

EIB GROUP RESPONSE TO THE COVID-19 PANDEMIC AND THE EGF



European
Investment
Bank Group

Since the start of the pandemic, the EIB Group has mobilised all possible resources to counter both the economic fallout of the COVID-19 outbreak and the disease itself.

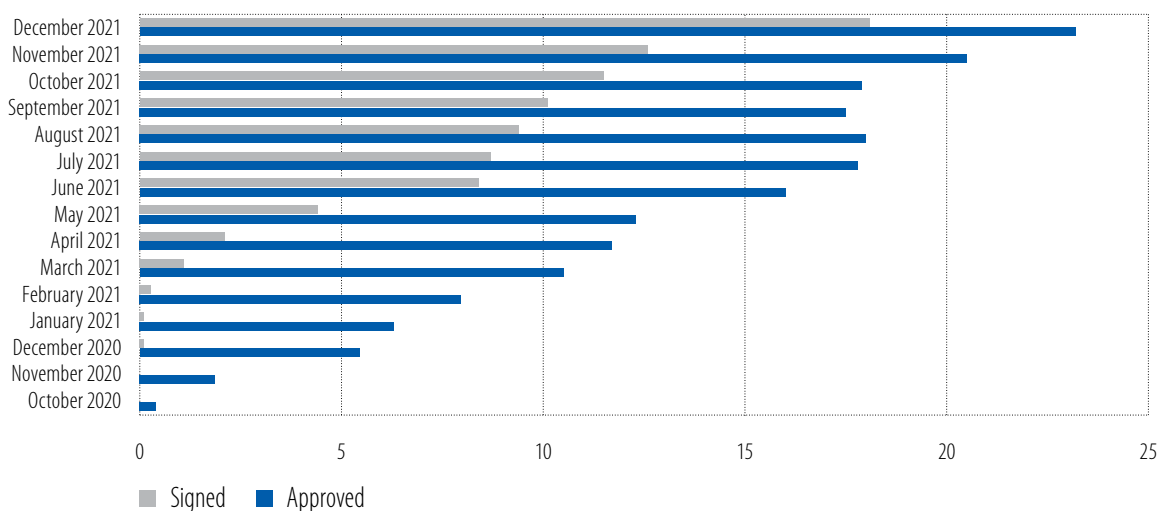
This resulted in a quick and effective initial response, consisting of:

- An immediate response package of €28 billion, made available as bridge loans or top-ups to existing EIB and EIF operations.
- Substantial support for healthcare measures both within and outside the EU, including financing for the **COVAX initiative**, and the EIB's support for the development of the **Pfizer/BioNtech mRNA vaccine**.
- A **pan-European Guarantee Fund**, the EGF, to help businesses get through the crisis and recover from the economic impact of COVID-19 by mobilising up to €200 billion in new financing.

This fund, fully operated by the EIB and the EIF, is providing at least 65% of the investment mobilised for SMEs, up to 28% for mid-caps and larger corporates, and up to 7% as quasi-equity for innovative companies hampered by the crisis. Following clearance from the European Commission under state aid notification rules in December 2020, the fund started operating and, according to current agreements, will complete operations based on the initial funds no later than 31 December 2022.

At the end of 2021, the European Guarantee Fund had reached **€23.2 billion** in approved investments, or about 95% of the available resources, in little over a year. These investments will mobilise **€174.4 billion** in total financing, putting the European Guarantee Fund close to its target of mobilising up to €200 billion of investment.

EGF APPROVALS AND SIGNATURES IN € bn



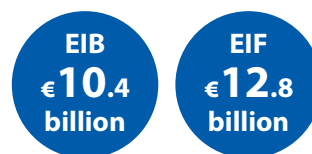
Note: The amount of approvals decreased in September 2021 due to the cancellation of approved "top-ups" to funds, since the targeted funds were able to raise the financing elsewhere.



- Since December 2020, the EIB Group has approved €23.2 billion in European Guarantee Fund deals, concerning 401 separate operations, in all 22 participating countries. With an expected €174.4 billion in mobilised financing, the multiplier is close to 8x at present.

