

FRANSABANK

***Sustainable Energy
Finance Initiative***

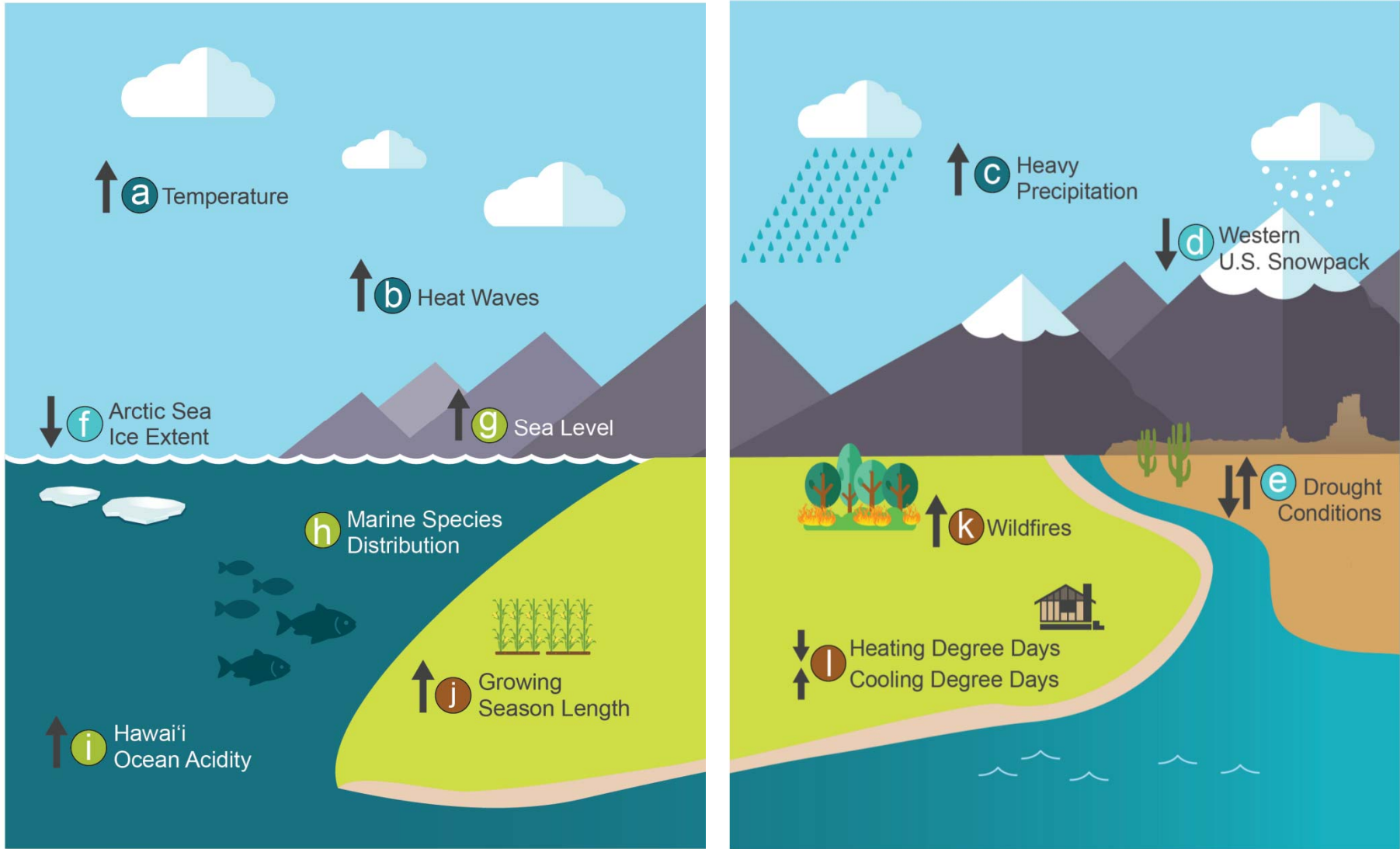
The Sustainable Development Goals (SDGs)



At the United Nations Sustainable Development Summit in 2015, world leaders adopted the 2030 Agenda for Sustainable Development, which includes a set of 17 Sustainable Development Goals (SDGs) to end poverty, fight inequality and injustice, and tackle climate change by 2030.



