



First InnovFin SME Guarantee deal in Belgium: EIF and Belfius sign agreement for innovative companies

The European Investment Fund (EIF) and Belfius have signed an agreement to increase lending to innovative small and medium-sized enterprises (SMEs) as well as small Mid-caps under InnovFin – EU finance for innovators, an initiative supported by the European Commission.

This agreement allows Belfius to provide finance to innovative companies in Belgium for a total of EUR 100m over the next 2 years with the support of a guarantee provided by the EIF and backed under Horizon 2020, the EU Framework Programme for Research and Innovation. This is the first InnovFin SME guarantee signature in Belgium, enabling Belfius to offer innovative companies additional financing at favourable conditions.

Commenting on the signature at the event in Brussels, EIF Chief Executive, Pier Luigi Gilibert said: "I am pleased to be signing the first InnovFin SME Guarantee agreement in Belgium with Belfius with whom we have been cooperating with since 2012 for the benefit of innovative companies. As a result of this agreement with Belfius, we can provide additional support to innovative businesses in need of finance in Belgium".

Carlos Moedas, European Commissioner for Research, Science and Innovation, said: "The InnovFin SME Guarantee deal signed today will be a welcome boost to innovative Belgian SMEs. It will open up new ways of funding and complements a previous deal under InnovFin that will provide a total of EUR 300 million in finance to innovative midcap companies in Belgium."

Dirk Gyselinck, Member of the Management Board of Belfius Bank, added: "Fully aware of the crucial role of enterprises for the economy and employment, Belfius concluded an agreement for start-ups with the EIF under the Competitiveness and Innovation Framework Programme (CIP). Since 2014, EUR 177 million have already been disbursed to 823 start-ups. This new guarantee agreement signed with Belfius, under the "InnovFin SME Guarantee" programme for innovative SME and Small Mid-Caps, represents an important complement to our offer. Thanks to the EIF, it enables innovative companies to benefit from a substantial reduction of collateral in order to obtain financing, and thus help SMEs grow and develop".

The aim of the InnovFin SME Guarantee is to encourage banks or other financial institutions to lend to SMEs and small mid-caps (firms with fewer than 500 employees) in need of investment and/or operating capital to finance research, development and innovation activities, with EU financial support. Financial institutions are being selected by the EIF following a call for expression of interest for financial intermediaries across Europe.

About EIF

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. EIF's total net commitments to private equity funds amounted to over EUR 8.8bn at end 2014. With investments in over 500 funds, EIF is a leading player in European venture due to the scale and the scope of its investments, especially in high-tech and early-stage segments. EIF's guarantees loan portfolio totalled over EUR 5.6bn in over 350 operations at end 2014, positioning it as a major European SME guarantees actor and a leading micro-finance guarantor.

About Belfius

Belfius Bank & Insurance is a locally anchored bank, which operates commercially in Belgium in three main areas: retail and commercial banking, corporate banking & financial services to the public sector and insurance. With 150 years of experience in the public sector, Belfius has always been the preferred partner of public sector and social profit (hospitals, schools, universities, rest homes ...) in Belgium. It provides its clients with a complete and integrated range of products and services, ranging from credit lending and treasury management, to budget optimisation and financial IT solutions. Corporate banking activities are directed principally at business operating in Belgium with the focus particularly on medium-sized corporates.

Belfius Bank & Insurance is wholly owned by the Belgian State through the Federal Holding and Investment Company. www.belfius.com

About InnovFin SME Guarantee

InnovFin SME Guarantee provides guarantees and counter-guarantees on debt financing of between EUR 25,000 and EUR 7.5 million, in order to improve access to debt finance for innovative small and medium-sized enterprises and small midcaps (up to 499 employees). The InnovFin SME Guarantee is implemented by the European Investment Fund, and will be rolled out through financial intermediaries (banks and other financial institutions) in EU Member States and Associated Countries. Under the InnovFin SME Guarantee, financial intermediaries will be guaranteed by the EIF against a proportion of their losses incurred on the debt financing. InnovFin SME Guarantee is part of InnovFin - EU Finance for Innovators, a new range of EIB Group (including EIF and EIB) products to facilitate access to finance for innovative businesses. This transaction is supported with the financial backing of the European Union under Horizon 2020 Financial Instruments.

About Horizon 2020

On 1 January 2014, the European Union launched a new research and innovation funding programme called Horizon 2020. Over the next seven years almost EUR 80 billion will be invested in research and innovation projects to support Europe's economic competitiveness and extend the frontiers of human knowledge. The EU research budget is focused mainly on improving everyday life in areas like health, the environment, transport, food and energy. Research partnerships with the pharmaceutical, aerospace, car and electronics industries also encourage private-sector investment in support of future growth and high-skilled job creation. "InnovFin – EU Finance for

Innovators", the new generation of EU financial instruments and advisory services was developed under Horizon 2020 to help innovative firms access finance more easily. "InnovFin – EU Finance for Innovators" will help to inject up to EUR 48 billion in investments in Research and Innovation across Europe.

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