

# Startups & Banking

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Presented by:



## Hassan Al Lawati

AGM - Head of Corporate Remedial and Special Assets (SAM)

## Mohamed Al Lawati

Senior Manager - Finance

## Budoor Al Balushi

Senior Officer - Finance



## Webinar Series Key Takeaways & Questions

### Let's meet our host:

**Ahlibank** enjoys an exceptional reputation that results from the dedication and hard work of our employees and our incomparable products and services. Ahlibank understands that faster, easier banking can affect the way you run your business and dares to be different.

### Startups need to be 'Creditworthy'

In order to take any decision, banks need to assess the creditworthiness of a company. Factors that banks look for:

- The banks and borrower needs to understand the business model/ business cycle of the company.
- The Bank and borrower need to understand which stage is the business / company is in right now.
- The borrower needs to demonstrate the business knowledge and ability to operate the company.
- The borrowers need to provide the necessary security and guarantees to repay the liabilities extended.

### Products offered to Startups & SMEs

**Financial:** which is split between:

- working capital finance: financing receivables and inventory or short term finance e.g. for quick business requirements or salaries where the company is sure they can recover,
- CAPEX finance: any capital investment the company needs to take e.g. paying rent for the company for a long-term lease or purchasing of fixed assets.

**Nonfinancial:** payroll organization, electronic services, checkbooks etc.

### How is VAT applicable to my Startup?

The 5% VAT has been implemented since mid-April, however it may not be applicable to your business yet depending on its size:

Revenue (OMR)	Deadline for registration	Applicable from
1 million +	15 <sup>th</sup> March 2021	16 <sup>th</sup> April 2021
500k – 1 million	31 <sup>st</sup> May 2021	1 <sup>st</sup> July 2021
250k – 500k	31 <sup>st</sup> August 2021	1 <sup>st</sup> October 2021
38,500 – 500k	28 <sup>th</sup> Feb 2022	1 <sup>st</sup> April 2022
19,250 – 38,500	Not mandatory	Voluntary registration

### Questions:

#### 1. Tell me more about project financing.

- There are several products that may help finance a specific project, either overdraft or short term loan and in fact this is the most structured and easiest financing option since the ins and outs of the finances are known.

#### 2. Do you do equity investments in Startups?

- Not directly usually, however the investment banking team may make exceptions. However, the bank can finance your company investing in a 3<sup>rd</sup> party equity depending on source of repayment

#### 3. Can I get financed if I don't have security or cashflow?

- Security is not strictly necessary but cashflow always is

## Banking – Necessary support

From financing your business to providing day to day services, banks are necessary for all companies including startups! Find the bank that offers the best banking services for you. Reach out to us if you want to know more about Ahlibank and all the services they can offer you.

Have more questions about banking? Drop us a line: [support@omanstartuphub.com](mailto:support@omanstartuphub.com)