

IFC, Canada, and Fransabank Support Investment in Sustainable Energy Technology

Beirut, Lebanon, May 2, 2014—IFC, a member of the World Bank Group, with the support of the government of Canada, is helping Fransabank Group extend financial support to businesses so they can adopt clean energy and energy efficient technology, save money, and combat climate change.

This is IFC's first investment to promote the financing of sustainable energy technology in Lebanon. IFC will provide a combined financial package of \$13 million to Fransabank SAL and its leasing arm, the Lebanese Leasing Company (LLC). The package includes up to \$4.5 million from the IFC-Canada Climate Change Program.

The package will help Fransabank scale up its lending operations to companies keen to purchase green technology, while LLC will focus on leasing equipment to small and medium businesses. This will boost private sector investment in clean energy and increase competitiveness by reducing costs and improving productivity.

"The introduction of sustainable energy finance into our SME, corporate, and leasing activities is part of our Go Green Strategy," said Adnan Kassar, Chairman of Fransabank Group. "It will allow us to expand our market share through new business lines, target new market segments, improve the risk profile of our portfolio, and enhance our social and environmental image."

IFC will also provide specialist advice to build the capacity of Fransabank and LLC, to develop sustainable energy financing operations that target a range of clientele, including small and medium businesses.

The government of Canada's instrumental contribution to the IFC-Canada Climate Change Program has helped make this financing package viable. In total, Canada has provided \$276.6 million to the program, to enable climate change investments that generate environmental and economic benefits in developing countries.

"Climate change and diminishing energy resources represent global challenges to economic development," said K. Aftab Ahmed, IFC Director for Financial Institutions and Private Equity Group, Europe, Central Asia and the Middle East and North Africa. "By extending our long-term partnership with Fransabank, we are giving businesses the chance to embrace renewable energy, invest in the future of Lebanon, and reduce the effects of climate change."

The initiative, financed by IFC and the government of Canada, is part of IFC's Sustainable Energy Finance Program, which aims to strengthen the capacity of banks and financial institutions to extend sustainable energy financing to the private sector.

About the IFC-Canada Climate Change Program

The IFC-Canada Climate Change Program promotes private sector financing for clean energy projects. Canada's financing to IFC for this program is part of its overall fast-start financing contribution for 2010–2011. Under the Copenhagen Accord, developed countries committed to provide fast-start financing of almost \$30 billion for 2010–2012 to support climate-change mitigation and adaptation in developing countries. As part of Canada's commitment to support climate change action in developing countries, Canada is contributing \$1.2 billion Canadian dollars in new and additional climate-change financing over three years (fiscals 2010–2013).

About IFC

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector. Working with private enterprises in more than 100 countries, we use our capital, expertise, and influence to help eliminate extreme poverty and promote shared prosperity. In FY13, our investments climbed to an all-time high of nearly \$25 billion, leveraging the power of the private sector to create jobs and tackle the world's most pressing development challenges. For more information, visit www.ifc.org.

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About Fransabank

Fransabank is the oldest bank in Lebanon. It was established in 1921 and registered number one on the list of banks operating in Lebanon. It operates over 116 branches and has a regional footprint in the Middle East and North Africa, with subsidiaries in Europe. The bank is one of the leading banks in Lebanon, ranking third in Net Loans to Customers and Profits and fourth in Total Assets and Customers' Deposits. It offers a large product line including retail, corporate, investment, private and, insurance. Fransabank has been partnering for more than 15 years with prominent banks and international financial institutions.

About LLC

The Lebanese Leasing Company is a leading leasing company in Lebanon. It was established in 1995. It is owned by Fransabank SAL (87.5 percent), with the remaining 12.5 percent held by the German Investment and Development Corporation (DEG), one of Europe's largest development finance institutions.

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