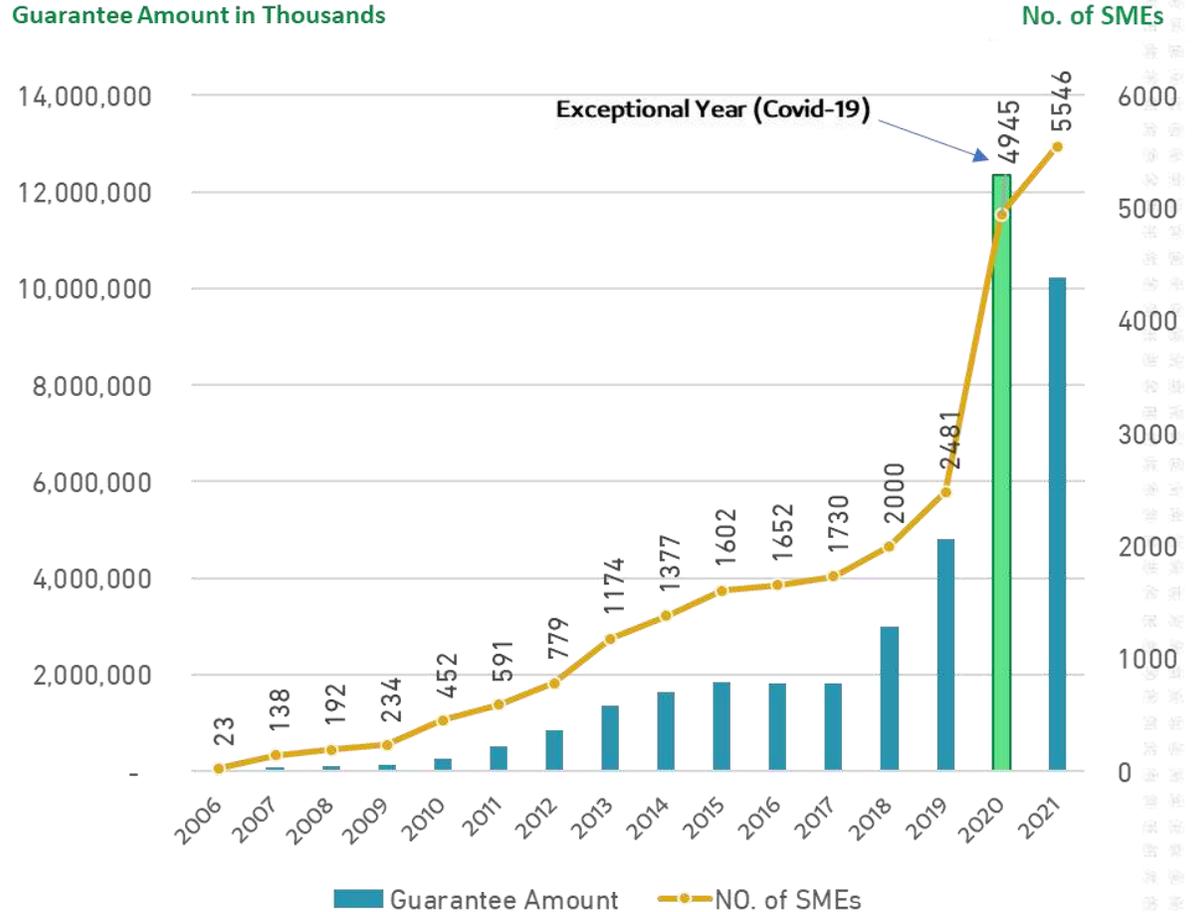


Kafalah Guarantee Program is the main pillar of SME Financing as of December, year 2021

Amount in Millions SAR

Years	Guarantee Amount	Loan Amount	No. SMEs	Average Tenor	Average Coverage %
2006	14	32	23	30.84	45%
2007	84	186	138	33.40	45%
2008	113	260	192	26.47	43%
2009	141	365	234	20.30	39%
2010	268	710	452	20.70	38%
2011	525	1,108	591	17.80	47%
2012	841	1,573	779	18.76	53%
2013	1,363	2,487	1174	18.11	55%
2014	1,628	3,332	1377	17.79	49%
2015	1,838	3,771	1602	17.39	49%
2016	1,816	3,539	1652	17.75	51%
2017	1,823	3,352	1730	17.01	54%
2018	2,997	4,935	2000	17.51	61%
2019	4,816	7,376	2481	19.40	65%
2020	12,343	15,233	4,945	23.73	81%
2021	10,237	12,968	5,546	25.23	80%
Total	41,029	61,451	14,235	20.39	67%

