

Loan Mall

Introduction

BIAT, the business incubator association in Tripoli, is proud to introduce you to its LOAN MALL, created to facilitate entrepreneurs' shopping for the loan that best suits their situation. The majority of Lebanese entrepreneurs or would-be entrepreneurs are not aware of the different loan schemes available in the local market, neither of their conditions. BIAT LOAN MALL opens the gate to a very simple, clear, and concise loans shopping center. We divided the mall into 5 different departments:

Microfinance: refers to the provision of small financial loans (below 20,000\$) to low-income clients, including the self employed.

Subsidized Loans: are loans for which the borrower does not pay interest, or little of it. Interest would normally be charged periodically according to the annual percentage rate. However, with a subsidized loan the interest is paid by another party (central bank usually).

Equity Finance: is a way of raising share capital from external investors in return for handing over a share of the business. This may take many forms including a share of future profits, but is most frequently associated with sharing the ownership of the business to some degree.

Leasing: confers a right on one person to possess property belonging to another person to the exclusion of the owner landlord.

Other Financing: Includes a variety of other kinds of financing not mentioned above, yet you might be interested in.

Microfinance

A - Sogeloan PRO:

SOCIETE GENERALE DE BANQUE AU LIBAN offers Sogeloan PRO, the loan for professionals designed to finance small investments or to compensate the need for a working capital.

Your office would run faster with an extra computer, your chambers would better consult with a complete library, and your shop would double the sales with a fully and diversified merchandise. Don't wait any longer and get yourself the material you need: Sogeloan PRO finances it for you, so that your turnover can reach cruising speed.

› With Sogeloan PRO you can:

- Borrow between 2,000 and 15,000 USD or its c/v in LBP.
- Spread your repayment period over 6 months to 3 years.
- Benefit from a grace period of 1 year.
- Benefit from preferential interest rates.
- Benefit from a life insurance policy. Covering death / total and permanent disability subscribed with our affiliate Sogecap Liban.

Conditions:

- The limited age for the professionals should be between 18 years & 65 years old at maturity
- 2 years of activity in the domain for the corporate

Accepted Guarantees

- Personal guarantee (caution)
- Mortgage or pledge of purchased equipment
- Mortgage on the corporate locals
- Loan amount pledge

Requested insurance

Benefit from a life insurance policy: A death /disability insurance subscribed with our affiliate SOGECAP LIBAN.

www.sgblgroup.com

B- AMEEN

Designed for Micro-entrepreneurs and Small and Medium enterprises, the business loans help in evolving and expanding the business activity of the borrower

***Ameen Micro-entrepreneur loan**

The Ameen Micro-entrepreneur loan is delivered to all types of businesses from home-based activities to trade, services, industries and agriculture. The loan amount starts from US\$300 up to US\$5,000 with loan tenor varying from 4 months to a maximum of 18 months.

Who is entitled for a loan?

- . Any man/woman who owns/has owned a small business for more than one year
- . Any private or public sector low-income employee
- . Lebanese national or foreign national with permanent residency
- . The applicant must be over 18 years of age

Guarantees requested

To be eligible to the loan some guarantees are requested from the applicant: either collateral and/or a co-signer employed in a private or a public institution and/or a financially viable guarantor.

***Ameen SME loan**

The SME loan is designed for the business improvement of Small and Medium Enterprises. SME loans have a longer repayment term reaching up to 5 years and amounts going from US\$5,000 up to US\$15,000.

Who is entitled for a loan?

- . Any man/woman who owns/has owned a small business for more than one year
- . Any private or public sector low-income employee
- . Lebanese national or foreign national with permanent residency
- . The applicant must be over 18 years of age

Guarantees requested

The applicant can either provide physical collateral and/or co-signers with fixed income.

***Ameen ICT Loan**

The Ameen Information and Communication Technology loan targets ICT driven businesses and start ups in rural and peri urban areas in Lebanon The loan amount ranges from US\$300 up to US\$10,000 with loan tenor varying from 4 months to a maximum of 24 months.

Who is Entitled for a Loan?

- Any man/woman who has owned a small business in the ICT sector for more than one year
- Any man/woman wishing to start their own businesses in the ICT sector
- Lebanese national or foreign national with permanent residency
- The applicant must be over 18 years old and a maximum of 64 year-old

Guarantees Requested

To be eligible for the loan, some guarantees are requested from the applicant: collateral and/or a co-signer employed in a private or a public institution and/or a financially viable guarantor

ICT Loan usage?

