

## PRESS RELEASE

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# Investment Plan for Europe: EIB Group provides capital relief to Hypo Vorarlberg

## Fresh money from Hypo Vorarlberg to SMEs and Mid-Caps

### Additional support to Energy Efficiency refurbishments and Near Zero Energy Buildings

The EIB Group, consisting of the European Investment Bank (EIB) and the European Investment Fund (EIF) have provided two guarantees on a EUR 330m portfolio of Austrian and German loans to SMEs and Mid-Caps, originated by Hypo Vorarlberg Bank AG.

With this financial support, Hypo Vorarlberg will expand its lending to households and corporate customers undertaking Energy Efficiency (EE) related refurbishments or constructing Near Zero Energy Buildings (NZEB) as well as SMEs and mid-caps in Austria.

The operation breaks new ground as it the first EIB transaction with an Austrian bank benefiting from the support of the European Fund for Strategic Investments (EFSI), the core of the Juncker Plan. It also marks the first time EIB participates in a synthetic securitisation in Austria, underlining the EIB Group's firm commitment to widen and diversify the scope of cooperation with a view to maximise its impact on the real economy.

Andrew McDowell, Vice President of the EIB and responsible for Austria, commented: "This transaction clearly leverages EIB Group synergies, and strengthens Hypo Vorarlberg's capacity to increase the size of its Energy Efficiency and Near Zero Energy Buildings portfolio, supporting a key EIB objective. The new agreement demonstrates the EIB Group's firm commitment to support companies across Europe to grow and create jobs."

EIF Chief Executive, Pier Luigi Gilibert said: "EIF is delighted to be signing this synthetic securitisation transaction with Hypo Vorarlberg Bank to support SMEs and mid-caps in Austria and Germany. This new agreement will provide capital relief to a bank following the standardized approach for capital allocation which is a landmark achievement for us."

European Commission Vice-President Jyrki Katainen, responsible for Jobs, Growth, Investment and Competitiveness, said: "Today's agreement with Hypo Vorarlberg demonstrates that our strategy to support European SMEs is working. With this fresh financing of €330 million, backed by the Investment Plan, more SMEs in Austria and in Germany will be able to invest in energy efficient refurbishments and near zero energy buildings, hence creating climate-friendly growth and job opportunities. I wish the small businesses and mid-caps that will benefit from the financing every success."

Michel Haller, Chairman of Hypo Vorarlberg's Managing Board, said: "I am very pleased that, thanks to constructive cooperation with EIF and EIB, we have become the first regional bank following the standardized approach to have successfully completed a synthetic securitization transaction. This is an important milestone for Hypo Vorarlberg, as it will allow us to further expand our lending volume in the future."

This transaction is the first synthetic securitisation allowing significant risk transfer for a bank following the standardized approach for capital allocation. Therefore, instead of a single guarantee for the mezzanine tranche, EIB Group provided two guarantees covering the mezzanine and senior tranches of the transaction. Due to the regulatory capital relief, Hypo Vorarlberg will expand its lending to households and corporate customers undertaking Energy Efficiency (EE) related refurbishments or constructing Near Zero Energy Buildings (NZEB).

## **Background information:**

### **About the EIB**

The European Investment Bank (EIB) is the long-term lending institution of the European Union owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals.

### **About the 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 by helping them to access finance. EIF designs and develops both venture and growth capital, guarantees and microfinance instruments which specifically target this market segment

### **About Hypo Vorarlberg**

Hypo Vorarlberg Bank AG (Hypo Vorarlberg) is a regional bank that offers a comprehensive range of retail and corporate banking products and services. In Austria Hypo Vorarlberg operates through a network of 20 branches. Internationally, the bank serves customers in the adjacent Lake Constance region (Germany and Switzerland) and through its leasing subsidiaries in Northern Italy (Bolzano).

### **About the Investment Plan for Europe**

The [Investment Plan for Europe](#), the Juncker Plan, is one of the EU's top priorities to boost investments and to create jobs and growth by removing obstacles to investment, providing visibility and technical assistance to investment projects, and making smarter use of existing and new financial resources. Through guarantees from the European Fund for Strategic Investments (EFSI), the European Investment Bank (EIB) Group is able to take on a higher share of project risk, encouraging private finance providers to participate in the projects. The European Parliament and Member States [agreed in December 2017](#) to extend EFSI's duration and increase its financial capacity. The projects and agreements approved for financing under EFSI so far are expected to mobilize more than EUR 256bn in investments and support around 539 000 SMEs across all 28 Member States.

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