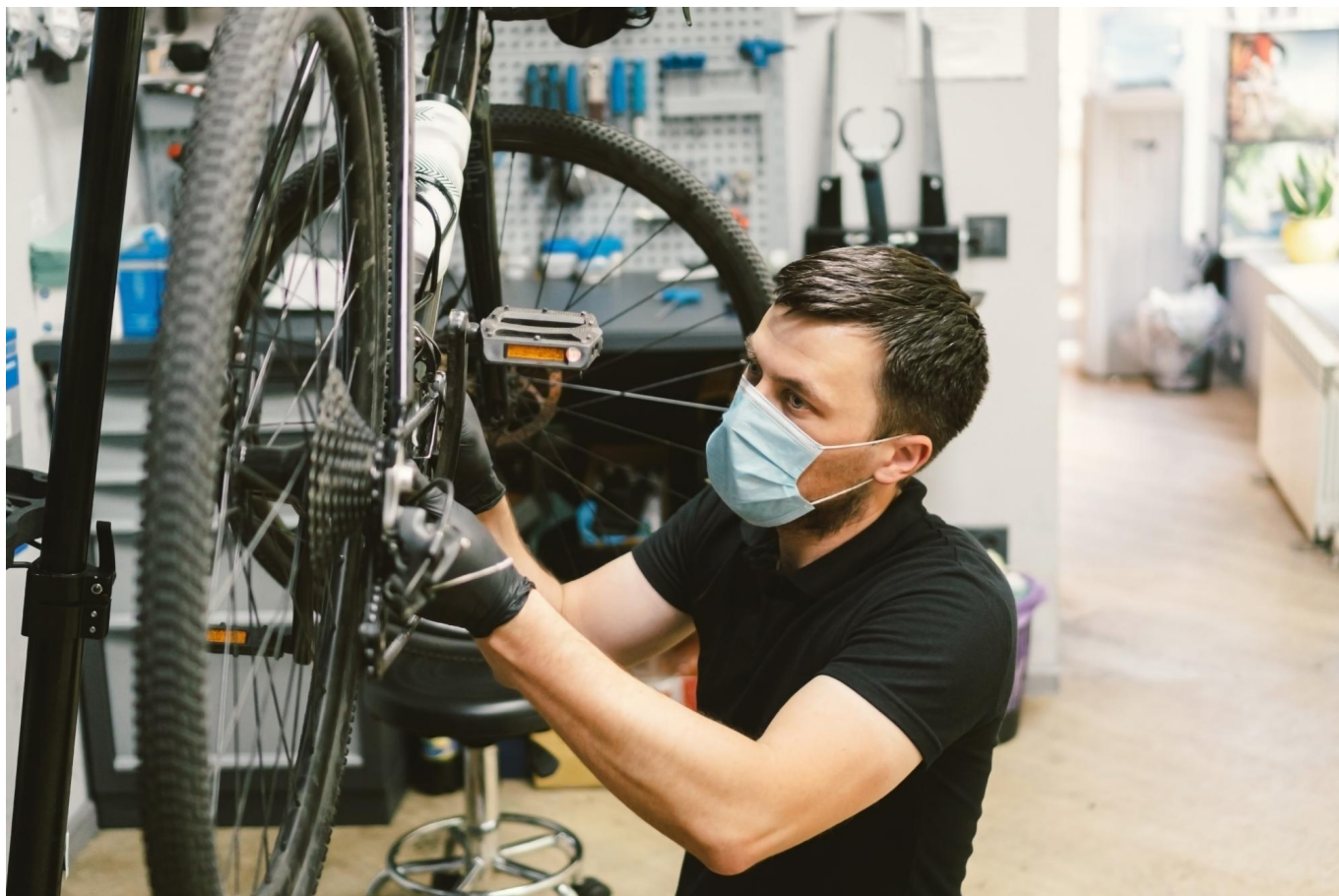


EIB Group and BTV join forces to provide additional lending to SMEs and mid-caps



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- **EIB Group synthetic securitisation will enable BTV to lend more than €400 million to small and mid-sized businesses in Austria and Germany in response to COVID-19**
- **The operation is backed by a European Fund for Strategic Investments (EFSI) guarantee under the Investment Plan for Europe**