Guarantee Amount in Thousands



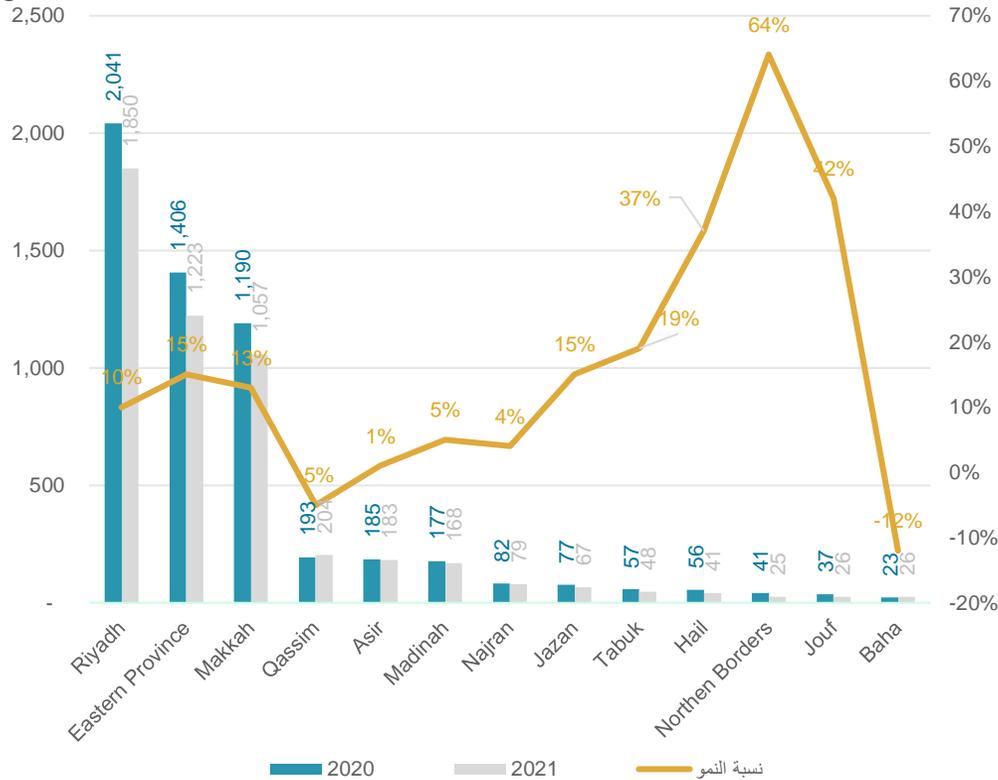
Number of Beneficiaries By Regions (Distinct)

Growth rate for 2021 compared to 2020
 For the same period according to the beneficiaries

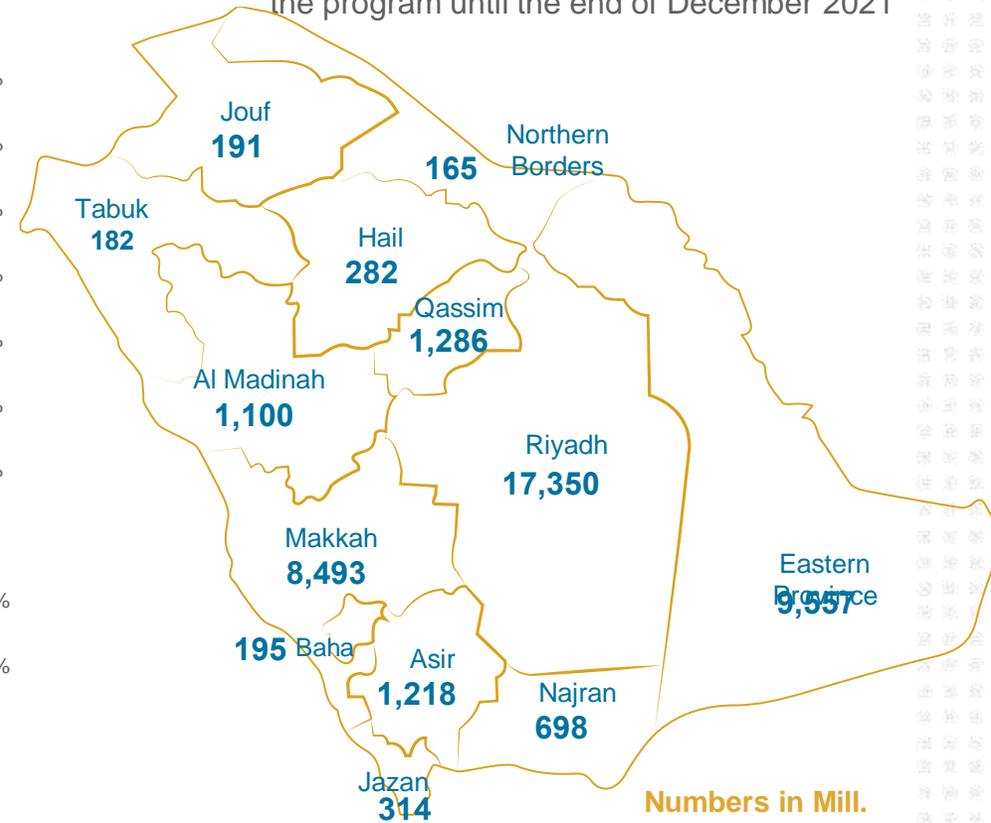
- Main regions %12
- Other regions %7
- Total %11

