



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) 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 task is to contribute towards the integration, balanced development and economic and social cohesion of the EU Member States and to provide finance and expertise for sound and sustainable investment projects mainly in innovation and skills, SMEs, climate action and strategic infrastructure. 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 through us. The SMEs 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 can be found on the EIB website (www.eib.org).

What is EIB funding?

The EIB is strengthening its support for Europe's SMEs 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 25 million. The EIB's contribution, however, cannot exceed EUR 12.5 million.

Who can apply for an EIB loan?

- SMEs based in one of the EU Member States with less than 250 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, explosives, equipment or infrastructures specifically designed for military use, and equipment or infrastructure which result in limiting people's individual rights and freedom, activities which give rise to environmental impacts that are not largely mitigated and/or compensated, activities considered ethically or morally controversial (sex trade and related infrastructure, services and media, animal testing, research on human cloning), activities prohibited by national legislation (Genetically Modified Organisms, abortion clinics, nuclear energy, etc.) gambling, tobacco related industries, pure property speculation, pure financial transactions and consumer finance.

What can an EIB loan be used for?

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

- 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, generation change or staff-related enterprise transmission, in order to safeguard economic activity (cost of not more than EUR 5 million).
- Medium and long-term working capital requirements needed for the operational activity of the SME.

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 ?

- (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 any 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" scheme.