



## Germany: EIB Group and Commerzbank join forces to support small and mid-sized companies in COVID-crisis

Brussels, 1 October 2020

- EIB Group securitisation will enable Commerzbank to lend up to €500 million to small and mid-sized businesses in Germany in response to COVID-19
- The operation is backed by an EFSI guarantee under the Investment Plan for Europe

The EIB Group, consisting of the European Investment Bank (EIB) and the European Investment Fund (EIF), has provided a mezzanine tranche guarantee of around €125 million to Commerzbank AG on an existing portfolio of loans to small and medium-sized companies (SMEs and mid-caps). The guarantee will release regulatory capital for Commerzbank and will enable it to provide new lending of up to €500 million to SMEs and mid-caps in Germany under favourable terms. This is expected to mitigate the [impact of the COVID-19 crisis](#) on smaller businesses, self-employed individuals and mid-caps, which are currently experiencing shortages in liquidity.

The transaction benefits from the support of the [European Fund for Strategic Investments](#) (EFSI). EFSI is the central pillar of the [Investment Plan for Europe](#), in which EIB Group and the European Commission are strategic partners to strengthen the competitiveness of the European economy. Under the guarantee, the EIB takes on the mezzanine risk under a synthetic securitisation transaction with Commerzbank. The EIF will provide a guarantee to Commerzbank in relation to an existing portfolio of SME and mid-cap loans. A counter-guarantee from the EIB will fully mirror the EIF's obligations under this guarantee.

European Commission Executive Vice-President for an Economy that Works for People, **Valdis Dombrovskis**, said: *"This financing under the Investment Plan for Europe will allow Commerzbank to provide new lending of up to €500 million to SMEs in Germany affected by the coronavirus pandemic. SMEs will play a vital role in our economies and societies and they need extra support at this challenging time. More broadly, we will continue to pay special attention to SMEs to ensure they can continue to thrive."*

*"Due to COVID-19, many companies are experiencing a slump in demand for their goods and services, a lot of them are even struggling to stay in business,"* said EIB Vice-President **Ambroise Fayolle**, in charge of operations in Germany and EFSI. *"All around Europe we are seeing strong demand for loans and short-term financing. Transactions like this one with Commerzbank are crucial to making this financing available. They help companies to weather the crisis and secure tens of thousands of jobs. I am glad that we can rely on a longstanding and trusted partner to provide the financial means so badly needed by businesses in Germany in these challenging times."*

EIF Chief Executive **Alain Godard** added: *"The EIF is pleased to be working with Commerzbank and the EIB to provide additional access to finance for SMEs and mid-caps. The combination of the EIF's investment and structuring expertise and the EIB's efficient deployment of EFSI funds offers a competitive financing solution for Commerzbank that will serve to boost the supply of finance in the real economy. In these trying times, it is important that we work together with trusted partners to generate much-needed support for European businesses."*

**Neil Aiken**, Head of Lending at Commerzbank, said: *"As the leading bank for SME and mid-cap lending in Germany, Commerzbank has continued to provide liquidity to support its clients throughout the COVID-19-pandemic. This transaction allows us to manage our existing capital and to provide an additional €500 million of new lending to our SME and mid-cap clients. We have been proudly co-operating with the EIF and EIB for a number of years and look forward to continuing to do so in the future."*

### Background information

#### About Commerzbank

Commerzbank is a leading international commercial bank with branches and offices in nearly 50 countries. The Bank's two business segments – Private and Small-Business Customers and Corporate

Clients – offer a comprehensive portfolio of financial services precisely tailored to their customers' needs. Commerzbank transacts approximately 30% of Germany's foreign trade and is the market leader in German corporate banking. The Bank offers its sector expertise to its corporate clients in Germany and abroad and is a leading provider of capital market products. Its subsidiaries, Comdirect in Germany and mBank in Poland, are two innovative online banks. With approximately 800 branches going forward, Commerzbank has one of the densest branch networks in Germany. The Bank serves more than 11.5 million private and small-business customers nationwide and over 70,000 corporate clients, multinationals, financial service providers, and institutional clients worldwide. Its Polish subsidiary mBank S.A. has around 5.7 million private and corporate customers, predominantly in Poland, but also in the Czech Republic and Slovakia. In 2019, Commerzbank generated gross revenues of €8.6 billion with approximately 48,500 employees.

### **About the European Investment Bank Group**

The European Investment Bank (EIB) is the long-term lending institution of the European Union owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals. Since 2000, the [European Investment Fund](#) (EIF), **a specialist provider of risk finance to benefit small and medium-sized companies**, is part of the EIB Group.

### **About the Investment Plan for Europe**

The Investment Plan for Europe is one of the EU's key actions to boost investment in Europe, thereby creating jobs and fostering growth. To this end, smarter use is made of new and existing financial resources. The EIB Group is playing a vital role in this initiative. With guarantees from the European Fund for Strategic Investments, the EIB and the EIF are able to take on a higher share of project risk, encouraging private investors to participate in the projects. In July, the [EIB Group exceeded its target to trigger €500 billion](#) of additional investment by the end of 2020. To date, the projects and agreements approved under EFSI are expected to mobilise around €535 billion of investments and benefit around 1.4 million small and medium-sized companies throughout the EU.

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