* Main Regions are Riyadh, Eastern Province and Makkah

Number of beneficiaries until the end of December for the year 2021 compared to the same period in 2020



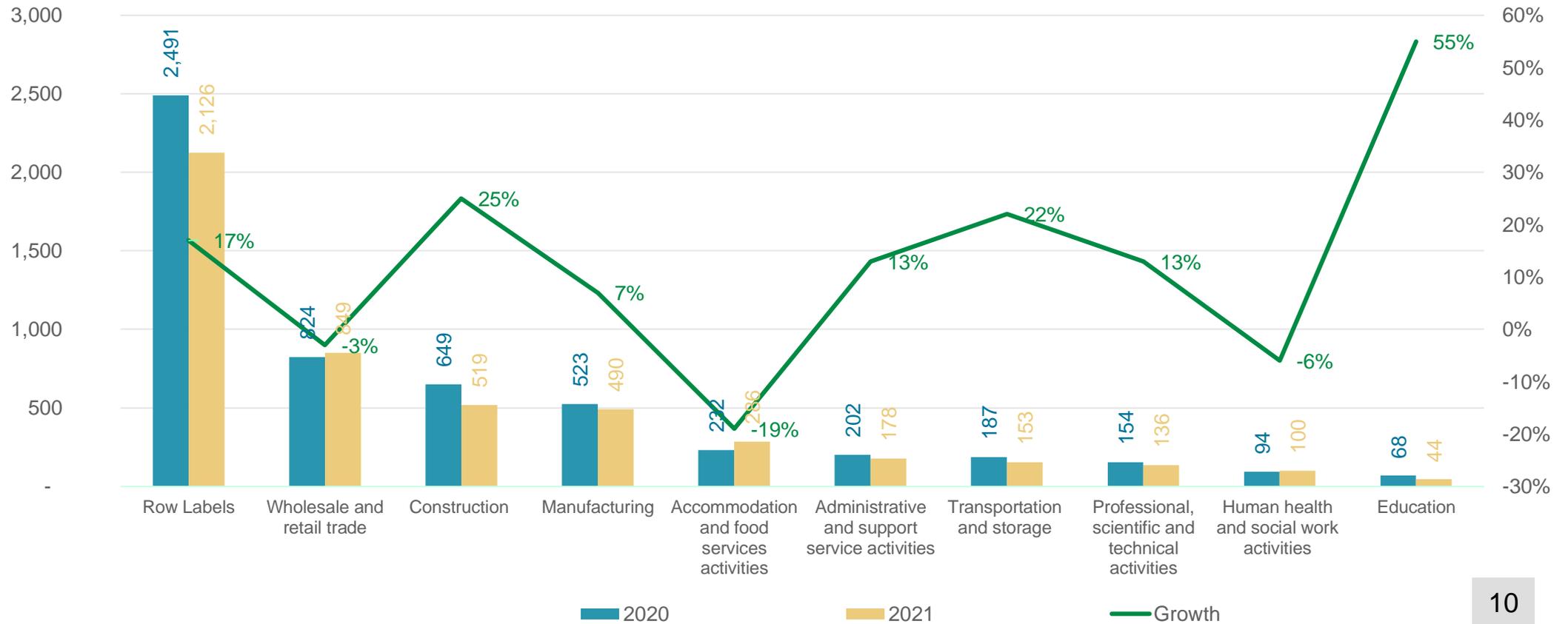
The value of guarantees since the beginning of the program until the end of December 2021