Climate change indicators





Global warming is due to the increased greenhouse gases emissions that have built-up in the Earth's environment.

- Temperatures are rising, It is a fact
- Sea levels are changing, it is a fact
- Glaciers are melting, It is a fact
- Frequency of extreme weather events is increasing, It is a fact

How can this affect us here in Lebanon?

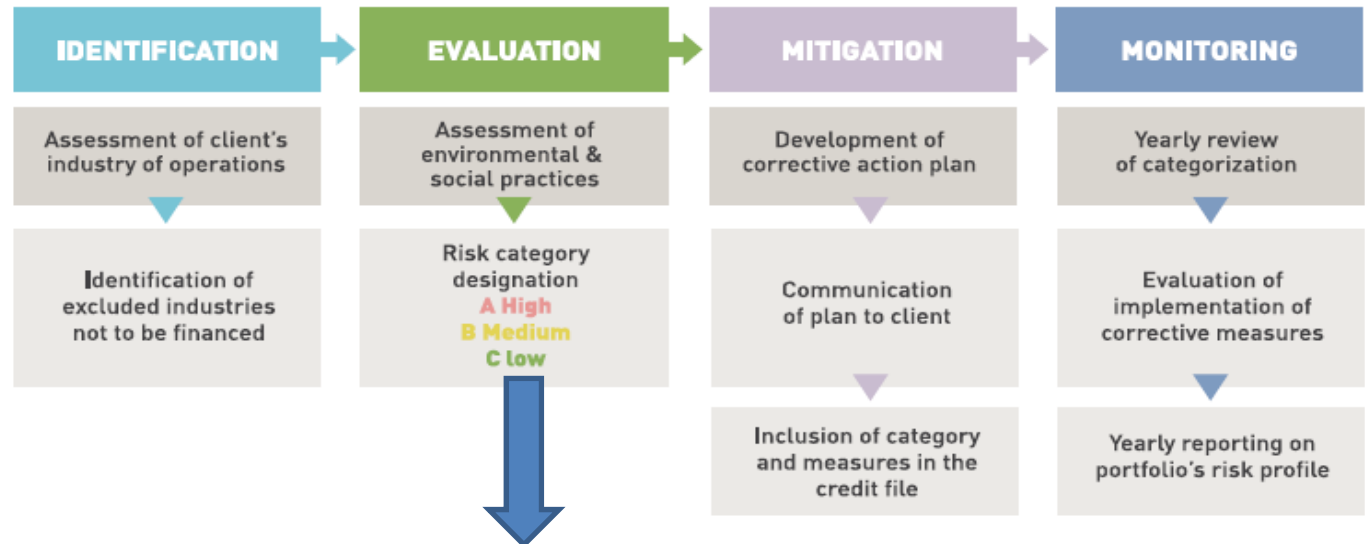
Climate change affects our environment (air and water pollution), our health as well as our energy and electricity bills. This is the real cost on the economy.

Shifting to a cleaner economy would not only reduce the astronomical electrical bill (the sad truth in our country...), but would also induce a better environment for the generations to come.

Fransabank's responsibility towards the Environment / ESMS



We implemented an Environmental & Social policy and included it in the credit process



The due diligence will allow us to assign a risk category to each project at hand:



CATEGORY A [HIGH RISK]	CATEGORY B [MEDIUM RISK]	CATEGORY C [LOW RISK]
Corrective action plan required	Follow-up and corrective measures required	Minimal or no impact
Sample projects	Sample projects	Sample projects
<ul style="list-style-type: none"> Oil and gas projects Large infrastructure Major irrigation Mining Manufacture, storage and transport of hazardous chemicals Queries Forestry operations 	<ul style="list-style-type: none"> Breweries Dairy operations Food processing General manufacturing plants Small scale mining Metal plating Pulp and paper mills Textile plants Hotels/tourism Hospitals Residential projects above 15 floors 	<ul style="list-style-type: none"> Retailers Software development Financial services Service industries Consulting firms Residential projects below 15 floors

