



COMPANIES' ACCESS TO FINANCE

KEY MESSAGES

- 1** The European Investment Bank (EIB) must reinforce its capacity to provide alternatives for companies' financing needs.
- 2** The EIB Group needs to constantly upgrade the attractiveness of its products. Risk-sharing facilities and mezzanine products are often better suited to respond to start-up companies' financing needs than traditional loans.

BACKGROUND

During the financial crisis, the EIB has played an important role in providing companies – in particular SMEs – with funds. Total loans increased in 2008 to EUR 57.625 billion from EUR 47.820 billion in 2007. This increase in loan signatures translated quickly into an increase in disbursements, rising 12%. Signatures in the 27 EU Member States in the period October 2008 to mid-February 2009 amounted to EUR 30.3 billion compared with EUR 20.2 billion in the same period the previous year. This represents an increase of around 50%.

In both 2009 and 2010 the EIB will be increasing its total lending volume by some 30% (EUR 15 billion) compared with the level of previous years. This is part of a broader package of support measures which was announced in December as part of the EIB's Corporate Operational Plan for 2009-2011. This broader package comprises, apart from SMEs and mid-cap companies, the energy, climate change and infrastructure sectors, clean transport and lending to stimulate growth in the poorest regions.

The EIB has committed to significantly enhancing its support for small and medium-sized enterprises (SMEs). The initially planned EUR 5 billion per year for SME lending has been increased to EUR 7.5 billion per year over the four-year-period 2008-2011. In 2008 the EIB already exceeded this target and signed loans for SMEs worth EUR 8.1 billion, up from EUR 5.7 billion in 2007 and some 16% above the target the Bank had set itself for 2008.