

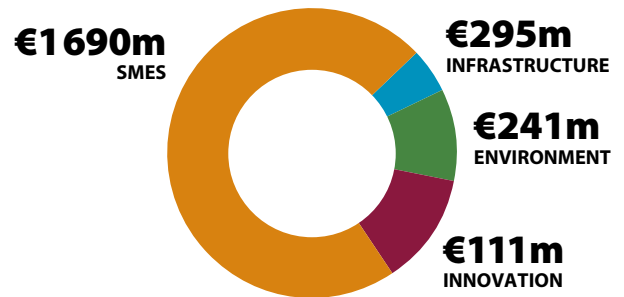


EIB Group activity in Portugal

Highest lending volumes since 2014

- In 2020, the EIB Group supported 27 operations in Portugal for a total volume of more than €2.3 billion (+44% compared to 2019)
- COVID-19 response: more than €1.3 billion provided in support to Portuguese companies impacted by the pandemic
- SMEs: more than 70% of the EIB Group's total activity in the country dedicated to supporting small and medium-sized businesses, which are the backbone of the Portuguese economy
- Portugal is the 4th EU country benefiting the most from EIB support as a percentage of GDP and the 9th in terms of total financing

EIB GROUP INVESTMENT IN PORTUGAL in 2020 (in €m)



In 2020, Portugal was once again among the 5 EU countries receiving the most financial support from the European Investment Bank (EIB) Group, as a percentage of GDP. **The Group provided more than €2.3 billion of financing, an increase of 44% compared to 2019, accounting for around 1.2% of GDP.**

The COVID-19 pandemic highlighted even further the need to support small and medium-sized companies (SMEs), the hardest hit by the crisis. The EIB Group, as the bank of the European Union, delivered a swift response to the crisis, signing 10 operations for more than €1.3 billion to support the quick mobilisation of financing for SMEs. **72% of the Bank's activity in the country supported the liquidity needs of SMEs and ensured they had the necessary funds to keep their businesses afloat.**

Moreover, in **2020 the EIB Group adopted the Climate Bank Roadmap** outlining the goals for climate action and environmental sustainability for the next decade. In Portugal, we supported climate action by financing several renewable energy and energy efficiency projects, as well as operations that improve the quality, efficiency and sustainability of water and wastewater collection and treatment facilities.



EIB Group activity in Portugal in 2020

EIB Group financed 27 operations in Portugal for a volume of € 2.336 billion¹



Over **€1.6 billion** facilitated by the **European Investment Bank**, the lending arm of the European Union (EU). We support sustainable economic growth, quality job creation, equality and the improvement of living standards in the European Union and beyond.



€951 million provided by the **European Investment Fund (EIF)**, the specialist arm of the EIB providing risk financing solutions to financial intermediaries to support SMEs and mid-caps, fostering innovation and R&D, climate action and digitalisation, while improving competitiveness.



COVID-19 - MORE THAN €1.3 BILLION TO SUPPORT PORTUGUESE COMPANIES HIT BY THE PANDEMIC

The COVID-19 pandemic is having a catastrophic impact on people's lives. The crisis requires the continuation of a **bold, swift and determined response**. The EU Member States expressed their great solidarity by adopting an immediate package of measures worth **€540 billion** after the onset of the crisis in March 2020.

The EIB Group plays a key role through the **European Guarantee Fund (EGF)**, a **€25 billion fund that aims to mobilise up to €200 billion of financing for European companies, focusing on SMEs**. In addition, we adopted a first package of measures in March 2020 to support companies affected by the crisis. These instruments continue to play a key role in the direct fight against COVID-19, backing European efforts to slow the spread of the pandemic, find treatments and develop a vaccine.

The EIB Group works with financial intermediaries in Portugal to reach as many SMEs as possible. To this end, we **signed 10 operations for more than €1.3 billion** to support the quick mobilisation of financing for Portuguese SMEs and midcaps, ensuring they have enough funds to keep their businesses afloat.

Highlights include the **€340 million loan to Instituição Financeira de Desenvolvimento (IFD, now Banco Português de Fomento)**, 2 agreements with **Santander Group for €489 million** as well as 2 operations with **Montepio for €229 million**. These agreements with Portuguese financial institutions enable them to provide Portuguese companies with resources to finance working capital and ensure liquidity needs, while supporting inclusive economic growth and the preservation of jobs in the country.

