

Spain: EIB and BBVA provide EUR 600m to support SMEs



- EIB is providing BBVA with a EUR 300m guarantee to expand its SME financing capacity
- Part of this EU bank guarantee – EUR 150m – is being granted with Investment Plan for Europe support

The European Investment Bank (EIB) and BBVA are joining forces to provide financing on favourable terms for Spanish SMEs and mid-caps. EU bank Vice-President Emma Navarro and BBVA CEO Onur Genç signed an agreement today in Madrid enabling the Spanish bank to provide EUR 600m to support the investments of small and medium-sized enterprises (SMEs). With this agreement, BBVA will be able to offer them favourable financing in terms of both maturity and interest rates.

To this end, the EIB has granted a EUR 300m guarantee to BBVA via a risk-sharing (portfolio guarantee) operation, an innovative agreement making it possible to spread the risks between the two institutions. Under this guarantee, the EIB will invest in a loan portfolio held by BBVA, enabling the Spanish bank to expand its financing capacity and provide SMEs with EUR 600m in new financing. This is the first risk-sharing operation to be signed by the EIB and BBVA.

The EIB is granting EUR 150m of this guarantee under the [Investment Plan for Europe](#), the support of which enables the EU bank to finance riskier projects. In concrete terms, these funds will help finance especially vulnerable SMEs

such as micro-enterprises and entrepreneurs.

The EUR 600m in financing to be provided by BBVA under this agreement will be of particular benefit to small companies operating in regions with high levels of unemployment, and will support investments focused on innovation and the development of projects promoting climate action. Some 1 700 companies with a total of almost 9 000 employees will be able to benefit from this agreement.

During the signing ceremony in Madrid, **EIB Vice-President Emma Navarro, who is responsible for the Bank's operations in Spain**, said: *"We are delighted to join forces with BBVA to give Spanish SMEs access to additional resources on favourable terms enabling them to grow and become more competitive. Supporting them continues to be one of the EIB Group's main priorities for contributing to economic growth and job creation. To this end, in recent years we have dedicated over 50% of the EU bank's total financing in Spain to them."*

Valdis Dombrovskis, European Commission Vice-President for an Economy that works for people said: *"As of today, 1 700 businesses in Spain can benefit from loans under preferential conditions from BBVA thanks to EU backing. Those businesses employ some 9 000 people currently, and this new financing will enable the companies to grow even further. The Commission will continue to develop the growth finance market for European SMEs, which account for 85% of new jobs created in the past five years."*

BBVA CEO Onur Genç added: *"BBVA is committed to promoting the growth of Spanish SMEs and providing them with sustainable financial solutions. The SME sector creates wealth and jobs, and plays a key role in combating climate change."*