



JOINT PRESS RELEASE

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## Investment Plan for Europe: EUR 20 million for innovative SMEs in Luxembourg through EIF and BIL

- **European Investment Fund (EIF) and Banque Internationale à Luxembourg (BIL) extend InnovFin SME Guarantee Facility agreement; EUR 20 million available for innovative SMEs and small mid-caps.**
- **Project supported by European Fund for Strategic Investments, part of the Investment Plan for Europe, or Juncker Plan.**
- **Agreement signed completely electronically, using an e-signature, a first for both parties.**

An extension of an existing InnovFin agreement between the EIF and BIL will see an increase in access to finance for innovative Luxembourgish small and medium-sized businesses and small mid-caps. The operation is backed by the European Fund for Strategic Investments (EFSI), the heart of the [Investment Plan for Europe](#).

The original guarantee agreement, first signed in 2015, was increased by EUR 10 million to allow BIL to expand its lending to the innovative business sector in Luxembourg by twice that amount. The increase means that the EIF's guarantee will cover a portfolio of SME and small mid-cap lending by BIL of up to EUR 80 million in total, awarding loans to well over 100 businesses.

*"The extension of our agreement with the EIF demonstrates the relevance of the InnovFin initiative and our success in unearthing and supporting innovative companies in Luxembourg. From helping start-ups to take off, to financing innovative projects designed by mature SMEs, BIL has firmly established itself as a key supporter of Luxembourg's thriving innovation ecosystem. We are proud to open a new chapter of this success story that will encourage the local economy to further innovate and grow"* said **Marcel Leyers**, Chief of Corporate and Institutional Banking of BIL and incumbent CEO of BIL as of 1 May this year.

**Carlos Moedas**, European Commissioner for Research, Science and Innovation, said: *"This is very good news, and yet another example of the Juncker Plan at work. It means fresh financing for Luxembourgish small and medium businesses, and this is often exactly what they need to launch new products, integrate innovative processes, create new jobs and expand beyond their local market."*

EIF Chief Executive, **Pier Luigi Gilibert**, added: *"Increasing access to finance remains a crucial topic throughout Europe, including in Luxembourg. With this increase, BIL will continue to offer more favourable financing to innovative SMEs and small mid-caps, something that I'm sure the market will appreciate. InnovFin and the Investment Plan for Europe continue to be instrumental in giving opportunities to smaller businesses."*

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### Background information

The **European Investment Fund (EIF)** is part of the European Investment Bank group. Its central mission is to support Europe's micro, small and medium-sized businesses (SMEs) by helping them to access finance. EIF designs and develops venture and growth capital, guarantees and microfinance instruments which specifically target this market segment. In this role, EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment.

The **Banque Internationale à Luxembourg (BIL)** was founded in 1856 and is the oldest multi-business bank in the Grand Duchy. It has always played an active role in the main stages of development of the Luxembourg economy. It currently operates in retail, private and corporate banking, as well as on financial markets. Employing more than 2,000 people, BIL is present in the financial centres of Luxembourg, Switzerland (since 1984), Denmark (since 2000) and the Middle East (since 2005).

In July 2015, BIL entered into an InnovFin agreement with the EIF, for a total guarantee amount of EUR 30 million, covering a portfolio of EUR 60 million in loans to SMEs and small mid-caps. Based on market demand, this additional guarantee amount of EUR 10m under InnovFin will raise the total guarantee to EUR 40 million, allowing BIL to cover a portfolio of up to EUR 80 million in loans to Luxembourgish businesses.

The [Investment Plan for Europe](#), known as the Juncker Plan, is one of the European Commission's top priorities. It focuses on boosting investment to generate jobs and growth by making smarter use of new and existing financial resources, removing obstacles to investment, and providing visibility and technical assistance to investment projects.

The European Fund for Strategic Investments (EFSI) is the main pillar of the Juncker Plan and provides first loss guarantees, enabling the EIB to invest in more projects that often come with greater risks. EFSI has already yielded tangible results. The [projects and agreements](#) approved for financing under EFSI are expected to mobilise almost EUR 390 billion in investments and support 929,000 SMEs in the 28 Member States. More information on the results of the Investment Plan for Europe is available [here](#).

The [InnovFin SME Guarantee Facility](#) is established under the "EU InnovFin Finance for Innovators" initiative developed under Horizon 2020, the EU Framework Programme for research and Innovation. It provides guarantees and counter-guarantees on debt financing of between EUR 25,000 and EUR 7.5 million in order to improve access to loan finance for innovative small and medium-sized enterprises and small mid-caps (up to 499 employees). The facility is managed by EIF and is rolled out through financial intermediaries – banks and other financial institutions – in EU Member States and Associated Countries. Under this facility, financial intermediaries are guaranteed by the EU and EIF against a proportion of their losses incurred on the debt financing covered under the facility.

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