- Maintenance and Hardware repair
- Accessories selling

- Reselling services
- Knowledge café; (internet access + education specialist)
- Website design
- Photo studio
- ICT start-up business

www.ameen.com.lb

C- KIVA Loans

Kiva is the world's first person-to-person micro-lending website, empowering individuals to lend directly to unique entrepreneurs around the globe. The loan amount ranges from US\$300 up to US\$1,200 with loan tenor varying from 4 months to a maximum of 12 months. Ameen offers Kiva loans as a separate product to support micro enterprises. The loan amount ranges from US\$300-\$1,200. Ameen has formally integrated Kiva into its organizational process, including hiring a coordinator specifically to manage Kiva loans. With Kiva's 0% interest capital, Ameen has been able to offer lower interest rates on Kiva loans and is able to disburse Kiva loans faster than any of its other micro loan products.

Who is Entitled for a Loan?

- Any man/woman who has owned a small business and wishes to improve it.
- Lebanese national or foreign national with permanent residency
- The applicant must be over 18 years old and a maximum of 64 year-old

Guarantees Requested

To be eligible for the loan, some guarantees are requested from the applicant: collateral and/or a co-signer employed in a private or a public institution and/or a financially viable guarantor.

www.kiva.org

D- Koudourat programs (BLC)

If you have an established business with an annual turnover below USD 500,000 or you simply wish to establish a new business, Koudourat program is your ideal solution to finance your working capital, acquire new machinery and equipment or buy premises.

What are the KOUDOURAT products?

Term Loan, Overdraft, Direct Discount Bills and Letters of Credit and Guarantee

what is the Koudourat Term Loan?

- ☒ Loan amount: up to USD 250,000 or its equivalent in LBP*
- ☒ Grace period: up to 12 months based on type of project.
- ☒ Loan duration: up to 10 years including grace period.
- ☒ Competitive interest rates
- ☒ No Bank Commission.
- ☒ Repayment Scheme: fixed monthly payments for the whole loan period.

What are the Koudourat overdraft & Direct Discount Bills terms?

- ☒ Amount: up to USD 500,000 or its equivalent in LBP* depending on the guarantees provided.
- ☒ Duration: up to 3 years.
- ☒ Low and Flexible interest Rates: Preferential interest rates for clients presenting real guarantees (mortgage and/or cash collateral).

www.blcbank.com

E- EMKAN: Micro and Small Business Loans

Loan types:

1. Business expansion (including equipment, inventory, materials, and working capital)
2. Minor home improvements
3. Personal/consumer

Target Clientele: Micro enterprises, small enterprises, and employees

Loan Amount: LBP 500,000-LBP 15,000,000

Loan Term: 4 to 36 Months

Borrower Requirements:

- Existing micro or small enterprise owners for more than 1 year or low income employees;
- Over 18 years of age and less than 64;
- Lebanese national or permanent resident

www.emkan.org

F-ESFD Microcredit:

ESFD Loan Products

What are the main products offered by the ESFD? The following table summarizes our two current products and the differences between them.

	Loans to Micro Enterprises	Loans to SMEs
Targeted Group	Micro-entrepreneurs	Un-banked owners of very small and small entrepreneurs
Targeted economic sectors	All productive economic sectors	All productive economic sectors
Financial Intermediary	NGOs	Banks
Loan Currency	Lebanese Pounds	Lebanese Pounds
Loan Ceiling	Up to LBP 7.5 million	Up to LBP 30 million
Business Status	Existing and Start-Ups	Existing and Start-Ups
Loan Maturity	Up to 5 years including up to 12 months grace period	Up to 5 years including up to 12 months grace period
Type of Loan	Working Capital &/or Fixed Capital	Working Capital &/or Fixed Capital
Interest Rates (in LBP on declining balance basis)	17.75% p.a. (Existing) 19.75% p.a. (New)	10.50% p.a. (Existing) 12.50% p.a. (New)
Effect of Loan	Job Creation	Income generation &/or Job Creation

Collaterals	Co-signers	Fixed assets of the project, personal guarantees, and personal assets charge as a lien or pledge, etc.
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www.esfd.cdr.gov.lb

G-Tanmiat El Ruwwad Loan

In collaboration with the Entrepreneurial Development Foundation, Credit Libanais is now offering a new type of loan, Tanmiat El Ruwwad - TEL Business Loan.

