



# ALTERNATIVE FINANCING OPTIONS

Advisory Handbook 2025



For SMEs, obtaining a loan from a bank is not always straightforward. Fortunately, a new financing market has emerged, offering a complementary option to the familiar bank financing. Additionally, the government can sometimes provide extra financial support. So, what alternative options are available?

This handbook covers alternative financing options for SMEs, including private funding, business angels, private equity, credit unions, crowdfunding, and government-backed schemes like BMKB, Innovation Credit, Microcredit, SME Credit, and GO-Scheme.

## PRIVATE FINANCING

Private financiers are a familiar concept for many. Whether they are family, friends, or business contacts, they are often essential for many entrepreneurs when starting a business to secure additional capital or a loan. However, this personal network does not always provide a solution. As your financing needs, risks, scale, and complexity of your plans increase, you may need to seek other financing options, either as an alternative or an addition. The private financing market offers a wide range of potential investors.

### Tip!

When considering alternative financing sources, also think of supplier credit, mortgage banks, leasing companies, hire-purchase, and factoring. These options can significantly support your liquidity.

## BUSINESS ANGELS

These 'angels,' also known as informal investors, are often private individuals and former entrepreneurs who, whether individually or collectively, invest their knowledge, experience, network, and capital in start-ups or young, often innovative businesses. These investors focus on a strong business plan and trust in the entrepreneur. They are willing to invest at risk, providing the entrepreneur with risk capital. In return, the informal investor may receive a share in control, ownership, or profits of the business.

### Tip!

Be sure to check for business angel initiatives and events in your area or beyond. They connect entrepreneurs with investors.

## PRIVATE EQUITY

Investment and participation companies, commonly known as private equity, are typically private organisations where smaller and larger investors come together. They can provide the necessary risk capital that you, as an entrepreneur, need to successfully secure credit from other financiers. Risk capital can be offered in the form of either share capital or a (subordinated) loan. The primary motive for private equity is return on investment.

## CREDIT UNION: A COOPERATIVE APPROACH TO FINANCING

A credit union is a cooperative association of SME entrepreneurs providing financial support. The aim of a credit union is to lend money through a common fund to fellow entrepreneurs within a sector or region. Both lenders and borrowers are members and co-owners of the cooperative. A credit union is non-profit and aims to provide loans ranging from €50,000 to €250,000. Higher amounts may also be

possible under certain conditions. Generally, a credit union does not finance losses or livestock. The loan period typically ranges from one to ten years.

## CROWDFUNDING

Crowdfunding has become an increasingly popular means of securing funds. It functions as an online marketplace for funding. How does it work? The entrepreneur posts their idea or plan on one of the crowdfunding platforms and appeals to multiple private investors for funding. You set the loan amount, interest rate, and term yourself. If you wish to offer the investors shares in the company or a percentage of turnover or profit in exchange for their investment, that is also possible. Investors can subscribe until the target is met, at which point your financing is complete.

### Note!

Regulations for alternative financing options are still developing. Check whether the crowdfunding platform has an AFM (Dutch Authority for the Financial Markets) licence.

## GOVERNMENT AS A CO-FINANCIER

With the government's support, you, as an entrepreneur, have a greater chance of securing a loan from credit institutions. Even if your plans and financial prospects are strong, without sufficient security, your loan application may quickly be rejected. That is why the government has introduced various schemes to make access to credit easier. These schemes often come with more lenient conditions.

## SME LOAN GUARANTEE SCHEME (*BORGSTELLING MKB-KREDIETEN- BMKB*)

For entrepreneurs with financing needs but insufficient collateral, the BMKB scheme can provide essential support. This scheme is intended for businesses with no more than 250 employees (FTEs) and an annual turnover of up to €50 million or a total balance sheet of up to €43 million. The credit rules regarding amount, repayment, and duration depend on the purpose of the funding and the type of business. A key condition is that the future prospects are favourable, and the credit provider submits an application for the scheme.

