



EIB anti-crisis measures

After the dramatic deterioration of the situation on the financial markets and the expansion of the economic crisis in 2008, the European Investment Bank has developed programmes and tools to counter this difficult situation and to contribute its share to helping the European economy. The Bank keeps adapting and updating its measures according to needs and resources.

Already in 2008 the EIB increased its total loans to EUR 57.625bn from EUR 47.820bn in 2007. This increase in loan signatures translated quickly into an increase in disbursements, rising 12% from EUR 43.420bn in 2007 to EUR 48.614bn in 2008. Signatures in the 27 EU Member States in the period October 2008 to mid-February 2009 amounted to EUR 30.3bn compared to EUR 20.2bn in the same period the previous year. This represents an increase of around 50%. Disbursements in the 27 EU Member States in the period October 2008 to mid-February 2009 increased by around 28% to EUR 21.6bn compared to EUR 16.8bn the year before.

In both 2009 and 2010 the EIB will be increasing its total lending volume by some 30% (EUR 15bn) compared with the level of previous years. This is part of a broader package of support measures which was announced in December as part of the EIB's Corporate Operational Plan for 2009-2011. This broader package comprises, apart from SMEs and mid-cap companies, the energy, climate change and infrastructure sectors, clean transport and convergence lending.

1. SMEs and mid-caps: In a first step, after having been asked by the European Union's Finance Ministers in September 2008, the EIB committed itself to significantly enhancing its support for small and medium-sized enterprises (SMEs). The initially planned EUR 5bn per year for SME lending has been increased to EUR 7.5bn per year over the 4-year-period 2008-2011.

In 2008 the EIB already exceeded this target and signed loans for SMEs worth EUR 8.1bn, up from EUR 5.7bn in 2007 and some 16% above the target the Bank had set itself for 2008 (EUR 2.476bn for Italy, EUR 1.46bn for France, EUR 1.40bn for Spain, EUR 859.56m for the United Kingdom, EUR 610m for Germany, EUR 411.6m for Portugal, EUR 260m for the Czech Republic, EUR 138m for the Slovak Republic, EUR 125m for Bulgaria, EUR 116.5m for Hungary, EUR 92.5m for Greece, EUR 50m for Finland, EUR 47.5m for Austria, EUR 35m for Romania, EUR 29.45m for Poland and EUR 25m for Slovenia).

Disbursements on more than half of these loans have already started. In the course of the current year the EIB has already signed loans for SME projects worth EUR 775m (EUR 352m for Hungary, EUR 205m for Germany, EUR 180m for Spain, EUR 30m for Italy and EUR 8.4m for Portugal). Another EUR 1.9bn has been approved by the Board of Directors.

A new product line will be developed allowing risk sharing with banks, and a similar and complementary approach is being developed for "mid-cap" companies for an additional EUR 1bn per year.

2. Energy, climate change, infrastructure, clean transport: Additional lending under the energy and climate change package will amount to EUR 6bn per year. This includes an additional EUR 2bn per year for a clean transport facility for the automotive and other transport industries, their original equipment manufacturers and component suppliers. The facility targets significant CO₂ reduction through research, development and innovation expenditure, as well as tangible fixed assets in related infrastructure and production plants.

As soon as December 2008 the EIB signed a loan worth EUR 150m for an automotive manufacturer in Italy (Piaggio), followed by a loan worth EUR 400m for a German car manufacturer (Volkswagen) in January 2009. Further loans for the promotion of cleaner transport are expected to be approved in the very near future.

3. Convergence lending: The Bank is increasing its convergence lending for poorer regions by a further EUR 2.5bn per year. In 2008, total loans for convergence lending amounted to EUR 21bn across 23 Member States, up from EUR 15.6bn the year before. By mid-February 2009 the EIB had already signed loans worth EUR 1.64bn.

The Bank is planning to bring forward the capital increase previously envisaged for 2010. The EIB's subscribed capital will be increased by some EUR 67bn to EUR 232bn. As usual, the paid-in capital will be 5% of the subscribed capital. The increase in paid-in capital will be effected through a transfer from the EIB's additional reserves to its capital, which means that the Member States budgets will not be burdened by this action. The capital increase will enable the Bank to expand its lending volume beyond 2010.

Demand for EIB lending from a wide range of potential borrowers continues to be extremely strong. To support this lending, the EIB has already been able to raise EUR 24.1bn in the two months to end-February on the international capital markets, meeting a sustained investor appetite for its AAA-rated bonds despite tight market conditions.

EIB Group response to recent developments in the economic situation in the European Union

(All amounts in EUR bn)

	Period covered	Annual EIB Group support			EIB Group support over period covered		
		Existing	Additional	Total	Existing	Additional	Total
SMEs	2008-2011	5.0	2.5	7.5	20.0	10.0	30.0
Mid-caps	2009-2010	-	1.0	1.0	-	2.0	2.0
Energy, climate change, infrastructure	2009-2010	12.4	4.0	16.4	24.8	8.0	32.8
Clean Transport	2009-2010	2.0	2.0	4.0	4.0	4.0	8.0
Convergence lending	2009-2010	17.0	2.5	19.5	34.0	5.0	39.0
Flexibility reserve	2009-2010	-	3.0	3.0	-	6.0	6.0
Total			15.0			35.0	

For further information on the EIB, visit its website www.eib.org.

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