Cooperation with Institutions



Banque du Liban



LCEC



IFC USD 40 million SEF credit line
& Advisory Services



IFC & EBRD US\$ 60 million Green Bonds
Issuance with “Excellent” rating from
Moody’s



LEEREFF € 80 million Credit Line



DEG / FMO / Green for Growth Fund





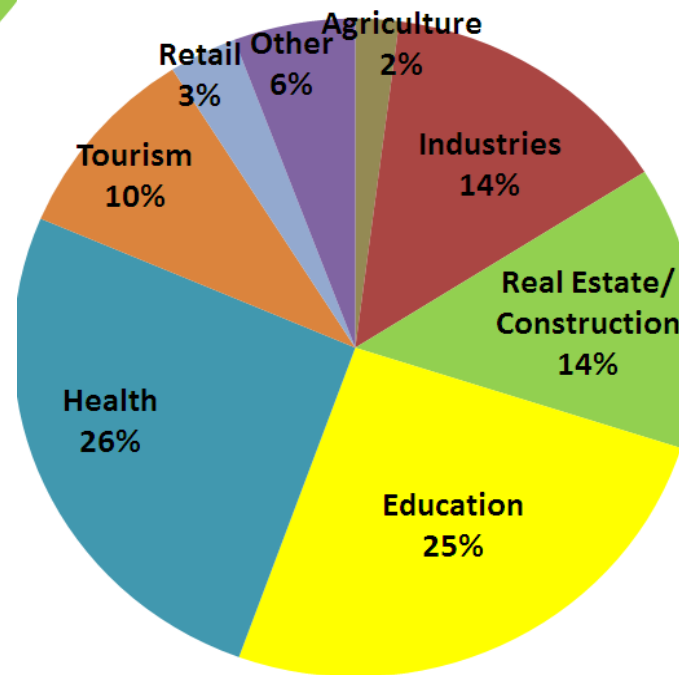
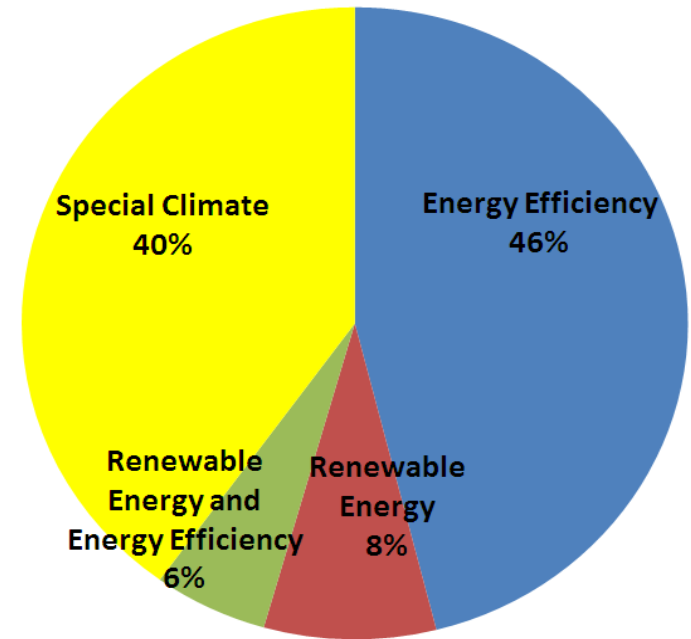
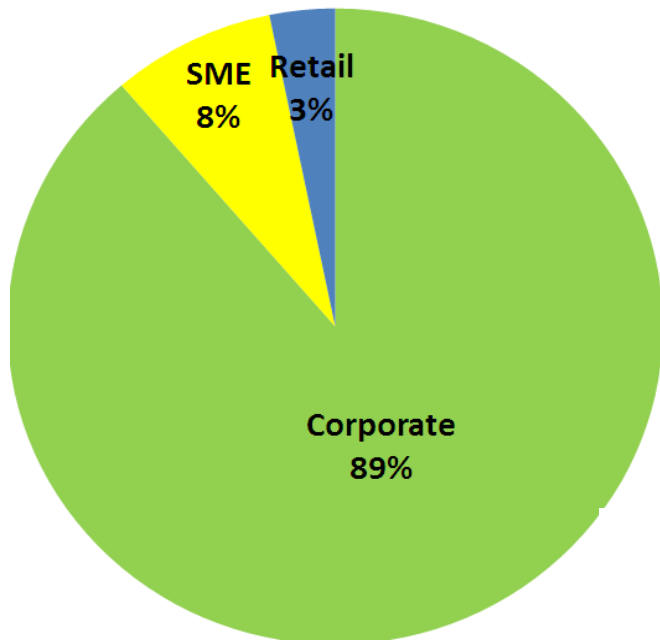
Fransabank Customer Value Proposition