- ✦ Unlike other loans, TEL Business Loan combines technical assistance and financial support for liberal professionals and small businesses.
- ✦ TEL Business Loans are granted in Lebanese Pounds only for amounts ranging between LBP 1 million and LBP 10 million and a repayment period of 3 years.

www.creditlibanaise.com.lb

H- Al Majmoua

The Lebanese Association for Development, or Al Majmoua, started its operations in 1994 as a program from Save the Children (USA) and registered as an independent NGO in 1998. After an initial period during which it only offered group loans to women, Al Majmoua now has group and individual products serving both male and female clients. Headquartered in Beirut with a network of 13 branches across the country reaching out, as of December 2009, 18,000 clients of all nationalities and origins. Al Majmoua’s vision is to “be the leader in creating an inclusive financial system where all people in Lebanon have access to affordable services”. Its mission is to maintain a sustainable and long term commitment towards as many working poor as possible, through the provision of quality financial and non-financial services to improve the quality of life of limited income individuals and their families, with a focus on micro-entrepreneurs, workers and

especially women, in all areas of Lebanon, therefore contributing to national welfare. Al Majmoua started its micro-credit activities through the provision of Group Loans exclusively to women in rural or semi-urban areas. Al Majmoua Launched in 2001, a flexible individual lending program that is today the core financial product.

Products:

1- Individual Lending/Majmoua Fund:

Loan Term is min. 6 months, max. 18 months; size USD 500-7,500.

Flat interest rate of 1.4%-1.65% per month

upfront fee 2% of loan

Monthly repayments and no grace period

Guarantee: Fixed Assets or Personal Guarantee (cosigner or guarantor).

Eligibility: Minimum 1 year in the Business.

2- Group Lending/Majmoua Fund:

Loan Term 4 to 8 months; Loan size USD 200-1,700.

Flat interest rate of 1.65%-2% per month

Bi-weekly or monthly repayments; no grace

Solidarity system as guarantee

Eligibility: Group of min. 5 micro-entrepreneurs.

3-Individual Lending/EU-ESFD Loan:

Loan Term is min. 1 month, max. 60 months; size LBP 500,000 - 7,500,000.

Declining interest rate of 17.75% per year

Monthly repayments and no grace period

Guarantee: Fixed Assets or Personal Guarantee (cosigner or guarantor).

Eligibility: Minimum 1 year in the Business.

4-Individual Lending/EU-ESFD Loan:

Loan Term is min. 1 month, max. 60 months; size LBP 500,000 - 7,500,000.

Declining interest rate of 19.75% per year

Monthly repayments and no grace period

Guarantee: Fixed Assets or Personal Guarantee (cosigner or guarantor).

Eligibility: Start up Business.

www.almajmoua.org

Subsidized loans

A -KAFALAT loans:

Kafalat is a private Lebanese financial company with a public concern that assists small and medium sized enterprises (SMEs) to access commercial bank funding. Kafalat helps SMEs by providing loan guarantees based on business plans / feasibility studies that show the viability of the proposed business activity. It processes guarantee applications for loans that are to be provided by Lebanese banks to SMEs operating throughout Lebanon.

Kafalat targets SMEs and innovative start ups that belong to one of the following economic sectors:

- Industry
- Agriculture
- Tourism
- Traditional Crafts
- High Technology

KAFALAT currently operates three guarantee schemes, summarized below:

	Kafalat Basic	Kafalat Plus	Kafalat Innovative
Interest	40%* 1 Year Treasury Bills Yield + 3 Subsidized by BDL up to 7%		
Interest Calculation	Accrued	Accrued	Accrued
Loan Term (months)	Up to 84	Up to 84	Up to 60
Loan Size	Up to 300 million	Up to 600 million	Up to 300million

Disbursement	Total Amount	Total Amount	Total Amount
Processing time	Case by Case Basis Max 21 days		
Currency	LL, \$ or any other transferable currency (only LBP for INNOVATIVE)		
Max amount of first loan	300 million	600 million	300 million
Kafalat guarantee %	75%	85%	90%
File fees	Approximately 400,000 LBP depending on the Bank	Approximately 400,000 LBP depending on the Bank	Approximately 400,000 LBP depending on the Bank
Fiscal stamp fees	0.3%	0.3%	0.3%
Commission fees	2.5% on the amount guaranteed		
Bank charges	0.2% depending on the bank	0.2% depending on the bank	0.2% depending on the bank
Grace Period (months)	6-12	6-12	6-12
Loan disbursement	Through cooperating banks		
Loan Repayment	At cooperating banks		
Repayment frequency	Monthly	Monthly	Monthly
Guarantors	Kafalat (could be other Guarantees)	Kafalat	Kafalat

