

Loan fund for long-term financing

Who is eligible for support?

- Founders of small or medium-sized commercial businesses or freelancers
- Small or medium-sized enterprises (SMEs)
- Freelance professionals

with an operating facility in Berlin.

What is supported?

- Investments in assets that require mid- to long-term financing and related working capital
- Start-ups and consolidation projects
- Relocation or expansion
- Company takeovers, however, not between first-degree family members
- Prefinancing of orders and product development

The project to be financed must be carried out at a Berlin-based operating facility. Debt rescheduling and/or follow-up financing of projects already underway or completed, as well as financing for business rescue projects are generally ruled out.

What kind of support is available?

- Direct loan of up to EUR 250,000 max.
- Growth loan of up to EUR 10m together with the applicant's bank or another private co-financer

Financing of more than EUR 25,000 is generally carried out together with your bank as a syndicated loan. If syndicated financing is not possible, we can provide loans up to EUR 250,000 directly.

Terms and conditions

- The loans have a term of 20 years max., grace periods (years) can be agreed to.
- Although 100% financing is possible with the SME fund, the applicant typically must bear a share in order to ensure the viability of the project.
- The loan is paid out without any handling fees.
- Interest rate is payable at market rates.
- The terms and conditions of syndicated loans are agreed to with the applicant's bank.
- Commitment interest is agreed to at a rate of 0.25% for each month commenced, beginning three months after the date of approval, for loan amounts not yet paid out.

Other important details

A viable business concept must be submitted in order for a loan to be granted. Loans of more than EUR 25,000 must be secured with customary collateral. It is possible to combine a loan from the SME fund with business development measures by the federal government, the federal state and the European Union.

How to apply

Applications must be submitted **prior to commencing the project** (e.g. first binding contract, conclusion of a purchase agreement, commencement of the innovation project, etc.) because debt re-scheduling and refinancing are not possible.

Applications for **loans without involvement of the applicant's bank** (loans up to EUR 250,000 without syndicated financing) are submitted directly to the SME fund via Investitionsbank Berlin who will then also grant the loan.

- Please submit your written application to us along with all the requirement documents. Please use our application form which also contains a list of all the documents that must be submitted. Application documents can be found at: www.ibb.de/kmu-fonds.
- Alternatively, you can submit your application online to Investitionsbank Berlin using the electronic application available at: www.ibb.de/kundenportal.
- If your documents are complete, it usually takes between 2 and 3 weeks to approve financing. We will then contact you.

In the case of **involvement of the applicant's bank** (syndicated loan), applications are submitted via the applicant's bank.

- You should submit your (informal) application to your own bank with reference to the 'SME fund' of Investitionsbank Berlin.
- You should then consult your bank regarding any other documents and information that may be needed. These should generally be the same documents and information referred to in the application form for direct loans.
- If your bank is willing to approve the loan, it will apply to us for co-financing under the SME fund.
- If we too approve your application, you will receive a loan agreement from your bank.

Our customer centre will be pleased to answer detailed questions regarding the programme and assist you with your application.

Investitionsbank Berlin
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