- Identification of the needs
- Accompanying the client in its greening through energy assessments/ audits
- Accompanying client in all the steps of the BDL procedure (NEEREA and LEA)
- Proposing adapted consultants
- Offering solutions and list of suppliers in each domain
- Proposing an adequate financing solution for each project
- Leveraging lesson learning opportunities with IFC

Creating awareness

- Workshops with industrials
- Conference for schools
- A day at a university
- Marketing campaigns : Movies & TV Programs
- Internally (water, environment, building, new branches, recycling, use of papers/ digitalization)

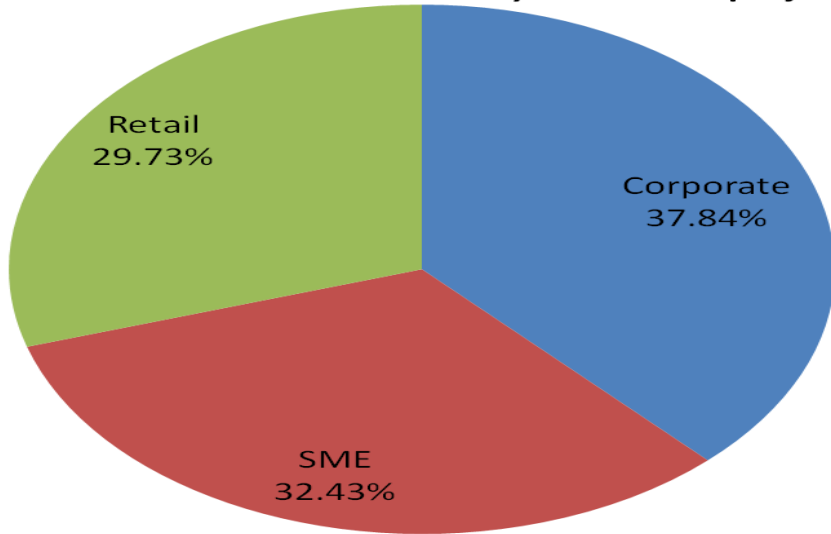
Indicative Portfolio Breakdown / all in



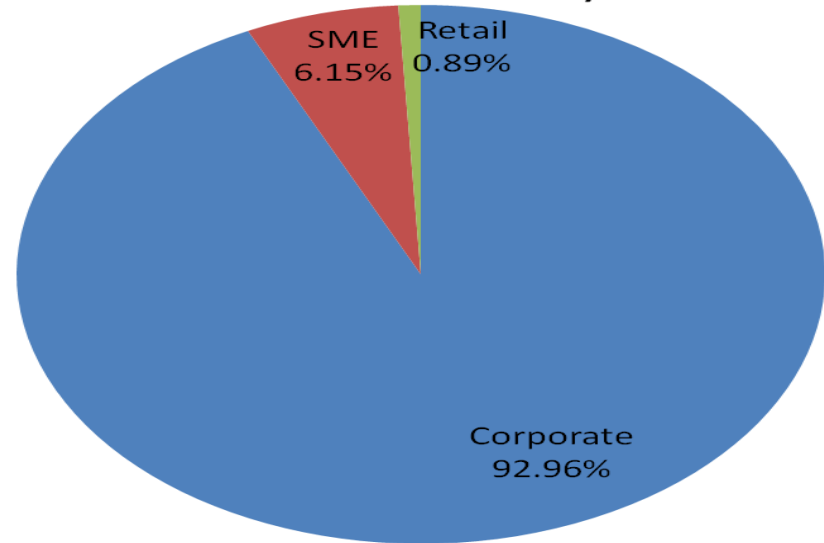
Indicative Portfolio Breakdown / Green Bonds