¹ Final EIB Group financing figure excluding EIB-EIF joint operations.



SMES AND MIDCAPS

€1.7 BILLION TO SAFEGUARD JOBS IN PORTUGAL

SMEs represent the backbone of the Portuguese economy and supporting their growth is essential to fostering economic development and innovation. The pandemic, lockdowns, social distancing and falling revenues strongly affected small businesses across Europe and forced many to shut down. The EIB therefore dedicated 72% of its total 2020 financing in Portugal, about €1.7 billion, to supporting their access to funding. **In 2020, Portugal ranked 4th among the countries that received the most support for SMEs from the EIB Group.**

EIB Group support is available via contracts signed with various Portuguese commercial banks and with Banco Português de Fomento (BPF):

- The EIB Group's financing of financial intermediaries is expected to support the projects of 3 893 Portuguese companies employing around 90 000 workers.
- Portuguese SMEs are expected to receive an average loan of €184 000.



THE EIF IN PORTUGAL IN 2020: €951 MILLION IN TRANSACTIONS

In 2020, the **EIF signed 16 transactions for a total amount of €951 million with Portugal-based intermediaries** in the form of securitisations, portfolio guarantees, inclusive finance (ranging from microfinance to social entrepreneurship) and equity deals. This corresponds to 7.4% of total EIF financing in 2020. Portugal ranked 6th among the countries receiving the most funding from the EIF in 2020.

The EIF stepped up its **support for Portuguese businesses affected by the COVID-19 crisis by signing 7 transactions** that will increase the size and flexibility of terms on existing contracts, to enable intermediaries and SMEs to face up to the tremendous challenges posed by COVID-19.

Other flagship examples of the EIF's support for Portugal include:

- **Portugal Growth**, a €100 million partnership with Banco Português de Fomento to support the growth and international development of Portuguese companies through access to private equity;
- **Agri Portugal**, the new ESIF EAFRD Portugal Fund of Funds that combines budgetary resources from the Managing Authority of the Portugal Mainland Rural Development Programme;
- **The European Agricultural Fund for Rural Development (EAFRD)**, to improve access to finance for small businesses in the Portuguese agriculture sector.





Focus on the environment: €241 million

Supporting renewable energy projects, promoting sustainable and secure sources of energy, and helping **Portugal to meet its 2030 national targets** for gross electricity consumption generated from renewable sources are key to fighting climate change.

To contribute to these goals, the **EIB provided €65 million to EDP Renováveis** to finance the construction and operation of two onshore wind farms with a total nominal capacity of 125 MW in Portugal. Tocha II, with a capacity of 33 MW, will be located near the Atlantic coast in the municipality of Cantanhede, Coimbra. Sincelo, with a capacity of 92 MW, will be located along the municipalities of Pinhel and Guarda, Guarda.

In 2020 we also supported **Empresa de Electricidade da Madeira with €65 million** to ensure a secure, modern and cost-efficient electricity supply in the Autonomous Region of Madeira, an outermost Portuguese region.

Boosting resilience to climate change, sustainable water services and renewable energy

In 2020, the EIB adopted its **Climate Bank Roadmap to deliver on an ambitious programme to mobilise €1 trillion of investments in climate action and environmental sustainability** during the critical decade ending in 2030. To this end, the EIB Group will gradually increase its finance allocated to these objectives to 50% by 2025. From 2021 onwards, all the new EIB Group financing will be aligned with the Paris Agreement's goals.

Last year, **we supported environmentally-friendly projects for a total of €241 million in Portugal**. These ranged from renewable energy to restoring the quality, efficiency and sustainability of water and wastewater collection and treatment facilities in the country.

For example, we financed **Águas do Interior – Norte (AdIN) with €28 million** to improve water supply and waste management services to eight municipalities in the north of the country. Thanks to the EIB's support, AdIN will achieve its five-year investment programme aimed at reducing pollution, improving the quality of effluent discharged into the region's water and increasing resilience to climate-related risks.

