



PRESS RELEASE

20 June 2023

EIB supports Berenberg's expansion of lending to medium-sized businesses

- The EIB will guarantee a part of Berenberg's portfolio of revolving credit facilities to stimulate the provision of working capital to the real economy.
- The project will support medium-sized companies with fewer than 3 000 employees in Germany and the European Union.

The European Investment Bank (EIB) will provide loan-by-loan guarantees covering up to 50% of the credit risk on a portfolio of up to €300 million of the German private bank Berenberg. The agreement with the EIB will enhance Berenberg's support to medium-sized companies with fewer than 3 000 employees in Germany and the European Union by increasing their access to financing for working capital.

Access to funding remains difficult for small and medium-sized companies in the aftermath of the pandemic, the war in Ukraine, persistent inflationary pressures and increases in interest rates. With the banking sector gradually shifting its activities into lower-risk assets, the partnership between the EIB and Berenberg provides reliable support to corporate customers in the form of, for example, greater financing for working capital as part of transaction financing.

The EIB will guarantee a part of Berenberg's portfolio of revolving credit facilities (RCF), thereby enabling it to expand its loan book and partially fill the lending gap created by a deteriorating business cycle. Thanks to this capital relief operation, Berenberg can expand its European RCF portfolio and thereby provide liquidity to the real economy, helping to mitigate uncertainty.

"We are proud to continuously work together with Berenberg to support the real economy in Germany by stimulating lending to medium-sized companies. Liquidity support becomes ever more important amid a tightening of financial conditions in Europe," said **Ambroise Fayolle**, EIB Vice-President with oversight of its business in Germany.

Head of Structured Finance at Berenberg **Lars Hagemann** added: "Banks in Europe have become reluctant to support the increasing working capital needs of corporates. Thanks to the renewed support of the EIB, we can help to close this financing gap. We will use the freed-up capital to expand our lending activities in Europe while keeping our conservative and proven credit policy unchanged."

Background information

The **European Investment Bank (EIB)** is the long-term lending institution of the European Union owned by its Member States. It finances sound investment contributing to EU policy goals. The EIB's activities focus on the following priority areas: climate and environment, development, innovation and skills, small and medium-sized businesses, infrastructure and cohesion. The EIB works closely with other EU institutions to foster European integration, promote the development of the European Union and support EU policies in over 120 countries around the world.

Founded in 1590, **Berenberg** is one of Europe's leading privately-owned banks today with its Wealth and Asset Management, Investment Bank and Corporate Banking divisions. Headquartered in Hamburg and led by personally liable partners, Berenberg maintains a strong presence in the financial centres of Frankfurt, London and New York. This is Berenberg's second operation with the EIB.

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