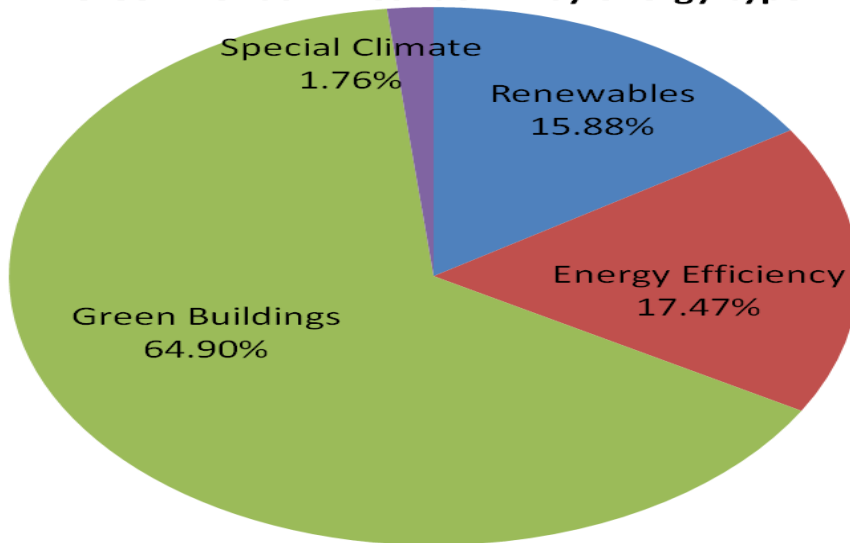
Green Bonds - Breakdown by number of projects



