



## EIF and ProCredit group sign deal to finance innovative companies in seven countries

The European Investment Fund (EIF) and ProCredit group 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.

The new agreement allows ProCredit group to provide finance to innovative companies with a total of EUR 250 million via its ProCredit banks in Albania, Bosnia and Herzegovina, Bulgaria, The Former Yugoslav Republic of Macedonia, Moldova, Romania and Serbia. These banks benefit from the support of a guarantee provided by EIF and backed under Horizon 2020, the EU Framework Programme for Research and Innovation. This is the first umbrella InnovFin SME guarantee signature covering these countries, enabling these ProCredit banks to offer innovative companies additional financing at favourable conditions.

**EIF Chief Executive, Pier Luigi Gilibert** said: "I am pleased to be signing this InnovFin SME Guarantee agreement with ProCredit group for the benefit of innovative companies. We have worked with the ProCredit group previously and are sure that they will be able to support innovative and growing businesses in need of finance".

**Carlos Moedas, European Commissioner for Research, Science and Innovation**, said: "The EU-backed loan agreement signed today is open to SMEs and small midcaps in EU Member States as well as countries associated to Horizon 2020 in South-East Europe. Its objective is to help boost investment in innovative companies to promote jobs and growth."

**Borislav Kostadinov, member of the management board of ProCredit Holding** added: "We are proud that ProCredit is the first group of banks to sign the umbrella InnovFin SME Guarantee for its operations in Albania, Bosnia and Herzegovina, Bulgaria, Macedonia, Moldova, Romania and Serbia. This will stimulate innovative ideas and investments by our clients and thus enable them to increase their competitiveness. As the leading "house bank" for small and medium-sized enterprises in this region, we know that modern technology, innovative thinking and environmental orientation are key factors for future development. This applies equally to our clients and to our own operations as banks."

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 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 EIF**

The European Investment Fund's (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.

## **About ProCredit group**

ProCredit Holding AG & Co. KGaA, headquartered in Frankfurt am Main, Germany, is the parent company of the ProCredit group, comprising ProCredit banks operating in developing countries and emerging economies as well as ProCredit Bank in Germany. As of 30 November 2015, the group's total assets amounted to EUR 6.1 bn. The total outstanding loan volume was EUR 4.6 bn, against customer deposits totalling EUR 4.1 bn. The group's equity base amounted to EUR 612 million. ProCredit Holding AG & Co. KGaA is a "public-private partnership" whose core shareholders are the strategic investors IPC and ProCredit Staff Invest (an investment vehicle for ProCredit staff members), the Dutch DOEN Foundation, KfW and the IFC (World Bank Group). Additional information may be found at: [www.procredit-holding.com](http://www.procredit-holding.com).

## **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 bn 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 bn in investments in Research and Innovation across Europe.

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