



## **European Investment Bank to provide EUR200m for Irish SMEs with AIB**

**29th April 2013**

The European Investment Bank has agreed to work with AIB in providing EUR200 million for investment by small and medium companies across Ireland.

This represents the latest EIB support for SMEs in Ireland since an earlier lending programme intermediated by AIB in 2011.

The SME initiative, the largest ever engagement by the European Investment Bank to support Irish small business, was signed at AIB Headquarters in Dublin, today (Monday, April 29th) by AIB Chief Executive, David Duffy, and the President of the European Investment Bank, Werner Hoyer. The Minister for Jobs, Enterprise and Innovation, Richard Bruton, also participated.

Welcoming the announcement, Minister Bruton said: "Providing better access to finance for business is a central part of our Action Plan for Jobs, and since taking office we have put in place new non-bank funding mechanisms totalling over €2billion. Today's announcement that the European Investment Bank along with AIB will provide an additional €200million for SMEs in Ireland is a major boost for Irish business and jobs. I wish AIB and the EIB every success with this important initiative".

AIB CEO David Duffy said: "This further EIB engagement is to be warmly welcomed following strong interest in the 2011 programme. Today's signing is very much part of our broader strategy to stimulate SME growth. This fund will support investment in thousands of jobs across a range of sectors including agri-business, the services, retail and manufacturing, all underpinning vital jobs and contributing enormously to the economy".

Werner Hoyer said the European Investment Bank recognises the crucial contribution of small business to creating jobs and stimulating economic growth across Europe.

"Ensuring access to finance for small businesses is essential for the Irish economy and the significant cooperation formally agreed today with AIB, our largest ever engagement in Ireland, demonstrates our strong engagement to support investment by local firms across the country", he added.

AIB is an experienced EIB intermediary having signed a total of ten SME lending programmes with the EIB since 1990. The average loan under the latest lending scheme was €91,000 per company, with firms active in agriculture, trade, health and manufacturing benefiting

Under the scheme AIB is committed to passing on financial benefits of the low-cost EIB backed loans to final beneficiary companies active in eligible sectors. The funding can be used to finance both medium and long-term investment needs.

The SME lending programme complements the €80 million Risk Sharing Instrument (RSI) initiative launched by the European Investment Fund and AIB last November. This facility provides loans of up to €7.5 million to SMEs and small mid-caps undertaking research, development or innovation, and

seeking finance for investment and working capital. This will enable export and innovation led SMEs to gain easier access to debt finance.

Last year the European Investment Bank SME lending programme provided €13 billion to more than 200,000 companies across Europe. The scheme supports economic development of small and medium-sized businesses by providing credit on preferential terms including longer maturities, flexible disbursement schedules and lower interest rates to foster job creation.

During 2012, the European Investment Bank provided nearly €505 million in long-term low-cost loans for key investment in projects across Ireland. This included financial support for investment in higher-education at Trinity College and UCD, schools, renewable energy and the water sector, as well as dedicated lending for small business investment in cooperation with leading banks active in the country. Over the last five years EIB, Europe's long-term lending institution, has provided more than €3 billion for infrastructure investment and small businesses in Ireland.

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