

EU and Luminor support Baltic SMEs and Mid-Caps



PUBLISHED DEC 17, 2020
BY [EUROPA](#)

The EIB Group, consisting of the European Investment Bank (EIB) and the European Investment Fund (EIF), has issued a guarantee to Luminor Bank AS to support new lending to companies based in all three Baltic States. The facility is meant to help mitigate the impact of COVID-19 on the Baltic economies. Through a synthetic securitisation transaction – the first of its kind in the Baltics – between Luminor and the EIB Group (with support from the Investment Plan for Europe), Luminor will provide additional lending to small and medium-sized enterprises (SMEs) and Mid-Caps in these difficult economic conditions. The guarantee structure can support at least €660 million of additional loans and leases to SMEs and Mid-Caps in all three Baltic countries.

Erkki Raasuke, CEO of Luminor, commented: “We are delighted to work with the EIB Group to increase the availability of funding to Baltic SMEs and leasing customers. This facility, the first of its kind in the Baltics, will support businesses over the long term and is testament to our belief in lending excellence and innovation.”

Executive Vice-President of the European Commission Valdis Dombrovskis said: “I am glad that with a guarantee under the Investment Plan for Europe, the EIB Group and Luminor bank are joining forces to make at least €660 million of additional lending available, mainly to SMEs and mid-cap companies in Latvia, Estonia and Lithuania. Banks are essential for Europe’s recovery. They keep the economy financed by providing liquidity to households and businesses, and especially to SMEs – the backbone of our economy. The European Union will continue to support businesses in these difficult times to weather the crisis and get the recovery properly underway.”

EIB Vice-President Thomas Östros said: “The EIB Group promised it would support European companies when the

economic downturn first became apparent, and we are glad that this support is now becoming available in greater numbers in all three Baltic States. The economic fallout of the COVID-19 crisis is being felt around the European Union, and SMEs especially are among the hardest hit companies. The EIB and the EIF are making available as much financing as possible to help ensure that companies survive.”

EIF Chief Executive Alain Godard added: “The main objective of this transaction is to improve access to finance for SMEs and Mid-Caps during the pandemic. By taking on part of Luminor’s risk-weighted assets, we are creating space for them to lend more to companies in the [Baltics](#). We hope that this transaction will have a signalling effect for other financial intermediaries in the region, by showing the possibilities of Europe’s financing institutions.”

Luminor will retain a first-loss piece of the securitised portfolio, with the EIF backing the senior tranche, which the EIB will partly counter-guarantee. A further EIB guarantee of the mezzanine tranche benefits from partial backing under the European Fund for Strategic Investments (EFSI), the main pillar of the European Commission’s Investment Plan for Europe.

Nordea has acted as sole structuring advisor for Luminor on the transaction.

Luminor is the third-largest provider of financial services in the Baltics, providing banking and financial services to help individuals, companies and institutions (or customers) grow across its home markets of Estonia, Latvia and Lithuania.

Press release distributed by Media Pigeon on behalf of Europa, on Dec 17, 2020. For more information subscribe and [follow us](#).

Press Contacts

1. Eric Mamer

Chief Spokesperson

eric.mamer@ec.europa.eu

+32 2 299 40 73

2. **Dana Spinant**

Deputy Chief Spokesperson

dana.spinant@ec.europa.eu

+32 2 299 01 50

3. **Elisaveta Dimitrova**

Head of Unit

elisaveta.dimitrova@ec.europa.eu

+32 2 295 88 38

4. **Johannes Bahrke**

Coordinating Spokesperson

johannes.bahrke@ec.europa.eu

+32 2 295 86 15

5. **Vivian Loonela**

Coordinating Spokesperson

vivian.loonela@ec.europa.eu

+32 2 296 67 12

Media Assets

Embedded Media

Visit the [online press release](#) to interact with the embedded media.

<https://mediapigeon.io/newsroom/europa/releases/en/eu-and-luminor-support-baltic-smes-and-mid-caps-2558>

Europa

Newsroom: <https://mediapigeon.io/newsroom/europa>

Website: <https://europa.eu/>

Primary Email: press@europa.eu

Social Media

Twitter - https://twitter.com/EU_commission

Facebook - <https://www.facebook.com/EuropeanCommission>

Instagram - <https://www.instagram.com/europeancommission/>

Linkedin - <https://www.linkedin.com/company/european-commission>
