



COMMERZBANK

PRESS RELEASE

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Investment Plan for Europe: EIB Group and Commerzbank join forces to provide additional lending to SMEs and Mid-Caps

The EIB Group, consisting of the European Investment Bank (EIB) and the European Investment Fund (EIF), has provided a mezzanine tranche guarantee of around EUR 90m to Commerzbank AG on a EUR 1.5bn portfolio of European corporate loans. The guarantee will release regulatory capital for Commerzbank under the current EU Regulation and will enable Commerzbank to provide further lending of several hundred million EUR to SMEs and mid-caps mainly in Germany. The transaction was made possible by the support of the “European Fund for Strategic Investments” (EFSI). The EFSI is the central pillar of the “Investment Plan for Europe”, in which EIB Group and the European Commission are strategic partners.

Under this guarantee, EIB takes on the mezzanine risk under a synthetic securitisation transaction with Commerzbank. EIF is fronting the operation by providing a guarantee to Commerzbank in relation to an existing portfolio of corporate loans. EIB will provide a back-to-back counter-guarantee to EIF which will fully mirror EIF’s obligations under its guarantee. In addition, EIB and Commerzbank will enter into a separate agreement, whereby Commerzbank agrees to comply with EFSI requirements.

Ambroise Fayolle, Vice President of the EIB and responsible for Germany, commented: “The transaction clearly leverages EIB Group synergies, and it strengthens Commerzbank’s capacity to increase the size of its SME and Mid-Cap portfolio. The support of SMEs and Mid-Caps is a top priority for the EIB Group as they are the biggest sector of the EU economy, with 23 million enterprises employing around 75 million people. Small and medium sized enterprises and Mid-Caps are responsible for the creation of one in every two new jobs and I am very glad that we are continuing our long and successful cooperation with Commerzbank in providing fresh access to finance for SMEs and Mid-Caps.”

EIF Chief Executive, Pier Luigi Gilibert said: “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 EIF’s investment and structuring expertise and the EIB’s efficient deployment of EFSI funds offer a competitive financing solution for Commerzbank which will serve to boost the supply of finance in the real economy.”

European Commission Vice-President Jyrki Katainen, responsible for Jobs, Growth, Investment and Competitiveness, said: “SMEs are the engines of job creation and growth across Europe. Today's agreement demonstrates that our strategy to support these SMEs through unlocking additional financing is working. With this EFSI-backed financing, they will be able to innovate, expand their activities and create new jobs. I wish the small businesses that will benefit from the financing backed by the Investment Plan every success.”

Michael Reuther, Member of the Board of Managing Directors Commerzbank AG and CEO Corporate Clients said: "Commerzbank is Germany's leading bank for SME and mid-cap lending and has been proudly co-operating with promotional banks for many years. This innovative product helps us to satisfy increasing client demands whilst providing the opportunity to manage our capital. Closing the very first synthetic securitisation under EFSI is a proof of Commerzbank's innovative spirit as well as a commitment to further support the German Mittelstand at competitive conditions."

About the EIB

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.

About the EIF

The European Investment Fund (EIF) is part of the European Investment Bank group. Its central mission is to support Europe's micro, small and medium-sized businesses by helping them to access finance. EIF designs and develops both venture and growth capital, guarantees and microfinance instruments which specifically target this market segment

About Commerzbank

Commerzbank is a leading international commercial bank with branches and offices in almost 50 countries. In the two business segments Private and Small Business Customers, as well as Corporate Clients, the Bank offers a comprehensive portfolio of financial services which is precisely aligned to the clients' needs. Commerzbank finances 30% of Germany's foreign trade and is leading in financing for corporate clients in Germany. Due to its in-depth sector know-how in the German economy, the Bank is a leading provider of capital market products. Its subsidiaries Comdirect in Germany and M Bank in Poland are two of the world's most innovative online banks. With approximately 1,000 branches, Commerzbank has one of the densest branch networks among German private banks. In total, Commerzbank serves more than 17.5 million private and small business customers, as well as more than 60,000 corporate clients, multinationals, financial service providers, and institutional clients. The Bank, which was founded in 1870, is represented at all the world's major stock exchanges. In 2016, it generated gross revenues of €9.4 billion with approximately 49,900 employees.

The Investment Plan for Europe

The Investment Plan for Europe, the so-called Juncker Plan, is one of EU's top priorities to boost investments and to create jobs and growth by making smarter use of existing and new financial resources. The EIB Group is playing a vital role in this investment drive. Through guarantees from the European Fund for Strategic Investments (EFSI), the EIB and the EIF are able to take on a higher share of project risk, encouraging private finance providers to participate in the projects. In addition, EFSI is accompanied by a new advisory service, the European Investment Advisory Hub, which enables public and private project operators to structure their investment projects more professionally. The investment offensive also aims to make the regulatory environment in the EU more conducive to investment, especially in the digital, energy and capital market sectors. In September 2016, President Juncker proposed to extend the EFSI by increasing its firepower and duration as well as reinforcing its strengths.

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