

# EIF and aws extend guarantee agreement to provide additional financing for SMEs in Austria

Under the agreement, aws offers guarantees, backed by EU counter-guarantees, for bank loans (including working capital loans) and for leasing and other debt financing. It is expected that the extension and increase of the agreement will provide additional financing of more than €160 million at favorable conditions to over 2,000 SMEs in Austria.

European Commission Vice-President Jyrki Katainen, responsible for Jobs, Growth, Investment and Competitiveness, said: "Small and medium sized businesses in Austria have made good use of the opportunities already available from aws under the EU's COSME programme, and due to increasing demand, we are now extending the available envelope. Thanks to today's agreement which benefits from the EU budget guarantee, a further 2,000 SMEs in Austria will be able to gain access to €160 million worth of loans to support their business development."

EIF Chief Investment Officer Alessandro Tappi commented: "I am delighted about the extension and the increase of the agreement with aws. In times when access to finance remains an important hurdle for small business, this cooperation is a clear testimony of EIF's and EU's strong commitment to support these companies, because they are the backbone of the European economy." And he added: "Given the guarantee activity of aws over the last years, I expect that the increased amount will be fully utilised within the availability period".

Austrian Federal Minister for Digital and Economic Affairs Elisabeth Udolf-Strobel, emphasised: "In a challenging economic environment, it is our goal to support Austrian SME. With this new extension agreement, aws can increase its guarantee volumes and reduce its guarantee fees. This will be of benefit to domestic SMEs and will upscale their competitiveness".

aws Managing Director Bernhard Sagmeister underlined: "aws as the Austrian national promotional bank, has a long-standing relationship with EIF since 1998. It started with the guarantee business and was also extended to equity initiatives. For aws it is of special importance to enhance our instruments through the combination with European funds and to develop new initiatives jointly. We are pleased to further intensify our cooperation with the EIB group".

## **Background information:**

### **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. More information on EIF's work under the EFSI is available [here](#).

### **About aws**

Austria Wirtschaftsservice GmbH (aws) is the Austrian government promotional bank. aws offers Austrian companies financial assistance in the form of loans, guarantees, grants and equity as well as consultancy services from the start-up to expansion phase. SMEs wishing to apply for finance under the COSME programme can directly contact aws under the following website: <https://www.aws.at/en/>

### **About COSME**

COSME is the EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (SMEs) running from 2014 to 2020 with a total budget of €2.3 billion. At least 60% of the programme will be devoted to easing access to finance for SMEs in Europe, with two financial instruments. The COSME Loan Guarantee Facility supports guarantees and counter-guarantees to financial institutions to help them provide more loans and lease finance to SMEs. This facility also includes securitisation of SME debt finance portfolios. The COSME programme also invests through the COSME Equity Facility for Growth in equity funds that provide risk capital to SMEs mainly in the expansion and growth stages.