

European Investment Bank Development Loans

Société Générale Bank – Cyprus signed a finance agreement with the **European Investment Bank** in the framework of a programme dedicated to support SME's and Midcaps in Cyprus, and to promote youth employment.

The CEO and General Manager of the bank, Khalil Letayf, declared: "We are very pleased to be part of this national programme in partnership with the EIB and the Ministry of Finance and to reach out to SME's and Midcaps in a national effort to promote access to affordable funds and boost employment". He added: "SGBCy is committed to Cyprus's economic recovery and to standing by its people and its entrepreneurs in order to help them get back on their feet. A token of this commitment is the fact that Société Générale Bank - Cyprus has chosen to pursue and develop its operations in Cyprus while other international banks have downsized or even ceased their operations on the island".

The 10 million euro credit line granted by the EIB to SGBCy will be on-lent to eligible SMEs and Midcaps for financing capex and working capital, with the final beneficiaries benefiting from the low cost of EIB funding.

Favourable Terms of Financing

- Minimum amount of €100.000
- Currency: Euro only
- The Beneficiaries of the approved loans will be granted a financial advantage in relation to the interest rate of the loan. This financial advantage will be at least 1,00% (one hundred basis points) per annum, compared to the rate Societe Generale Bank - Cyprus would charge for the same loan without the participation of the EIB. In addition, if a Beneficiary participates in the EIB's "Jobs for Youth" initiative (as described below), then that Beneficiary is granted an additional 0.50% (fifty basis points), raising the financial advantage to 1.50% (one hundred and fifty basis points).
- Long term repayment with minimum duration of two years
- Grace period for the repayment of capital of up to 24 months

"Jobs for Youth" initiative

In order to qualify for this initiative, a Final Beneficiary needs to fulfil at least one of the following three criteria:

- 1.The Final Beneficiary confirms to have hired in the last 6 months and still employ at least 1 young person (5 for Midcap enterprises) (or plans to hire at least one young person (at least 5 for Midcap enterprises) in the coming 6 months), calculated from the signature date of the loan agreement, or
- 2.The Final Beneficiary offers vocational training to young persons, or internships/training programmes for young people, or
- 3.The Final Beneficiary has an active cooperation agreement with a technical college or school or university to employ young persons (e.g. during summer internships).

A "young person" is defined as a person of more than 15 and less than 25 years of age at the time when he/she benefits from the relevant event (employment, training or internship).

Excluded sectors and activities

Final Beneficiaries active in any sector are eligible except the following activities:

- a) Activities targeting the production of weapons and ammunition, arms, military or police equipment or infrastructures, and equipment or infrastructure which result in limiting people's individual rights and freedom (i.e. prisons, detention centres of any form) or in violation of human rights;
- b) Activities targeting the production or facilitating the use of gambling and related equipment;
- c) Activities targeting tobacco manufacturing, processing, or specialist tobacco distribution, and activities facilitating the use of tobacco (e.g. "smoking halls");
- d) Activities involving live animals for experimental and scientific purposes insofar as compliance with the "Council of Europe's Convention for the Protection of Vertebrate Animals used for Experimental and other Scientific Purposes" cannot be guaranteed;
- e) Activities which give rise to environmental impacts that are not largely mitigated and/or compensated (see also section 3 about conformity with EU directives and national laws on environment);
- f) Activities considered ethically or morally controversial or which are forbidden by national law, e.g. research on human cloning;
- g) The purchase of goodwill; the purchase of intangible assets¹ that could lead to or enforce a strong market position of the Final Beneficiary (i.e. a market share of more than 20% of the relevant market); the purchase of licenses or rights for mineral resource exploitation;
- h) Activities constituting pure real estate development activity;
- i) Activities constituting pure financial transactions (such as the purchase of shares, or any other financial product).

The Bank reserves the right to reject any application or to amend/withdraw the product without notice.

For the full terms and conditions, the financing criteria as well as for further and complete information, please visit our Corporate Centre

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