

## Project Finance Regulation in Saman Bank

Regarding to Saman Bank project finance strategy, it is to finance the investment in “establishing projects” as well as “development projects (reconstruction & renovation)” based on CBI regulations.

### Regulations

- Finance will be granted to Projects in which the applicant provides the bank with necessary feasibility study (technical, financial & economical, environmental and social) as well as legal permissions from related organizations, necessary for the implementation of the project.
- Financing structure in the feasibility study is needed to be transparent.
- In case of any project finance using foreign financial resources, the applicant is required to provide the English version of documents as well.
- The bank shall normally finance 70% of the investment of the project, using its own financial resources or using synthetic structures in the form of “Project facility”. It is negotiable up to 85% .
- It is mandatory that the applicants select their FS consultants from Saman Banks consultant’s guidelines.
- In case of approval of the project by the bank, the applicant is obliged to observe the below requirements at the project implementation stage:
  1. Procurement guideline for services, goods, and contractor
  2. Selection and employment of consultant’s guideline.

3. Having a project management consultancy company “PMC “ considering the structure of specialists and guideline of item No. 2.

- Project management, supervision, and reporting are mandatory to be in compliance with Saman Banks TOR.
- Facilities’ repayment period would normally be between 3 to 5 years. Any changes in the mentioned period would be authorized by Saman Bank considering the status of the project.
- The applicant is obliged to open a current account with the bank at the time of provision of its request.

### Procedure

1. Preliminary stage: In this stage, the applicant can go to any branches of the bank and renders its request. Bank would announce its acceptance then, in case of the Project’s compliance with the bank’s regulations.
2. Preparation of the feasibility study report: The applicant can prepare the related feasibility study through bank’s selected consultancy companies, observing previously mentioned rules.
3. Submission: Feasibility study, as well as required documents, should be rendered to the related branch at this stage.
4. Assessment & Approval: The feasibility study would be investigated with related Ministries / by the bank and in case of approval; facility payment will be confirmed accordingly.
5. Loan Contract: The loan contract will be signed after the feasibility study and with supporting, documents have been rendered by the

applicant in full compliance with bank' regulations with providing repayment guarantee.

6. Disbursement: The project's progress report (including physical/technical, financial, procurement and contracts) should be provided to the bank on determined time intervals and based on the loan agreement base on procurement/disbursement plan by PMC through borrower. Disburses will be made after confirmed by the Project Finance & Management office base on saman bank disbursement guideline.

### Required Documents

1. A copy of certified articles of associations of the applicant company (legal entities)
2. A copy of registration gazette stipulating the company's registration number
3. Last official gazette mentioning the domicile of the company.
4. Last official gazette of the company for the board members.
5. Tax settlement certificate
6. Company's board resolution on project finance request from the bank
7. A copy of ownership documents of projects place or a collateral except for the plan and other guarantees
8. A copy of collaterals and other guarantees- at the time of contract conclusion

9. Report on the project finance and management office of the bank- at the time of contract conclusion based on a clause of 3.1.6 of project management bylaw no. 310-RG-2587-007.
10. A copy of the birth certificate (or official gazette) of the board members
11. Necessary permissions
12. Last legal inspection and audit report of the company undertaken by approved official auditing companies as well as company's next year contract with its auditor (recently established companies are obliged to provide the balance sheet of the company in case of the end of their fiscal year and a trial balance sheet in case of not meeting the end of fiscal year.)
13. License or any activity permission
14. FS Preparation Contract

The applicant is required to set a procurement plan as well as the disbursement plan to be attached to the loan agreement, according to the feasibility study and with the necessary arrangements that should be made with bank's project finance and management specialists. (This should be done based on a clause of 6.4.6 of project management bylaw number 310-RG-2587-007)