Loan Requirements

Nationality	The borrower does not have to be Lebanese but the business activity has to be registered and operates in Lebanon
Age	Above 18
Gender	Male / Female
House-Hold income	No requirement (Has to show of sufficiency)
Number of employees	Less than 40
Business	All kinds for the basic program, Existing SMEs and Conventional Start Ups For the Plus, and Innovative Start Ups for The INNOVATIVE.
Legal status	The business must be a registered company for KAFALAT Plus and Innovative, No specifications for the Basic program, Must have legal permits when required
Business sector	Industry/ Agriculture / Traditional Crafts/ High Tech/ Tourism
Loan Use	<ul style="list-style-type: none"> ○Purchase of equipment and capital goods; ○Plant renovation, expansion, etc.; ○Purchase of raw materials, working capital, and consulting fees; ○Marketing promotion activities, such as participation in show rooms, foreign exhibitions, etc.; ○Research and development; ○ Other strategic objectives that serve the interest of SMEs and start ups.

www.kafalat.com.lb

B -BDL Subsidized loans:

In order to help Lebanese investors in different sectors and promote the economy of the country, any bank, benefiting from the facilities proposed by the Central Bank of Lebanon, grants a discount on the debit interests of the medium term loans issued to Lebanese investors.

This discount applies to many sectors, namely touristic, industrial and agricultural sectors, the handicrafts sector as well as the sector of production of computer technology and the dependant services.

Settled quarterly at the rate of 7% on the first bracket (up to the equivalent of 5 billions LBP) and at the rate of 5% on the second bracket (the equivalent of 5 to 15 billions LBP) the discount alleviates the budget of the investor by discharging him/her from the burden that may be caused by the debit interests to his/her treasury.

Conditions:

The preliminary conditions to solicit the Central Bank of Lebanon for an interest subsidy are simple loans, in all currencies, of a maximum duration of 7 years, aiming to finance the projects of the aforementioned sectors and of which the reimbursements during the first two years do not exceed 15% of the initial amount of the loan.

www.bdl.gov.lb

Equity Finance

Financing through equity is still in an early development phase in Lebanon. Several VC and Equity Funds are expected to be operational on the short term; some of them were recently launched.

A -BADER:

***The Building Block Equity Fund**

Recognizing the gap in terms of Equity Financing for Small and Medium Enterprises in Lebanon, Bader took the initiative to pave the way for a successful equity fund focused at Lebanese SMEs. The Building Block Equity fund aims to raise \$20M, to invest in up to 30 companies from the Services, Technology, and Traditional with potential for innovation business categories.

In 2007, The Building Block Fund will be completing its first closing in S1 (minimum \$10M) and make sure it has a healthy mix of investors by geography (Local, Regional and Western) and by category (Institutional and qualified individuals) to. The Building Block Fund will also complete the infrastructure in terms of legal and organizational requirements to play a significant role in the Lebanese equity funding nascent industry.

www.thebbfund.com

***Lebanese Business Angels (LBA):**

A group of 40 young business leaders of various industries, regions, and political parties have joined forces to establish the Lebanese Business Angels (LBA). The Lebanese Business Angels (LBA) facilitates the introduction of entrepreneurs to potential investors through presentations and other mechanisms. LBA consists of individual angel investors as well as institutions interested in financing privately held companies or ventures typically in a startup/early stage of development, based in Lebanon and in all sectors,

pertaining they have a compelling value proposition and high added value, an innovative/creative product or service and the potential for regional and international reach.

B -BYBLOS Equity Fund:

BYBLOS VENTURES S.A.L is a Multi-sector private equity investment fund targeting private companies operating in selected Mediterranean Partner Countries. Target size of the Fund is approx USD 30m.

The Fund is focused on small-medium sized equity and quasi-equity investments in the target region (Lebanon, Egypt, Jordan and Syria), normally not covered by international investment banks or other larger funds. It aims at obtaining a market rate of return for the investors commensurate with the risks associated.

www.byblosbank.com.lb

C -BERYTECH Seed Fund:

Berytech is a Lebanese incubator. It created a seed fund as part of the services it provides to start ups. The fund size is around USD 6 million and will mostly target high technology firms.

www.beryttechfund.org

D- Middle East Venture Partners (MEVP):

MEVP is a Middle East-focused Venture Capital firm that invests in early and growth stages of innovative companies run by talented entrepreneurs primarily, but not exclusively, in Lebanon and the greater Levant region. MEVP favors the consumer technology, consumer products, and consumer services sectors, but also considers

ventures in other areas, such as logistics, food processing, and hospitality, among others.

