

# 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, an increase of 44% compared to 2019.
- Portugal was the 4<sup>th</sup> EU country benefiting the most from EU bank's support as a percentage of GDP and it ranks 9<sup>th</sup> in absolute terms.
- 56% of total EIB Group lending activity in the country was for COVID-19-related projects.
- Portugal was the 4<sup>th</sup> largest beneficiary of the EIB Group's financial support for small and medium-sized businesses (SMEs).
- Portugal among the main beneficiaries of the Investment Plan for Europe, ranking 4<sup>th</sup> in terms of expected mobilised investment per EUR1 million of GDP.

The European Investment Bank Group (EIB and EIF) signed 27 operations in Portugal in 2020 for a total financing volume of €2.336 billion, an increase of 44% compared to 2019, and accounting for around 1.2% of the country's GDP. Overall, Portugal was, of all EU countries, the 4<sup>th</sup> largest beneficiary of EIB Group support as a percentage of GDP.

At the press conference, **EIB Vice-President Ricardo Mourinho Félix**, who is responsible for the Bank's activity in the country, said: *"In 2020, the EIB Group stand hand-in-hand with the Portuguese citizens. We delivered a remarkable response to the economic crisis caused by COVID-19. The EIB is adopting a bold package of measures that supports businesses, notably SMEs. In 2020, the EIB Group provided the highest volume of financing to Portugal since the financial crisis. We increased our lending to support the productive and social sectors as well as to safeguard jobs. It was a very hard working year for all, but we reached so many companies struggling to cope with the economic constraints posed by the health crisis. With is aim, we devoted more than half of last year's funds to mitigate the economic effects caused by the pandemic and nearly three quarters of our lending aimed at financing small and medium-sized businesses, providing them with the necessary financial support to pay salaries, invoices and to keep them afloat. I am very proud of what we are doing for Portugal and for Europe. In 2020, the EIB did a lot; in 2021, we will do even more to build back better. Welcome 2021!"*

## **COVID-19**

The measures taken by the EIB to mitigate the effects of the pandemic focused on two main areas: the healthcare sector and small and medium-sized enterprises (SMEs). With these objectives, the EIB Group signed 10 operations in Portugal for a total volume of €1.3 billion, accounting for 56% of the EIB Group's total lending activity in the country in 2020. Portugal was the 4<sup>th</sup> largest recipient of financing for projects related to COVID-19.

## **SMEs**

The COVID-19 crisis has placed even more emphasis on the need to support SMEs, which are the backbone of the production and employment in Portugal. To this end, 72% of the EIB Group's total activity in Portugal was intended to improve the funding for SMEs, which therefore received €1.690 billion. In 2020, Portugal ranked 4<sup>th</sup> among the countries receiving the most financial support from the EIB Group for this objective.

## **Investment Plan for Europe in Portugal**

2020 saw the end of the investment programme of the European Fund for Strategic Investments (EFSI), the main pillar of the Investment Plan for Europe (best known in Portugal as Juncker Plan). Since the launch of this investment programme in 2015, the EIB Group approved nearly €4 billion in financing for 50 projects in the country, with more than €14 billion expected to be mobilised. Between 2015 and 2020, Portugal was one of the main beneficiaries of the Investment Plan for Europe, ranking 4<sup>th</sup> in terms of mobilised investment per €1 million of GDP.

This funding is supporting major projects fostering innovation and the introduction of the latest technologies. This will enhance the competitiveness of Portuguese companies and the implementation of new, environmentally friendly production processes.

## **The European Investment Fund (EIF) in Portugal in 2020**

The European Investment Fund (EIF) is the specialist arm of the EIB providing risk-financing solutions to financial intermediaries to support SMEs and mid-caps and foster innovation. In 2020, the EIF signed 16 transactions with Portuguese-based intermediaries in the form of securitisations, portfolio guarantees, inclusive finance ranging from microfinance to social entrepreneurship, and equity deals for a total of €951 million. This result corresponds to 7.4% of total EIF financing in 2020, with Portugal being the 6<sup>th</sup> Member States that received the most financial support from the EIF in 2020.

## **Overall EIB Group results**

Overall financing from the EIB Group in 2020 reached €76.8 billion (an increase of 6% compared to 2019), with €66.09 billion provided in the form of loans from the EIB and €12.87 billion released via the EIF, the subsidiary of the EIB.

The immediate response to the crisis resulting from the COVID-19 pandemic accounts for one-third of the total financing from the EIB (€25.5 billion). Most of these funds went to SMEs to prevent insolvency and job losses.

In 2020, the EIB increased green investment and became the EU climate bank. The share of investments allocated to environmental and climate sustainability projects increased from 34% in 2019 to 40% in 2020. This brings the EU bank closer to its objective of devoting 50% of its lending

activity to combating climate change, in line with the target set in the Climate Bank Roadmap adopted in November 2020.