

## How to apply?

The basis for selecting the RSI partner institutions is an open Call for Expression of Interest which is published on EIF's website ([www.eif.org](http://www.eif.org)). Interested institutions can submit their applications, which will be assessed by EIF on a first-come, first-served basis.

In the selection process emphasis will be placed on various criteria, such as

- Intermediary's implementation plan to efficiently deploy RSI
- Absorption capacity and geographical coverage
- Transfer of financial benefit to SMEs and Small Mid-caps

Interested financial intermediaries can find information on how to work with the European Investment Fund on its website [http://www.eif.org/what\\_we\\_do/guarantees/RSI](http://www.eif.org/what_we_do/guarantees/RSI) or by contacting us by email ([rsi@eif.org](mailto:rsi@eif.org)).

### European Investment Fund

96, boulevard Konrad Adenauer  
L-2968 Luxembourg  
☎ (+352) 24851

## What are the advantages of the Risk-Sharing Instrument?

RSI offers various advantages:

- Attractive and fixed guarantee fees payable on the outstanding amount of the guarantee:
  - 0.25% p.a. for SME loans up to EUR 3 million
  - 1% p.a. for SME loans above EUR 3 million and for Small Mid-cap loans
- The guarantee automatically covers 50% of the principal and interest losses on each loan
- Payments will be made upon default, with a pro-rata sharing of recoveries
- No capital charge (0% Risk-Weighted Assets) for counterparty risk is required on the covered part of the loan portfolio thanks to EIF's Multilateral Development Bank status<sup>3</sup>
- RSI is a flexible product which grants the financial intermediary a great degree of autonomy, e.g. the intermediary has full delegation on the origination, credit decisions, servicing, etc.
- Quarterly reporting requirements are designed in a pragmatic and lean way

<sup>3</sup> Insofar as compliant with applicable national legislation

## Which loans are eligible?

- Both loans and lease financing are eligible
- The purpose of financing can be investments (tangible or intangible assets) and/or working capital
- Amount: at least EUR 25,000, up to a maximum of EUR 7.5 million
- Maturity: at least 2 years, up to a maximum of 7 years
- Currency: EUR or local currency

## What is the maximum guarantee amount per financial intermediary?

The maximum guarantee amount is EUR 60 million per intermediary and EUR 90 million for an intermediary group.

With a 50% guarantee rate, this means a maximum portfolio volume of EUR 120 million of financing per intermediary, and EUR 180 million for an intermediary group.



## Risk-Sharing Instrument

a new facility under RSFF to support innovative SMEs and Smaller Mid-caps

## What is the Risk-Sharing Instrument (RSI)?

RSI is a pilot guarantee scheme which supports the financing of innovative SMEs and Small Mid-caps. With this scheme, the European Investment Fund (EIF) is providing guarantees to banks and leasing companies.

RSI is a joint initiative of the EIF, the European Investment Bank (EIB) and the European Commission. It is financed by the European Union (under the Seventh Framework Programme for Research and Technological Development) and uses EIF's risk-taking capacity. It is part of, and complements, the existing Risk Sharing Finance Facility (RSFF), which is managed by the EIB.

## Which companies does the Risk-Sharing Instrument support?

RSI supports SMEs<sup>1</sup> and Small Mid-caps (companies with fewer than 500 employees) that have innovation potential or a focus on R&D and innovation. These are defined as companies that meet one of the following criteria:

- They invest in producing or developing innovative products, processes and/or services that present a risk of technological or industrial failure; or
- They are innovation-driven "fast growing enterprises", i.e. their workforce or turnover has increased by at least 20% p.a. over the last 3 years; or
- They are "innovative" enterprises, i.e. satisfying at least one "innovation criterion" out of a set of pre-defined eligibility criteria<sup>2</sup>.

## How does the Risk-Sharing Instrument work?

Under RSI, EIF provides guarantees to selected financial intermediaries.

The guarantee covers 50% of the loss on each new eligible loan or lease that is originated during a two-year period.

Thanks to the reduced credit risk and lower capital consumption achieved through the guarantee, EIF encourages financial intermediaries to extend new loans and leases to innovative enterprises on more attractive terms.

The guarantee is offered on favorable terms and financial intermediaries are therefore required to transfer part of the financial benefit to their clients.

## Which financial intermediaries and countries does the Risk-Sharing Instrument target?

RSI is available for financial intermediaries operating in the EU-27 Member States as well as the FP7 Associated Countries, which are Iceland, Liechtenstein, Norway, Switzerland, Israel, Turkey, Croatia, the Former Yugoslav Republic of Macedonia, Serbia, Albania, Montenegro, Bosnia and Herzegovina, the Faroe Islands and Moldova.

<sup>1</sup> For a definition, please consult: [http://ec.europa.eu/enterprise/policies/sme/files/sme\\_definition/sme\\_user\\_guide\\_en.pdf](http://ec.europa.eu/enterprise/policies/sme/files/sme_definition/sme_user_guide_en.pdf)

<sup>2</sup> Please visit the RSI section on EIF's website for more details.