€111 MILLION TO SUPPORT INNOVATIVE PORTUGUESE COMPANIES

Innovation and digitalisation are essential to supporting the economic recovery and boosting competitiveness, and as such they are key priorities for the EIB Group in Portugal. We allocated **€111 million in 2020 to financing the innovation strategies of Portuguese companies.**

For the third consecutive year, the EIB Group participated in the **Web Summit in Lisbon**, the leading tech conference in Europe with 70 000 participants from over 170 countries. For the EIB Group, a leading supporter of start-ups and the digital economy and one of the largest providers of finance for innovation in Europe, the Web Summit is the ideal venue for connecting with entrepreneurs and start-ups, finding new projects to finance and announcing the backing of key innovative companies.

In 2020, we announced at the Web Summit a **€20 million loan to the Portuguese software company Bizay** to finance the implementation of its research and development (R&D) programme and product development roadmap. The EIB backing will enable Bizay to further develop its tech-based B2B marketplace for customised products targeting retail stores, restaurants, hotels and small companies. This financing – in line with the European Commission’s strategy to strengthen competitiveness and innovation in digital technologies – will further support Bizay’s overall growth and geographic expansion plan and aims to **create over 120 jobs over the next four years in Portugal.** Moreover, at the 2020 Web Summit, EIB staff offered masterclasses on the EIB’s financial products and eligibility for EIB financing.





INVESTMENT PLAN FOR EUROPE: PORTUGAL AMONG THE TOP BENEFICIARIES

€3.969 billion approved to finance 50 projects

The Investment Plan for Europe (best known in Portugal as the Juncker Plan) was designed by the EIB Group and the European Commission in 2015 to close the investment gap left as a result of the financial crisis, with the goal of triggering €315 billion of additional investment in the European Union by mid-2018. The key to fulfilling this promise was a €21 billion guarantee programme, the European Fund for Strategic Investments (EFSI). In July 2018, exactly three years after EFSI was launched, the EIB Group surpassed the initial goal. **With its mandate extended and increased to €500 billion in 2017, the EIB Group also exceeded this second target. It did so ahead of schedule, while mitigating the impact of COVID-19 on Europe's economy.**

Portugal was one of the top beneficiaries of the Investment Plan for Europe, ranking 4th in terms of mobilised investment by country per €1 million of GDP. Between 2015 and 2020, the EIB Group approved nearly €4 billion to finance 50 projects in Portugal under this initiative. This investment is expected to mobilise more than €14 billion. A flagship project backed by the Investment Plan for Europe during this time frame is the EIB loan aimed at improving Lisbon's resilience to climate change. The EU bank financed several projects aimed at improving liveability in the capital, including the renovation of schools and cultural buildings, an increased number of green areas in the city, the construction of new social housing units and the upgrading of the drainage system to reduce the frequency and magnitude of flooding. Moreover, under the Investment Plan for Europe, in 2020 we backed the **Navigator Company**, a major Portuguese industrial group and Europe's leading pulp and paper manufacturer, with a **€27 million loan** for the construction and operation of a new biomass boiler in Figueira da Foz, a cohesion region in Portugal.



INVESTING IN A MORE SUSTAINABLE FUTURE €295 MILLION FOR INFRASTRUCTURE

The global crisis triggered by the COVID-19 pandemic has highlighted the urgent need to strengthen social infrastructure across Europe. Last year, the EIB joined forces once again with IFD, now Banco Português de Fomento, to finance approximately 150 projects with a €400 million investment programme aimed at upgrading infrastructure for long-term and elderly care across Portugal. The funds will be channelled to third-sector entities already providing services to elderly groups in Portugal, in particular in the areas of health, accommodation and social support.

OVERALL EIB GROUP ACHIEVEMENTS IN 2020²

EIB Group activity
€76.8bn
 of which
€66.09bn from the EIB
 and
€12.87bn from the EIF

Investment Plan for Europe
 since its inception, the EIB Group
 has approved more than 1 500 projects
 with financing worth **€83.4bn**
 expected to mobilise **€547bn**

Environmental projects
 supporting resource efficiency
 and sustainability
€16.6bn

**Support for innovation
 and skills**
€14.4bn
 including education and digital infrastructure

SMEs and mid-caps
€30.56bn

€14.49bn
Key infrastructure
 in the transport and energy sectors
 as well as urban infrastructure

Climate action accounted for
40% of total EIB financing,
 supporting the transition to a low-carbon,
 environmentally friendly and
 climate-resilient economy

35% of total EIB financing,
 was devoted **to economic
 and social cohesion** to help the EU
 to achieve its full potential
 for all of its citizens

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² Final EIB Group financing figure excluding EIB-EIF joint operations.