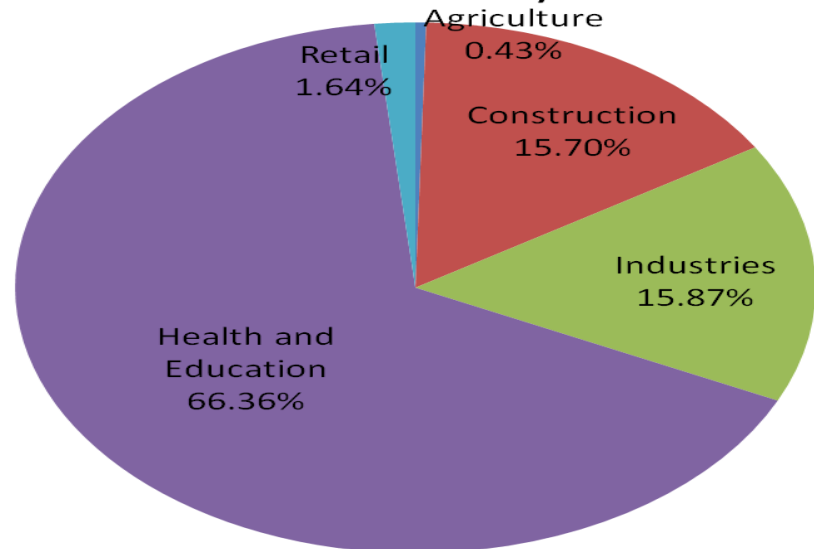
Green Bonds - Breakdown by amount



Green Bonds - Breakdown by energy type



Green Bonds - Breakdown by Sector





Large Renewable Energy Projects

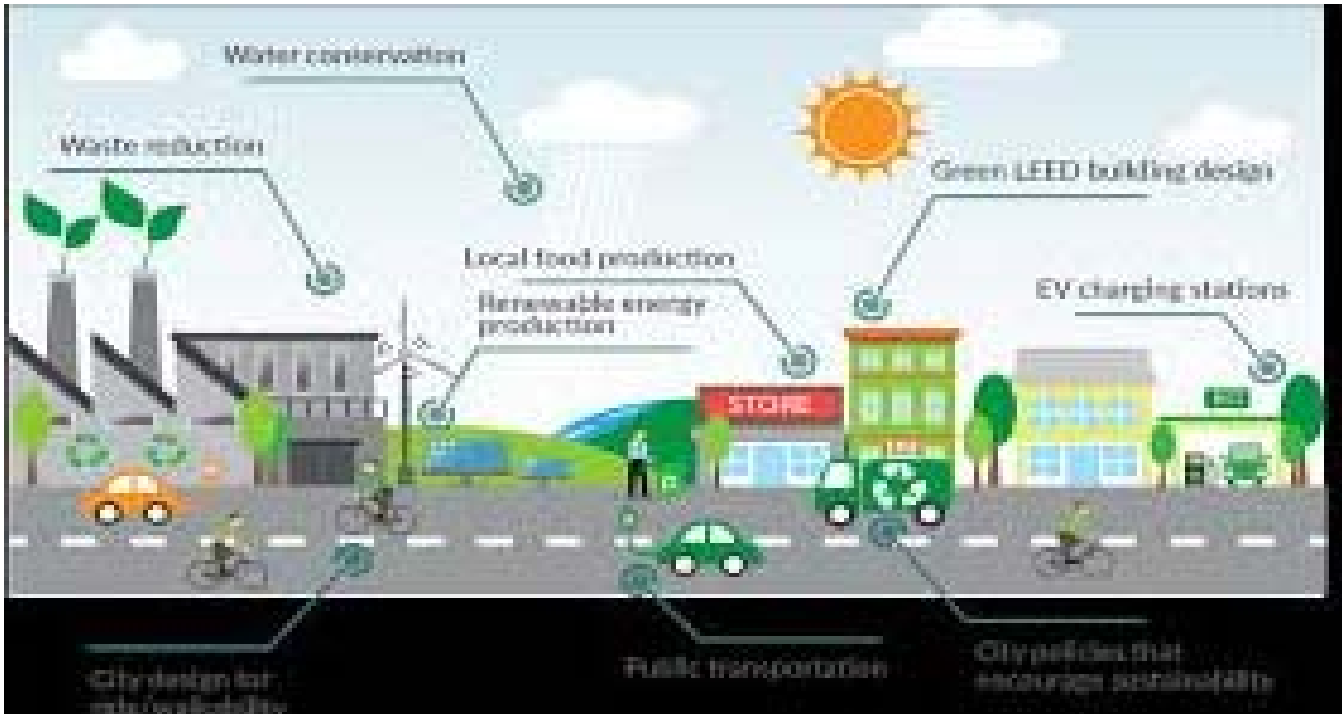
Involvement in the large renewable energy projects and environment-related projects following the 2010 energy and water national plan and the Capital Investment Program for the modernization of Lebanon's infrastructure

Electricity and water sectors projects amount to US\$ 7.4 billion, 1/3 of total Capital investment Program (US\$ 22 billion). These projects would include :

- Solar Farms
- Waste Water & Water Management



Focus on Municipalities and Solar PV for retail



11 SUSTAINABLE CITIES AND COMMUNITIES



Working with municipalities on their roles & responsibilities & presenting inhabitants with solutions to environment, energy & water issues





Low Interest rates, long tenors, procedure

- NEEREA : Energy Efficiency and Renewable Energy/Green Building
- LEA : Environmental projects
- LEPAP : Environmental Pollution Abatement

Other acceptable interest rates and long tenors

- Subsidies/ BDL circulars, industrial sector etc.
- International Institutional Credit Line (IFC, EIB, EBRD, Proparco, ...)
- LEEREF (see specific slide)

Fransabank's own funds, *based on market conditions*



- Interest rates BDL Index – 4.81 % p.a. (today 2.19 % p.a.)
- Currency US\$
- Tenor up to 10 years, depending on project
- Grace Period up to 4 years, depending on project
- Guarantees case by case basis
- Disbursement Fransabank will pay directly to the suppliers
upon presenting bills

LEEREFF - Lebanon Energy Efficiency & Renewable Energy Facility



LEEREFF is a dedicated Credit Line for companies wishing to invest in Sustainable Energy, including :

- Renewable Energy
- Energy Efficiency in Industry & Commerce
- Green buildings (commercial)



LEEREFF offers investment support through loans from **AFD and EIB** with :

- Interest Rate subsidies provided by BDL (around 2% pa)
- Free Technical Assistance by international engineers, financed by the EU.



Fransabank was selected among 5 banks to benefit from this line.



BDL/LCEC Financing Mechanism