Number of Beneficiaries By Economic Activities (Distinct)

From the beginning of Kafalah program up to end of December 2021

Number of beneficiaries until the end of September for the year 2021 compared to the same period in 2020



Covid-19 Initiatives

Initiative Sponsor	The Initiative	Supported Sectors	Initiative Target	Maximum Coverage (%)	Fees (%)	Maximum Guarantee Amount
 <p>البنك المركزي السعودي SAMA Saudi Central Bank</p>	Guaranteed Facility Initiative	All Types of SME's and Sectors	To counter the economic impact of (COVID-19) outbreak for all SMEs	%95	%1.5	
 <p>صندوق التنمية الوطني NATIONAL DEVELOPMENT FUND</p>	Support Gym Centers & Sport Clubs		To counter the economic impact of (COVID-19) outbreak for Gym Centers & Sport Clubs SMEs	%90	%1	
	Support Hajj and Umrah		To counter the economic impact of (COVID-19) outbreak for Hajj and Umrah SMEs			
	Support Educational sectors		To counter the economic impact of (COVID-19) outbreak for Educational sector SMEs			
	Support High Employment		To counter the economic impact of (COVID-19) outbreak for High Saudization SMEs			
	Supply Chain Support In industrial and logistics sectors		To counter the economic impact of (COVID-19) outbreak for Supply Chain In industrial and logistics sectors SMEs			

Kafalah Initiatives to address the effects of COVID-19 outbreak (statistics) As of December, year 2021

National
Development
Fund



Support
Educational
sector

Capital: 50 M
Leverage: 5x

115
SME

235.3
Million

217.0
Million
SAR

No. Of SME's

Total Loans

Total guarantees

Support
Hajj and Umrah
SMEs

Capital: 100 M
Leverage: 5x

68
SME

135.0
Million

123.0
Million
SAR

No. Of SME's

Total Loans

Total guarantees

Saudi
Central Bank



Sponsoring Fee
Initiative

6 Billion

13,879
Guarantees

207.0
Million
SAR

No. of Guarantees

Total of Support Amount

Support
High
Saudization
SME's

Capital: 100 M
Leverage: 5x (exceeded)

2,000
SME

4940.0
Million SAR

4109.0
Million SAR

No. Of SME's

Total Loans

Total guarantees

Supply Chain
Support
In industrial and
logistics sectors

Capital: 100 M
Leverage: 5x (exceeded)

462
منشأة

1787.0
Million SAR

1533.3
Million SAR

No. Of SME's

Total Loans

Total guarantees

Guaranteed
Facility Initiative

13 Billion

7,300
منشأة

13,187
Million SAR

12,414
Million SAR

No. Of SME's

Total Loans

Total guarantees

Kafalah Products & Schemes

Product	Initiative Sponsor	Product Criteria	Maximum Coverage (%)	Fees (%)	Maximum Guarantee Amount
Tourism Product	 <p>صندوق التنمية السياحي</p>	Specially designed product to support SMEs in the Tourism Sector licensed by Ministry of Tourism	%90	%1	 <p>15 Million Micro, Small & Medium</p>
Technology Product	 <p>البرنامج الوطني لتنمية تقنية المعلومات National Technology Development Program</p>	Specially designed product to support SMEs in the Information Technology Sector licensed by CITC			
Cultural Product	 <p>صندوق التنمية الثقافي Cultural Development Fund</p>	Specially designed product to support SMEs in the Cultural Sector			
Entertainment Product	 <p>الهيئة العامة للترفيه General Entertainment Authority</p>	Specially designed product to support SMEs in the Entertainment Sector licensed by GEA			
Start-ups Product	 <p>منشآت monsha'at الهيئة العامة للمنشآت الصغيرة والمتوسطة Small & Medium Enterprises General Authority</p>	Specially designed product to support SMEs that are 3 years old or less according to their CR			
Working Capital Product	 <p>منشآت monsha'at الهيئة العامة للمنشآت الصغيرة والمتوسطة Small & Medium Enterprises General Authority</p>	Financing for Working Capital			
Standard Kafalah	 <p>كفالة Kafalah برنامج ضمان القروض الصغيرة والمتوسطة Small & Medium Enterprises Loan Guarantee Program</p>	All SME Sectors			
Extra Benefits		<ul style="list-style-type: none"> - Supply chain - Franchises - E- Commerce - Promising Regions - Businesswomen 	 <p>%10</p>	 <p>%0.5</p>	All Types of SME's and Sectors

THANK YOU



Kafalah Program

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