

EIB Group and Banco Santander provide EUR 1.9bn to finance Spanish SMEs and mid-caps



- EUR 900m will go to SMEs finding it hardest to access finance, such as micro-enterprises and entrepreneurs
- The agreements will make it possible to provide EUR 1bn to business owners that need to renew their vehicles
- Employment impact: the operation will help maintain almost 400 000 jobs
- Some of these funds will be granted with Investment Plan for Europe support

The European Investment Bank Group, composed of the European Investment Bank (EIB) and European Investment Fund (EIF), and Banco Santander are set to provide EUR 1.9bn to Spanish small and medium-sized enterprises (SMEs) and mid-caps via agreements signed in Madrid by EIB Vice-President Emma Navarro, Banco Santander CEO José Antonio Álvarez and Senior Executive Vice President of Banco Santander and Head of Santander Consumer Finance (SCF) Magda Salarich. The goal of both institutions is to join forces to support Spanish companies by offering them financing with favourable conditions, in terms of

both interest rates and maturity periods, to foster economic growth and employment.

Support for the most vulnerable SMEs

The EIB and Santander will provide EUR 900m to SMEs and mid-caps via a risk-sharing operation – an innovative agreement making it possible to share risks between the two organisations. In concrete terms, the EIB will invest EUR 450m in a portfolio of loans granted to companies by Banco Santander. This support will enable Banco Santander to expand its financing capacity and make EUR 900m available to SMEs. Some of these funds will go to three particularly vulnerable types of SMEs: the self-employed, micro-enterprises with under ten employees, and small businesses operating in regions with high unemployment. This agreement will help support almost 7 000 SMEs employing around 160 000 people.

This is the third risk-sharing operation signed by the EIB and Banco Santander and was made possible by the [Investment Plan for Europe](#), the support of which enables the EU bank to finance riskier projects.

EUR 1bn to renew companies' transport fleets

The EIB Group also signed an agreement with Santander Consumer Finance making it possible to provide EUR 1bn to help Spanish SMEs and mid-caps to renew their transport fleets with more efficient and environmentally friendly vehicles, including via leasing. These funds will help to secure 250 000 jobs.

The agreement was implemented via EIB and EIF investment in a Santander Consumer Finance consumer loan securitisation fund. The EIB has purchased EUR 227m of bonds issued by the fund and the EIF has guaranteed an additional EUR 270m. This innovative financial instrument is state-of-the-art from a regulatory standpoint and will enable Santander Consumer Finance to free up capital from its loan portfolio to grant EUR 1bn in new financing.

At the signing ceremony, **EIB Vice-President Emma Navarro** highlighted *“the impact of these agreements on creating and securing jobs in Spain. We are particularly pleased to be able to support companies whose size or business area mean that they find it more difficult to implement their investments, and to help those needing to replace their transport fleets with less polluting alternatives to benefit from the advantages of EIB financing. Ensuring these companies have access to the resources they need to grow and become more competitive is one of the EIB Group's main goals. To this end, in recent years we have dedicated over 50% of our total financing in Spain to supporting small and medium-sized enterprises.”*