



## The EIB delivers: support for European economy with lending worth EUR 79bn

The European Investment Bank is helping Europe on its way out of the financial crisis by doing more, better and faster. Compared to pre-crisis levels the EIB has substantially increased its financing volumes. Already in 2008 loans worth EUR 57.8bn were signed marking a significant increase compared to the EUR 47.8bn in 2007.

The EIB had committed itself to an even higher level for 2009. In order to mitigate the crisis and help Europe rebound, an additional volume of EUR 15bn for both 2009 and 2010 was foreseen. With a total lending volume of EUR 79.1bn in loan signatures, which by the end of the year had translated into disbursements of EUR 54bn (2008: EUR 48.6bn), the EIB exceeded this target.

The EIB's additional activities continue to focus on the three areas prioritised by the Ecofin Council: small and medium-sized enterprises (SMEs), convergence regions and the energy sector.

The EIB's support for SMEs, which was initially planned to amount to EUR 7.5bn per year under the European recovery plan, actually reached EUR 12.7bn in loan signatures in 2009 (up from EUR 8.2bn in 2008, corresponding to an increase of 55%). By the end of 2009, the EIB had disbursed close to EUR 16bn, i.e. more than 75% of the EUR 21bn signed in 2008-2009.

Lending activities in the convergence areas reached EUR 29bn (up from EUR 21.3bn in 2008, corresponding to an increase of 36 percent) due to a marked 60 percent year-on-year increase of loan signatures in the 12 new Member States, which for the most part are considered convergence regions.

The financial crisis has hit some countries in Central and Eastern Europe particularly hard. For the banks of the region this has led to a need for action which surpasses their own capacity. The EIB, EBRD and International Finance Corporation (IFC), a member of the World Bank Group, therefore launched an initiative at the beginning of 2009. The aim of this initiative is to make more than EUR 24bn available for banks in Central and Eastern Europe in 2009 and 2010. By the end of 2009 the EIB alone had provided EUR 10bn of new loans to local banks for SMEs and municipal projects and thus almost fulfilled the commitment of EUR 11bn that it had made for both years together. Since the initiative is being continued, the EIB's contribution is bound to end up significantly above the initial target.

The EIB's targets under the European recovery programme also comprise an increase in lending for the areas of energy, climate change and clean transport. Improving energy efficiency and developing renewable energies are the main areas for investment. In the European Union, EUR 13.6bn has been allocated to energy projects, EUR 3.8bn of which to investment in renewable energy. Under the European Clean Transport Facility (ECTF) loans worth EUR 3.5bn were signed in 2009. The main focus of this facility is to reduce CO<sub>2</sub> emissions by supporting research, development and innovation programmes. Another EUR 3.2bn was dedicated to rail transport.

In addition to these increases in lending, the EIB has developed a series of new tools to help the European economy rebound:

- The EIB is strengthening a new product line allowing for risk sharing with banks: the EUR 1bn Mezzanine Facility for Growth, implemented in 2009, provides mezzanine finance for both SMEs and mid-cap companies.
- The EIB has also increased the ceiling for new loans in the sub-investment grade area from a maximum of EUR 200m to EUR 300m per individual project. This is especially beneficial to corporate clients. Additionally, the EIB is working on revitalising its guarantee business in order to ease risk-taking for partner banks.



- A temporary special activity on behalf of Private-Public-Partnerships (PPPs) has been set up under the motto “Make projects happen”. The financial crisis has blocked the implementation of quite a number of PPPs due to the shortening of loan tenors and the subsequent dramatic development of liquidity and risk premiums. The EIB has therefore further intensified its support for that sector and temporarily increased its involvement in order to stimulate rapid project implementation.

Altogether the EIB is supporting corporate and infrastructure investments in times of unprecedented crisis with an unprecedented volume and scope of activities.

For further information on the EIB, visit its website [www.eib.org](http://www.eib.org)

**Press contacts:**

Press Office Secretariat

E-mail: [press@eib.org](mailto:press@eib.org); Tel.: (+352) 43 79 – 21000; Fax: (+352) 43 79 – 61000

**General questions:**

EIB Infodesk

E-mail: [info@eib.org](mailto:info@eib.org); Tel.: (+352) 43 79 – 22000; Fax: (+352) 43 79 – 62000