



## **European Investment Bank Funding for SME Loans**

Through an agreement with the European Investment Bank (EIB; [www.eib.org](http://www.eib.org)) we are supporting small and medium sized businesses (SMEs) [*and small projects carried out by 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 task is to contribute towards the integration, balanced development and economic and social cohesion of the EU Member States. 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 in the EIB website ([www.eib.org](http://www.eib.org)).

### **What is EIB funding?**

The EIB is strengthening its support for Europe's SMEs *and MidCaps* by helping this important sector to access vital new lines of credit. The loan term is 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?**

- Independent SMEs with less than 250 employees on a consolidated basis prior to investment based in one of the 28 EU Member States;
- [Independent MidCaps with less than 3 000 employees on a consolidated basis prior to investment based in one of the 28 EU Member States];
- all economic sectors are eligible with few exceptions, amongst which production of weapons and ammunition, arms, military or police equipment or infrastructures, and equipment or infrastructure limiting people's individual rights and freedom, gambling, tobacco related industries, activities involving testing on animals insofar as not in compliance with the "Council of Europe's Convention for the Protection of Vertebrate Animals used for Experimental and other Scientific Purposes" or whose environmental impact cannot be mitigated or offset, ethically or morally controversial sectors such as human cloning and pure property speculation.

### **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 development of an SME *or a MidCap* i.e.:

- Tangible investments: purchases of plant and equipment, with some exceptions concerning land purchases.

- Intangible investments: particularly the expenditure involved in R&D, building up distribution networks in domestic or other markets within the EU, taking out or buying patents-
- Medium and long-term working capital requirements to re-establish businesses' general liquidity ratio.

### **What are the benefits for your Business?**

- You can receive beneficial interest rates compared to standard business lending rates.
- 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.

You shall agree that (a) upon reasonable notice you will permit representatives of the EIB to inspect all sites, installations and works that comprise the project which is the subject of the loan; and (b) following a request by the EIB, we may provide any information about you to the EIB.

**EIB loans for SMEs are channelled through us, therefore it is entirely up to us to examine the application and to decide whether or not to grant the loan.**

Please contact our [sales network](#) to discuss if your business qualifies for funding supported by the EIB "Loans for SMEs" or EIB "Loan for MidCaps" scheme.