

# Spain: EIB Group and Banco Sabadell provide €576 million to finance SMEs and mid-caps



- **Green recovery: part of the funds will go to investments promoting climate action.**
- **The project is supported by the Investment Plan for Europe.**

The [European Investment Bank](#) (EIB) Group is joining forces with Banco Sabadell to support small and medium-sized enterprises (SMEs) – the businesses most affected by the economic impact of COVID-19. With this goal in mind, the EIB Group – via the [European Investment Fund \(EIF\)](#), its subsidiary specialising in venture capital for SMEs – has granted Banco Sabadell a €96 million guarantee for a loan securitisation portfolio, which will enable the Spanish bank to increase its lending capacity to offer €576 million in financing for the projects of Spanish companies, primarily the self-employed, SMEs and mid-caps.

The agreement includes a commitment to direct part of the new Banco Sabadell financing to investments promoting climate action, which is key to a green recovery following the pandemic. In concrete terms, the financing will go to projects focusing on improving companies' energy efficiency, driving renewable energies, refurbishing commercial buildings to reduce energy use, and investments for purchasing low-emissions commercial vehicles and agricultural equipment with low fuel consumption and a major environmentally friendly element.

The agreement was signed under the Investment Plan for Europe. Its support enables the EIB Group to expand its capacity to finance investment projects that have a higher risk profile owing to their structure or nature. Estimates indicate that this operation will make it possible to support over 1 400 companies employing around 79 000 people. Unicredit has provided advisory services for this financing transaction.

[EIB Vice-President Emma Navarro](#), who is responsible for the [EU bank's operations in Spain](#), stated: *"Supporting SMEs and promoting green investments are both key elements of the EIB Group's response to drive the economic recovery following the coronavirus. This is why we are delighted to sign this new agreement with Sabadell, which will enable us to pass the advantages of our financing on to Spanish small and medium-sized enterprises at an extraordinarily difficult time while also fostering the development of clean projects contributing to the transition towards a low-carbon economy."*

**European Commission Executive Vice-President for an Economy that Works for People Valdis Dombrovskis** highlighted the following: *"The European Commission and the European Investment Bank Group are working together to support the economic recovery following the coronavirus crisis. The more we protect*

*businesses and jobs now, the faster the rebound will be. In addition to support for SMEs, I am pleased to see that part of the financing will go to green projects such as renewable energy and the retrofitting of commercial buildings to reduce their energy use. The European Green Deal must be at the heart of our recovery strategy."*

**General Manager of Sabadell Spain Carlos Ventura** welcomed the agreement: *"The time has come for companies to regain the momentum lost after the economic shutdown and make a real commitment to a sustainable economy, making this agreement with the EIB a very important tool for the recovery process. We are very happy to have a long-standing partnership with this institution, as it benefits the economy of our country."* Ventura also highlighted the diverse beneficiaries of these credit lines: *"We are providing liquidity to sectors as diverse as agriculture, commercial vehicles and new, innovative companies."*

### **EIB response to COVID-19**

The EIB Group is playing a key role in directly combating COVID-19 by supporting EU efforts to halt the spread of the pandemic, find a cure for the illness and develop a vaccine. To this end, the EU bank is prioritising all investments related to the health sector and research and development programmes focusing on this goal. The EIB's current project portfolio for supporting both critical healthcare infrastructure and research and development investments in the EU health sector stands at around [€6 billion](#). The EIB and the World Health Organization also recently signed an [agreement to drive cooperation between the two institutions and work together](#) to strengthen healthcare systems in the countries most vulnerable to the pandemic.

To combat the economic impact of this crisis and as part of the package of measures the EU is deploying to tackle the economic effects of the pandemic, on 23 April the European Council approved the EIB Group's creation of a [€25 billion pan-European COVID-19 guarantee fund](#) focusing primarily on supporting SMEs across the EU. The fund will make it possible to mobilise up to an estimated €200 billion of additional financing.

At the same time, the EIB Group is reorienting its operations to meet the financing needs created by COVID-19 and offer immediate assistance to European businesses. In March, the EIB Group announced a package of [emergency measures](#) with this objective in mind. Under this initial response package, the EIB is offering an asset-backed securities (ABS) purchase programme to enable banks to pass on the risk of their SME loan portfolios to the EIB, with the aim of mobilising €10 billion. The EU bank is also adapting its existing financing instruments shared with the European Commission to mobilise up to €10 billion in additional financing for European SMEs and mid-caps. For its part, the [EIF](#) (the venture capital specialist subsidiary of the EIB Group) is offering specific EU-backed guarantees to financial intermediaries that will [help to mobilise up to €8 billion](#). The EIB has also taken extraordinary measures to speed up its processes and make its internal policies more flexible in order to – among other things – deploy its support as quickly as possible and finance expenses that it would not normally cover,

such as the operating costs of European businesses.

More detailed information on the support offered by the **EIB and EIF** is available on the following website: [www.eib.org/covid-19](http://www.eib.org/covid-19)