

Poland: Investment Plan for Europe – EIB Group and Europejski Fundusz Leasingowy join forces to support financing for SMEs, micro-enterprises and female entrepreneurship

- **Securitisation of a leasing portfolio worth PLN 2.1 billion (approximately EUR 490 million) will unlock PLN 3.1 billion (approximately EUR 723 million) of additional funds for Polish companies**
- **The transaction is guaranteed by the EIB Group thanks to the Juncker Plan**
- **One third of the new leases benefiting from the Juncker Plan will be dedicated to women-led businesses**

The European Investment Bank Group (EIB Group), formed by the European Investment Bank (EIB) and the European Investment Fund (EIF), has participated in a synthetic securitisation in Poland originated by the leasing company Europejski Fundusz Leasingowy (EFL), a member of the Crédit Agricole (CASA) Group. The transaction supports new financing to SMEs, mid-caps and micro-enterprises in Poland. It is also expected to promote female entrepreneurship.

The transaction is guaranteed by the European Fund for Strategic Investments (EFSI), which is the financial pillar of the Juncker Plan. StormHarbour acted as arranger for EFL and Crédit Agricole CIB advised Crédit Agricole Group.

The EIB Group has provided EFL with a guarantee covering both the senior and mezzanine tranches of a PLN 2.1 billion (approximately EUR 490 million) SME portfolio. The mezzanine tranche of PLN 314 million (EUR 73 million) benefits from the support of the Juncker Plan under the EIB's mandate with the European Commission. The risks relating to the senior tranche of PLN 1.76 billion (EUR 410 million) is covered by the EIF under its own funds.

The mezzanine tranche supported by the Juncker Plan will promote female entrepreneurship in Poland. A target of 33% of the new financing made available by EFL under the guarantee provided by the EIB on the mezzanine tranche will be dedicated to women entrepreneurs and women-led businesses.

EIF Chief Executive Pierluigi Gilibert said: *“The EIF is delighted to be participating in the EIB Group’s synthetic SME securitisation agreement in Poland to support Polish SMEs. The Fund’s experience in mobilising investment, together with the Bank and the support of the Juncker Plan, gets validation by this new transaction with a trusted partner. By releasing regulatory capital through the securitisation of leases, EFL will enhance its capacity to provide SME financing at improved terms.”*

EIB Vice-President Lilyana Pavlova, who oversees operations in Poland and Cohesion countries, commented: *“Supporting small and medium-sized enterprises as drivers for economic growth is a core objective of the EIB Group. Promoting companies with strong female participation is equally important in order to foster a healthier and more dynamic business environment. By making sure that a relevant part of the new financing benefits female entrepreneurship, the EIB and EFL will contribute to the further development of the Polish economy.”*

EFL Chief Financial Officer Paweł Bojko said: *“This is the first synthetic transaction for EFL and we are very proud that after closing our first ever cash securitisation in 2017, we were able to explore another niche of the securitisation market this year. We appreciate the EIB Group’s trust in EFL and we are proud to pursue common goals for social aims in Poland, such as supporting SMEs and facilitating gender equality in business. The transaction will benefit not only the company itself but will also strengthen the CASA Group as a whole, helping to further develop the Group’s activities in Poland.”*

European Commissioner for the Economy, Paolo Gentiloni, said: *“With this collaboration, the European Union is helping micro-enterprises and small businesses in Poland to grow and create new jobs. With the backing of the Investment Plan guarantee, the agreement will see PLN 3.1 billion in new financing. I am especially pleased that a third of that money will be channelled towards women-led companies. This is a great initiative at national level with EU support.”*

Additional information about the transaction

- Thanks to the additional credit capacity generated by the EIB Group’s participation in the operation, EFL will contractually commit to generate four times the amount of the guaranteed portfolio in new EFSI eligible financing of new projects undertaken by Polish companies.
- This will translate into new financing made available to final beneficiaries for a total amount of up to PLN 3.1 billion of new SME financing, equivalent to EUR 723 million, of which PLN 1.76 billion (EUR 411million) made possible by the EIF and PLN 1.26 billion (294 million EUR) by the EIB. Such additional funding will improve the companies’ access to finance and trigger new investments, thereby contributing to employment, innovation and economic growth.
- The operation will support women entrepreneurship: businesses with more than a 50% share of female ownership and for which more than 50% of the company’s managers are women; or women leadership: businesses for which both the executive management and, when there is one, the board/investment committee consists of more than 50% women.
- The transaction is EFL’s second securitisation transaction conducted with the participation of the EIB Group, and the first one guaranteed by the Juncker Plan.
- The previous operation between the EIB Group and EFL, in the form of a Senior Tranche true sale securitisation, was signed in November 2017 and all the funds have been allocated to beneficiaries. About 80% of the allocations were made in Cohesion regions in Poland and 60% went to

micro-enterprises. It is expected that the new operation will have a similar uptake.

- This is also the fourth synthetic SME securitisation transaction in which the EIB and the EIF are jointly participating in Poland.

Background information

About EFL

EFL started operating in 1991 as one of the first leasing firms in Poland. Today it is a universal financial institution offering a wide range of complementary services: leases, loans, factoring, rental services and insurance. EFL is the pioneer in this sector in Poland. The company boasts a wide range of products, an effective infrastructure and highly qualified staff, and provides professional services to all market segments. EFL both supports the development of small and medium-sized enterprises and finances high budget transactions for corporate clients. The company has been part of the Crédit Agricole Group since 2011.