MEVP currently manages one fund, Middle East Venture Partners L.P, which is seeking \$20 million in total commitments. The fund has successfully achieved its first close.

www.mevp.com

E- Cedrus Ventures:

Cedrus Ventures is a venture capital and private equity (VCPE) firm whose primary focus is Lebanese companies. Cedrus Ventures, by the nature of its focus, invests long term in risky areas – and allows its investors to make such risky investments with peace of mind. Cedrus goes to great length to reduce and manage the risk, and furthermore, its management directly puts its own money where its recommendations are, co-investing with its investors. Depending on the level of risk of a particular start-up, Cedrus seeks IRRs of 15-25%. Furthermore, Cedrus has a preference for companies that target a broad market, broader than just Lebanon.

Cedrus Ventures bases its investment decisions on the following criteria:

- **Competitive advantage:** Two of the major risks inherent in creating a new enterprise in Lebanon are: the risk of imitation; the risk of being confronted by a more powerful international competitor. Cedrus defends against these risks by seeking companies with a competitive advantage.
- **Demonstrated customer base:** Cedrus seeks companies who have demonstrated the reality of their target market, for example through pilots.
- **Transparency:** Cedrus seeks companies that operate transparently and whose management has a strong reputation for honesty.

www.cedrusventures.com

F- Arab Business Angels Network (ABAN):

ABAN (Arab Business Angel Network) targets start up and early stage ventures in the MENA region (Middle East and North Africa) that are looking to raise \$100k to \$500k in seed capital to fund their business. We are very opportunistic and target opportunities across all sectors, excluding real estate, trading and any business related to alcohol or gambling, with a preference towards ICT, Media, Retail and Services. Ideally, we look for businesses backed by strong management teams, with a scalable business model (multiple revenue streams), operating in high growth markets, with strong exit potential.

ABAN invests in the following industries:

- Business Products and Services
- Clean Technology
- Consumer Products and Services
- Education
- Gaming
- Internet / Web Services
- Media and Entertainment
- Mobile
- Software
- Telecommunications

www.aban.ae

Leasing

A -SOGLEASE LIBAN

SOGLEASE LIBAN was established in 1996 and is fully owned by SGBL. Leader in its field, the company is specialized in medium term lease financing. SOGLEASE LIBAN is part of the international leasing network of Société Générale - France (40 leasing companies). Established in over 30 countries, this network is the second largest network worldwide. SOGLEASE LIBAN offers its corporate customers the possibility to finance investments through leasing operations. Soglease customer's portfolio is well balanced between several sectors namely industry, tourism, hospitals, construction, transportation and others.

SOGLEASE LIBAN also offers retail banking customers (SME's and professionals) through SGBL's branches network, Equip' lease which is a quick formula intended for small and medium sized companies and professional customers wishing to purchase equipments up to \$100,000.

Equip 'Lease

>> Does your company need equipments to operate?

SOCIETE GENERALE DE BANQUE AU LIBAN, in cooperation with its subsidiary SOGLEASE LIBAN, offers you Equip' Lease, the leasing solution that allows you to finance brand new (fixed or moving) as well as used professional equipment through a simple and fast procedure.

> > Develop you business with the right components

No matter what your professional equipment needs are, dental panoramic x-ray, generator, industrial printer or radiology machine, Equip 'Lease enables you to finance them allowing you to concentrate on production and performance.

>> With Equip' Lease leasing, benefit from:

- An amount ranging between 15,000 and 75,000 USD.
- A financing period of 2 to 5 years.
- A life insurance policy.

www.sgbgroup.com

Other Financing

Beirut Emerging Technology Zone (BETZ):

Launched by IDAL, (BETZ) is an ambitious initiative aimed at establishing a technology park, including a business incubator for start-ups in ICT and other new technologies. It will include among other facilities:

- A state-of-the-art infrastructure
- An incubator facility
- Single and multi-tenants facilities
- Focus sectors: Electronics, ICT, Biotechnology, Media & Communications

There are plans for establishment of a technology incubator by the Lebanese National Council for Scientific Research as well as a technopole by the University of Balamand. In addition, there are four BDCs (Business Development Centers) in Lebanon, which aim at assisting entrepreneurs in developing their business concept.

www.idal.com.lb

IFC (International Financial Corporation):

The IFC signed an advisory service agreement with KAFALAT and granted several credit facilities to a number of banks in Lebanon. In addition, earlier in 2010, World Bank's investment arm IFC has announced a \$100 million equity investment in Lebanon's Byblos Bank to help increase access to finance for small and medium enterprises and to expand the bank's operations to frontier countries in the Middle East and Africa.

www.ifclebanon.org

NOTES:

- BIAT professionals update the Loan Mall on a regular basis.
- BIAT appreciates if any financial institution would like to provide additional information regarding any financing scheme.

Please contact us on 06/425607 Ext: 149