The EIB Group, consisting of the European Investment Bank (EIB) and the European Investment Fund (EIF), has provided a guarantee for a mezzanine tranche of a synthetic securitisation transaction of around €130 million to the 'Bank für Tirol and Vorarlberg AG' (BTV). The transaction was arranged by Erste Bank and is expected to provide capital relief under the EU Capital Requirements Regulation framework. It employs the use of a synthetic excess spread equivalent to the one-year expected loss of the reference portfolio. The capital relief provided by the transaction will enhance BTV's risk-taking capacity and create additional lending headroom. As a result, BTV will create a new portfolio of eligible loans to SMEs and mid-caps of up to €435 million, mainly in Tirol, Vorarlberg, Vienna and southern Germany. The EIB Group operation is a direct response to the COVID-19 pandemic as the current crisis puts a particular strain on SMEs and mid-caps, which are experiencing

shortages in liquidity and funding lines.

The transaction was made possible by the support of the European Fund for Strategic Investments (EFSI). EFSI is the central pillar of the [Investment Plan for Europe](#) in which the EIB Group and the European Commission act as strategic partners to strengthen the European economy and its competitiveness. With support of the Investment Plan for Europe, the EIF will issue a guarantee covering two mezzanine tranches of a total of €130.53 million in a synthetic securitisation structure. This consists of an upper mezzanine tranche to be guaranteed by the EIF on an own-risk basis for €44.20 million and a lower mezzanine tranche to be fronted by the EIF and counter-guaranteed by the EIB for €86.33 million. The underlying asset is a €690 million granular portfolio of loans to SMEs and mid-caps originated by BTV.

EIB Vice President **Thomas Östros** said: “The transaction clearly leverages EIB Group synergies, and it strengthens BTV’s capacity to increase the size of its SME and mid-cap portfolio. This is of particular importance as SMEs and mid-caps are struggling to have access to liquidity due to the current COVID-19 pandemic. I am therefore pleased to announce that our new cooperation with BTV will provide much needed support to SMEs and mid-caps in the Austrian regions of Tyrol, Vorarlberg and Vienna as well as southern Germany. Thanks to this operation, with the support of the EU investment plan, SMEs and mid-caps will have continued access to funding lines at favourable interest rates.”

EIF Chief Executive **Alain Godard** said: “The EIF is pleased to be working with BTV and the EIB to provide additional access to finance for SMEs and mid-caps. The combination of the EIF’s investment and structuring expertise and the EIB’s efficient deployment of EFSI funds offers a competitive financing solution for BTV which will serve to boost the supply of finance in the real economy.”

European Commissioner for the Economy, **Paolo Gentiloni**, said: “The agreement between EIB Group and BTV, backed by the Investment Plan for Europe, will make available a new portfolio of loans to Austrian and German SMEs and mid-caps. This will help them to access finance in the very difficult current context. We will continue to support businesses of all sizes as they navigate the crisis caused by this terrible pandemic.”

BTV’s CEO **Gerhard Burtscher** said: “The coronavirus pandemic has hit small and medium-sized enterprises very hard. By working with the EIB and the EIF, we will also be able to lend more than €400 million to medium-sized companies in Austria and southern Germany on favourable terms, thereby mitigating the impact of the coronavirus crisis.”

Background information

About BTV

Bank für Tirol und Vorarlberg Aktiengesellschaft (BTV) is a financial services provider for export-oriented, owner-managed businesses and investors

and has operations in Tyrol, Vorarlberg, Vienna, Bavaria, Baden-Württemberg and German-speaking Switzerland. Customers from northern Italy are served from Austria. The banking business is handled by around 850 employees together with Management Board members Gerhard Burtscher, Mario Pabst and Dr Markus Perschl. BTV, Oberbank and BKS Bank form the "3 Banken Gruppe" network. The BTV Group includes various holdings, such as Silvretta Montafon Holding GmbH or Mayrhofner Bergbahnen AG. BTV was founded in 1904 and has grown from being a regional bank to a business operating across borders in Europe's most attractive economic area.