

Eurobank Cyprus Ltd (Eurobank) is enhancing its active support of Cypriot Small and Medium Enterprises (SMEs) and Medium Capitalization Companies (MIDCAPS) through the establishment of a new financing scheme in collaboration with the European Investment Bank (EIB). A total amount of €30.000.000 (Thirty million euros) will be available on favorable terms to Cypriot businesses with special emphasis on youth employment.

Prospect Beneficiaries

Companies eligible for participation in this financing scheme are Cypriot businesses incorporated and operating in Cyprus:

- SMEs with less than 250 employees
- MIDCAPS with less than 3.000 employees.

Beneficiaries having activities in any sector are eligible except the following:

- 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;
- The purchase of goodwill; the purchase of intangible assets that could lead to or enforce a strong market position of the Beneficiary (i.e. a market share of more than 20% of the relevant market); the purchase of licenses or rights for mineral resource exploitation;
- Activities constituting pure real estate development activity;
- Activities constituting pure financial transactions (such as the purchase of shares, or any other financial product).
- Activities as financial holding companies & leasing companies;
- Activities targeting the production or facilitating the use of gambling and related equipment;
- Activities targeting tobacco manufacturing, processing, or specialist tobacco distribution, and activities facilitating the use of tobacco (e.g. "smoking halls");
- 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;
- Activities which give rise to environmental impacts that are not largely mitigated and/or compensated;
- Activities considered ethically or morally controversial or which are forbidden by national law, e.g. research on human cloning.

Eligible Investments/ Qualifying projects

- Development, planning and financing costs during the construction phase of a tangible asset; purchase, renovation or extension of tangible assets other than land;
- The financing of land purchase is excluded unless it is technically essential for the investments. Financing of purchase of farmland is entirely excluded.
- The purchase of patents & licenses is eligible where they are necessary for the technical implementation of the Sub-Project;
- Investment in intangible assets i.e. R&D expenses;
- Building up of distribution networks in domestic or other markets inside the EU (asset and/or trademark acquisition, operational costs and labour costs).
- Generation change (i.e. retirement of the previous owner) or staff-related enterprise transmission, allowing for a continuation in economic activity of the respective enterprise. The scope of the financing is limited to those cases where both buyer and the entity to be sold are eligible enterprises (qualifying sectors below) & the total financing need for the operation does not exceed EUR 5m (excluding own funds).

- Medium and long term working capital needs in the form of a revolving overdraft facility for at least two years.

Advantages of EIB funding scheme

- The Beneficiaries will be granted a financial advantage of at least 1% (one hundred basis points) per annum, compared to the interest rate Eurobank would charge for the same facility without EIB funding.
- Longer loan duration (up to 12 years)
- Option for fixed or floating rate
- Even more favourable interest rate (0.50% lower) to businesses that meet the "Jobs for Youth" criteria (as described below).

"JOBS FOR YOUTH" initiative

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

1. Hired in the last 6 months and still employs at least 1 young person for SMEs and 5 for Midcap enterprises (or plans to hire at least one young person for SMEs and at least 5 for Midcap enterprises in the coming 6 months), calculated from the signature date of the facility agreement signed with the Bank, or
2. The Beneficiary offers vocational training to young persons, or internships/training programs for young people, or
3. The 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).

For the Beneficiaries complying with one of the above criteria, the Bank will ask the Beneficiary to sign the "Jobs for Youth Eligibility Confirmation"

Notes:

The above is for information purposes only and its accuracy; completeness or correctness cannot be guaranteed and may be subject to change. Eurobank Cyprus Ltd shall not be liable whatsoever for any direct or consequential loss arising from any use of this information.

The approval of a facility is subject to the admission of satisfactory collaterals according to Eurobank Cyprus Ltd credit policy.

Eurobank Cyprus Ltd reserves the right to reject any facility request or cancel the preferential interest rate charged on the facilities, if the terms and conditions are not met.

For the full terms and conditions, the financing criteria as well as for further and complete information, please contact the Corporate Banking Services of Eurobank Cyprus Ltd at telephones 22208073 or 22208183.