Under the standard scheme, the guarantee credit covers 50% of the loan provided by the bank. The government guarantee accounts for 90% of this guarantee credit. The BMKB has been extended until 1 July 2027. Businesses with financing needs of up to €333,333 can finance three-quarters of this with BMKB credit, rather than a maximum of half. Furthermore, the maximum BMKB credit has been temporarily increased from €1 million to €1.5 million.

Additionally, the BMKB has been expanded to support sustainability investments, known as BMKB-G (Green). This extension is intended for SMEs with a maximum of 250 employees. Through this extension, the guarantee credit percentage within the BMKB is increased from 50% to 75% of the loan amount. This scheme applies to:

- Business assets listed on the Energy List
- Other assets linked to energy investments (maximum share of 50%)
- The modification or replacement of commercial properties to at least Energy Label C

### Tip!

Check with your bank (or alternative financier) to confirm your eligibility for the BMKB.

## INNOVATION CREDIT

If you have an innovative idea but lack the means to continue investing, the Innovation Credit can provide funding for promising innovation projects. This is a risk-bearing loan designed to support both clinical and technical developments.

- For clinical development projects, the maximum credit is €5 million.
- For technical development projects, the maximum credit is €10 million.

In 2025, a total of €50 million is available for these projects: €10 million for clinical development, €10 million for technical development, and €30 million for a combination of both. Applications for the Innovation Credit can be submitted to the Netherlands Enterprise Agency (RVO.nl) until 31 December 2025.

## MICROCREDIT

Many entrepreneurs can benefit from a relatively small loan. However, the risk profile may limit access to a bank loan. In such cases, microfinancing can be a practical solution.

- The credit limit is €50,000, with an interest rate of 9.95%.
- An additional processing fee applies, ranging from €375 to a maximum of €850.

For entrepreneurs with a social objective, the credit limit is €250,000, with an interest rate of 7.95%. This scheme is available to start-up and existing SMEs and is administered by Qredits Microfinanciering Nederland. Qredits is available only if your loan application has been rejected by a bank.

## SME CREDIT

Qredits also offers SME Credit, a business loan for start-up and existing SMEs, ranging from €50,000 to €250,000. It is specifically designed for entrepreneurs who cannot obtain financing from a bank.

- The interest rate is 9.95%.
- For entrepreneurs with a social objective, the rate is 7.95%.

For existing entrepreneurs who need additional funds unexpectedly, a flexible credit option is available. This allows you to pay interest only on the amount you withdraw.

- The maximum limit is €25,000, with an interest rate of 1.1% per month on the withdrawn amount.
- An annual management fee of 2% applies, along with a one-time fixed fee ranging from €375 to €650.

Qredits also offers a mortgage loan specifically for financing commercial real estate.

## EARLY-STAGE FINANCING

If you are ambitious and anticipate substantial business growth in the near future, and you wish to assess whether your idea is viable in the market, Early-Stage Financing may be for you. This financing allows the government to support you in taking your idea from the planning phase to the start-up phase.

- The loan must be repaid, including interest of 7.71% (as of 1 January 2025).
- More information is available on RVO.nl.

## BUSINESS FINANCING GUARANTEE (GO-SCHEME)

The GO-Scheme is specifically for medium to large companies that are primarily active in the Netherlands, are financially healthy, and have positive prospects. Under this scheme, the bank can secure the necessary additional guarantees with a 50% government guarantee.

- Loans of up to €150 million are eligible, with a maximum of 50% guaranteed.
- Applications must be submitted by 11 June 2025, 17:00, via the Netherlands Enterprise Agency (RVO).

## CONCLUSION

The options discussed above are only a selection from the growing range of alternative financing options. We can help you explore the opportunities and risks, ultimately leading to a suitable financing solution.

## CONTACT

Email: [info@esj.nl](mailto:info@esj.nl)

Telephone: +31 (0)88 0 320 600

### *Disclaimer*

*While every effort has been made to ensure the accuracy of this advisory handbook, we do not accept liability for any omissions or inaccuracies. Given the broad and general nature of this handbook, it should not be regarded as a comprehensive source for making financial decisions.*