

# Investment Plan for Europe: Poland EIB Group and Santander Bank Polska Group support new financing for Polish SMEs in response to COVID-19 crisis



- Agreement signed with Santander Leasing for a synthetic securitisation of a portfolio of leasing receivables amounting to PLN 2 billion (approximately €450 million).
- Third synthetic securitisation operation with the Santander Bank Polska Group since 2018, for a total portfolio volume of PLN 5.9 billion (approximately €1.3 billion).
- The capital released by the securitisations will allow the Santander Bank Polska Group to commit to new lending and help companies impacted by the COVID-19 crisis.
- In aggregate, new lending committed by Santander amounts to PLN 10.3 billion, supporting around 110 000 SMEs and 1.7 million jobs in Poland.

The European Investment Bank Group (EIB Group), comprising the European Investment Bank (EIB) and the European Investment Fund (EIF), has signed the third synthetic securitisation transaction with the Santander Bank Polska Group, after the first in late 2018 and the second in mid-2019.

This operation specifically aims to address the working capital, liquidity needs and investment constraints of SMEs and mid-caps in Poland in the context of the COVID-19 outbreak. The EIB Group will guarantee a mezzanine tranche of PLN 284 million (approximately €64 million) and a senior tranche of PLN 1.7 billion (approximately €380 million) in a synthetic securitisation transaction. The underlying portfolio is a granular portfolio of leasing receivables originated by Santander Leasing S.A., a wholly owned subsidiary of Santander Bank Polska S.A.

Thanks to the capital released through the transaction, Santander Leasing will provide approximately PLN 2.8 billion of new funding to eligible beneficiaries.

Like the two previous transactions, this operation benefits from the support of the **European Fund for Strategic Investments (EFSI)**, the financial pillar of the Investment Plan for Europe (the Juncker Plan).

All three operations aim to support SMEs while addressing different market needs. In July 2019, the EIB Group and Santander Consumer Bank, another subsidiary of the Santander Group in Poland, agreed to guarantee the senior and mezzanine risk of a portfolio of consumer loans. That operation focused on micro-enterprises and promoted gender equality in business. In December 2018, the EIB Group agreed to guarantee the senior and mezzanine risk of a

portfolio of consumer loans granted by Santander Bank Polska that had in part a climate focus. In exchange for the guarantees, the Santander Bank Polska Group has committed to provide new lending amounting, in aggregate for the three operations, to PLN 10.3 billion, which is expected to support an estimated 110 000 SMEs and 1.7 million jobs in Poland.

**EIB Vice-President Teresa Czerwińska**, who oversees operations in Poland, said: *“Helping banks to keep sound levels of new lending to SMEs is part of the EIB Group’s role. Taken together, all three securitisation transactions with the Santander Bank Group in Poland will allow the bank to continue supporting Polish SMEs even more during the current crisis. As the deployment period for the 2018 and 2019 transactions is still ongoing, the additional lending to be provided by the Santander Group comes just in time to support SMEs that have been affected by the COVID-19 crisis.”*

**European Commission Executive Vice-President Valdis Dombrovskis** said: *“The EU continues to provide financial support to small and medium sized companies, in light of the enormous pressure the coronavirus pandemic is placing on SMEs. I welcome this financing agreement between the EIB and Santander Bank Polska Group, which will help to lighten the burden for hundreds of businesses in Poland.”*

**EIF Chief Executive Alain Godard** said: *“The EIF is delighted to be participating in the EIB Group’s third synthetic SME securitisation agreement with the Santander Group in Poland. By releasing regulatory capital through the securitisation of leases, Santander Leasing will enhance its capacity to provide SME financing on better terms. This is also the first securitisation transaction the EIF has done with a leasing company since March, which indicates our commitment to keeping the securitisation market open in this country even in a challenging moment for capital markets.”*

**Maciej Reluga, CFO of the Santander Bank Group in Poland**, said: *“We are very happy to see that our successful relationship is developing so well. Our cooperation has been evolving from pure funding projects to more complex risk coverage initiatives such as synthetic securitisation. It is worth emphasising here that all these projects also help our customers, as they allow us to offer more attractively priced products and provide financing in these challenging times of COVID-19. Indeed, the number of businesses we have managed to help through cooperation with the EIB and EIF is very impressive.”*

**Santander Leasing Vice-President Krzysztof Kowalewski** said: *“Santander Leasing is always open to cooperation with international financial institutions in order to use financial resources for socially important purposes such as supporting SMEs or financing climate-neutral investments. Leasing is an increasingly important financial instrument for the Polish economy. We strongly believe that cooperation with the EIB Group will allow us to become even more involved in supporting SMEs and helping Polish businesses to finance investments during a difficult period of pandemic.”*

#### **About the Santander Group in Poland**

The Santander Bank Polska Group offers financial solutions to retail

customers, micro, small and medium-sized enterprises, and domestic and international corporations. It operates one of the biggest networks of branches and partner outlets in Poland and renders its services via electronic channels (including mobile banking). It is one of the market leaders for modern technologies in banking, consistently developing its brand in line with its strategic goal of being the best bank for customers. The loyalty and satisfaction of its customers are the top priority for Santander Bank Polska. With this in mind, it regularly implements innovative functionalities to help its customers effectively manage their personal and business finances. It has been a member of the international Santander Group since 2011. The subsidiaries of the Santander Bank Polska Group offer investment funds, insurance, leasing, factoring and other products. Find out more [here](#).