



## **First RSI guarantee agreement in Ireland for innovative businesses**

**28th November 2012**

The European Investment Fund (EIF) and Allied Irish Banks (AIB) have today signed in Dublin the first guarantee agreement, to support lending to small and medium-sized enterprises (SMEs) under the Risk Sharing Instrument (RSI), a joint initiative of the European Investment Bank Group and the [European Commission](#). Thanks to the agreement, AIB will now offer up to EUR 80 million of new loans to innovative companies over the next two years, enabling export and innovation led SMEs to gain easier access to debt finance. Additional loan capital from AIB will be made available under this agreement in the event that demand by the SME sector in Ireland exceeds the initial target amount to be allocated to innovation financing over the next twelve months.

AIB has taken the lead in being the first bank in Ireland to offer Risk Sharing Instrument backed loans to innovative businesses primarily operating in the knowledge and smart economy sectors. The RSI facility aims to encourage banks to provide loans of up to €7.5 million to SMEs and small mid-caps undertaking research, development or innovation, and seeking finance for investments and/or working capital. Banks are being selected by the EIF following a call for expression of interest for financial intermediaries across the eurozone.

Speaking at the signature ceremony in Ireland, EIF Chief Executive Richard Pelly said: "I am pleased to be signing our first agreement in Ireland under the new Risk Sharing Instrument (RSI) in support of innovative small and medium sized enterprises. Through the provision of a 50% guarantee, EIF will be helping AIB, a major SME bank, to channel much needed finance efficiently to technology oriented and innovation driven businesses."

AIB's Chief Executive, David Duffy said: "I am delighted to be partnering with the EIF and EIB on this initiative which fits very well with our overall SME strategy. AIB is keen to partner with knowledge based businesses seeking capital to build sustainable competitive advantage and accelerate growth in international markets. By improving access to loan finance to accelerate export led businesses in Ireland, we believe it will serve to stimulate credit demand in this economic environment."

European Commissioner for Research, Innovation and Science, Máire Geoghegan-Quinn, welcomed the signature "This agreement is an excellent example of how the Commission and the EIF will now work together with banks to support innovative companies in gaining better access to risk finance. Financing research and innovation and helping those SMEs who take risks to bring ideas to the market will encourage more competitiveness and growth in Ireland and across Europe."

More details about RSI are available on:

[http://www.eif.org/what\\_we\\_do/guarantees/RSI/index.htm](http://www.eif.org/what_we_do/guarantees/RSI/index.htm)

### **The Risk-Sharing Instrument (RSI)**

RSI is a pilot guarantee scheme which supports the financing of R&D and/or innovation driven SMEs and Small Mid-Caps. The RSI is a joint initiative of the EIF, the European Investment Bank (EIB) and

the [European Commission](#). It is supported by the European Union under the Seventh Framework Programme for Research and Technological Development (FP7) and uses EIF's risk-taking capacity. It is part of, and complements, the existing [Risk Sharing Finance Facility \(RSFF\)](#), managed by the EIB.

Under this facility, the European Investment Fund (EIF) is, in return for a fee, providing guarantees to banks and leasing companies that lend to SMEs and Small Mid-Caps. The guarantee covers, upon default, 50% of the outstanding amount of each loan. Some 10 or so banks are expected to be involved in the pilot phase, allowing the RSI to reach up to 1000 beneficiaries with a total loan volume of up to €1.0 billion.

The call is open to financial or credit institutions, established and operating in the EU and/or countries associated to FP7, including, Iceland, Liechtenstein, and Norway, Switzerland, Israel, Turkey, Croatia, the former Yugoslav Republic of Macedonia, Serbia, Albania, Montenegro, Bosnia & Herzegovina, the Faroe Islands and Moldova.

### **About the EIF**

EIF's central mission is to support Europe's small and medium-sized businesses (SMEs) by helping them to access finance. EIF designs and develops venture capital and guarantees 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 EIF total net commitments to private equity funds amounted to over EUR 6bn at end 2011. With investments in over 370 funds, the 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. The EIF guarantees loan portfolio totalled over EUR 4.4bn in close to 220 operations at end 2011, positioning it as a major European SME guarantees actor and a leading micro-finance guarantor.

Companies interested in applying for a loan should contact their nearest AIB Commercial Centre or a member of the Emerging Sectors team at AIB Bankcentre.

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### ***For further information, please contact:***

Niamh Hennessy  
Media Relations Manager  
AIB  
Bankcentre  
Ballsbridge  
Dublin 4  
Tel: +353-1-77 21380

David Yormesor  
EIF  
Tel: +352 42 66 88346