- Total EGF approvals are split between the EIB and the EIF as follows:

More than 300 operations have also already been signed, for a total volume of €18.09 billion.



- The main beneficiaries under the scheme, in terms of approved financing as a factor of the country's GDP, are Greece, Portugal, Croatia, Bulgaria and Finland (see table on next page). In absolute numbers, Italy, Spain, Portugal, France and Greece formed the top five.

Funding where it matters

The European Guarantee Fund has reached all the 22 countries participating in the fund, also through multi-country transactions. The fund is on track to mobilise up to eight times its initial size, as planned when it was set up. The EGF is part of the **€540 billion EU recovery package** agreed in 2020 by European leaders. Besides the EGF, the recovery package includes SURE, a €100 billion European Commission programme to support temporary work schemes and other measures against unemployment caused by the pandemic, and €240 billion in financing through the European Stability Mechanism.

The bigger picture

To counter the economic fallout of the restrictions imposed by the pandemic, the EIB Group proposed to set up a **European Guarantee Fund** in spring 2020. Endorsed by the European Council in April 2020, the EGF was officially approved in May that year. The fund is made up of €24.4 billion in guarantees set aside by 22 EU Member States for the purpose of providing critical funding for European companies and support them through the ongoing crisis. Although operations only began once clearance from the European Commission was received in December 2020, the fund has already approved 95% of its available resources in just one year of operations.

Besides the EGF, the EIB Group's COVID-19 response includes several initiatives worth tens of billions in funding. The Group has backed research and development for COVID-19 vaccines, testing and treatment. We financed **BioNTech**, the company that has developed one of the most successful COVID-19 mRNA vaccines to date. Also, to ensure vaccine availability in the poorest countries, the EIB has committed €900 million to the COVAX initiative.

EGF FINANCING AS SHARE OF COUNTRY GDP (31/12/2021)

EGF participating Member States	GDP (EUR m)*	EGF approvals (EUR m)**	Approval / GDP %
Austria	379 320.6	244.0	0.06%
Belgium	456 892.9	583.3	0.13%
Bulgaria	61 331.0	351.5	0.57%
Croatia	50 189.6	266.4	0.53%
Cyprus	21 548.4	22.8	0.11%
Denmark	312 516.6	74.7	0.02%
Finland	236 032.0	905.4	0.38%
France	2 302 860.0	2 120.0	0.09%
Germany***	3 367 560.0	76.0	0.00%
Greece	165 326.4	1 737.0	1.05%
Ireland	372 868.5	133.9	0.04%
Italy	1 653 577.2	4 021.9	0.24%
Lithuania	49 507.2	142.4	0.29%
Luxembourg***	64 221.1	0.0	0.00%
Malta	13 083.3	29.6	0.23%
Netherlands	800 095.0	121.5	0.02%
Poland	523 667.8	339.1	0.06%
Portugal	200 087.6	2 199.0	1.10%
Slovakia	92 079.3	186.0	0.20%
Slovenia	46 918.0	68.5	0.15%
Spain	1 121 948.0	3 198.8	0.29%
Sweden	475 431.5	538.9	0.11%

* Eurostat data for 2020

** EGF data as of end of December 2021, excluding nearly €5.9 billion worth of multi-country deals.

*** Luxembourg: €24 million of EGF financing approved in multi-country operations. Germany: approx. €1 billion in multi-country operations.



The European Investment Bank (EIB) is the long-term lending institution of the European Union owned by its Member States. We make long-term finance available for sound investments that contribute to EU policy goals.

The European Investment Fund (EIF) is part of the European Investment Bank Group. Our central mission is to support Europe's micro, small and medium-sized businesses (SMEs) by helping them access finance. The EIF designs and develops venture and growth capital, guarantees and microfinance instruments that specifically target this market segment. We foster EU objectives in innovation, research and development, entrepreneurship, growth and employment.

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