

EIB and Santander provide EUR 500 million to finance SMEs

- The EIB will participate in a portfolio of corporate loans originated by Banco Santander to increase capacity to lend to SMEs

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The European Investment Bank (EIB) and Banco Santander will provide financing to Spanish SMEs through an innovative instrument that enables the two institutions to share the risks. The agreement, signed in Madrid by EIB Vice-President Emma Navarro and Santander España's CEO Rami Aboukhair, is backed by the Investment Plan for Europe. Under this financing facility, the EIB will participate in a EUR 250 million portfolio of corporate loans and Banco Santander will be able to provide EUR 500 million of financing for the investments of small and medium-sized enterprises.

Thanks to the EIB's participation, Banco Santander will therefore expand its capacity to grant loans to finance new investments by SMEs, which will benefit from the EIB's favourable financing conditions in terms of both maturity and interest rates. The EU bank's objective is to contribute to boosting the competitiveness of Spanish businesses through this agreement, thereby stimulating economic growth and job creation.

The loan is supported by the Investment Plan for Europe, which enables the EIB to finance projects that have a particular added value and a higher risk profile owing to their structure or nature. In this case, the backing of the Juncker Plan has helped to develop an innovative financing instrument to underpin the new investments of small and medium-sized enterprises and unlock private capital.

At the signing ceremony, EIB Vice-President Emma Navarro said: "Ensuring that SMEs have the financing they need to invest in enhancing their competitiveness is one of the EIB's priorities. We are therefore delighted to be signing an agreement which demonstrates via its innovative character the EIB's determination to find new ways of ensuring that small and medium-sized enterprises continue to benefit from the advantages of our financing. Last year, 57% of our total financing in Spain went to SMEs."

European Commission Vice-President for Jobs, Growth, Investment and Competitiveness Jyrki Katainen said: "Thanks to the support of the European Investment Plan, the EU has already helped some 700 000 SMEs across Europe to access the financing they need. This EUR 250 million EIB agreement under the European Fund for Strategic Investments (EFSI) will enable Santander to lend EUR 500 million to small Spanish companies. It is an excellent example of how the financial instruments guaranteed by the EU help to attract private sector investment for our entrepreneurs and their projects, increasing local employment rates."

For his part, Santander España's CEO Rami Aboukhair commented: "Banco Santander is a pioneer in the development of credit lines with the EIB that adapt to the investment and liquidity needs of strategic sectors of our economy, always with very advantageous conditions for the client. Our priority is to provide SMEs with the financial support and personal service they need 24 hours a day, with financial products and solutions, such as the 1I2I3 strategy, tailor-made to the requirements of each business."

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This agreement is the second of this kind to be signed between the EIB and Banco Santander. The previous operation, also granted under the Investment Plan for Europe, has already assisted more than 3 500 businesses. The average loan to beneficiary SMEs under this agreement was EUR 180 000, and more than 30% of the companies benefiting from it are located in convergence regions.

The European Investment Bank (EIB) is the long-term lending institution of the European Union, owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy objectives.

The Investment Plan for Europe, known as the “Juncker Plan”, is one of the European Commission’s top priorities. It focuses on boosting investment to generate jobs and growth by making smarter use of financial resources, removing obstacles to investment, and providing visibility and technical assistance to investment projects.

The European Fund for Strategic Investments (EFSI) is the main pillar of the Juncker Plan and provides first loss guarantees, enabling the EIB to invest in more projects that often come with greater risks. EFSI has already yielded tangible results. The projects and agreements approved for financing under EFSI are expected to mobilise more than EUR 335 billion in investment and support 700 000 SMEs in the 28 Member States.

More information on the results of the Investment Plan for Europe is available [here](#).

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