



European Investment Bank Funding for SME Loans

Through an agreement with the European Investment Bank (EIB; www.eib.org) we are supporting small and medium sized businesses (SMEs) and enterprises having less than 3 000 employees (MidCaps) by providing access to an invaluable source of lower cost finance and flexible repayment schedules.

A European Cooperation for the benefit of SMEs

The EIB is the long-term lending bank of the European Union; its role is to finance investment projects in support of EU policy objectives. With a view to supporting EU external action, by decision of the European Parliament and of the Council, the EIB is granted an External Mandate¹ to finance corresponding projects outside the EU.

Thanks to its best possible rating on the capital markets (AAA), the EIB can borrow funds on favourable terms, which it passes on to SMEs and MidCaps through us. The SMEs and MidCaps are specifically and individually informed by us of the EIB's involvement and its impact on the financial terms of the loan received. Extensive information related to the EIB Group support to SMEs and MidCaps can be found on the EIB website (www.eib.org).

What is EIB funding?

The EIB is strengthening its support for SMEs and MidCaps by helping this important sector to access vital new lines of credit. The loan term is of a minimum of 2 years (the actual length of the loan will depend on the economic and technical life of the project financed) and it can be used to finance from very small projects to investments with a maximum cost of EUR 25million. The EIB's contribution, however, cannot exceed EUR 12.5 million.

Who can apply for an EIB loan?

- Local SMEs with less than 250 employees on a consolidated basis prior to the investment;
- Local MidCaps with less than 3 000 employees on a consolidated basis prior to the investment;
- Most economic sectors and activities are eligible with a few exceptions, amongst which production of weapons and ammunition, arms, military or police equipment or infrastructures, equipment or infrastructure limiting people's individual rights and freedom, activities which give rise to environmental impact, activities considered ethically or morally controversial or prohibited by national legislation, activities targeting the production or sale of goods which are the subject of an act infringing a trade mark or a geographical indication, gambling and tobacco related activities.

What can an EIB loan be used for?

The EIB loan can be used to finance new investments and expenditures that are incurred in the context of the development of an SME *or a MidCap* i.e.:

¹ https://www.eib.org/attachments/strategies/mou_ec_eib_on_external_mandate_en.pdf

- Tangible investments: purchase, renovation or extension of tangible assets, with some restrictions concerning land purchases.
- Intangible investments: particularly the expenditure involved in R&D, purchase of process licenses and software
- Medium and long-term working capital requirements needed for the operational activity of the SME *or MidCap*.

What are the benefits for your Business?

- You can receive beneficial interest rates compared to standard business lending conditions.
- You can negotiate the term or repayment frequency of the loan to suit the circumstances and cash-flow requirements of your business.
- It allows you to invest significantly in your business without adversely affecting your cash-flow or liquidity.

What is expected in return ?

In case this was requested by the EIB (a) upon reasonable notice, you should permit the EIB representatives to visit and inspect all sites, installations and works that comprise the project which is the subject of the loan; and (b) we may provide information about you to the EIB.

Please contact our Relationship Manager or visit our local branch to discuss if your business qualifies for funding supported by the EIB "Loans for SMEs" or EIB "Loan for MidCaps" scheme.