



The EIB Group in Poland in 2018

In Poland, as in the other EU Member States, the European Investment Bank Group (EIB Group) supports investment projects designed to reduce disparities in regional development, strengthen economic competitiveness and improve people's living standards. In 2018, EIB Group financing in Poland amounted to **EUR 4.79bn**, of which loans by the European Investment Bank (EIB) accounted for **EUR 3.74bn**, while **EUR 1.05bn** was committed in the form of portfolio guarantees and equity investments by the European Investment Fund (EIF). Poland was the **fifth-largest** recipient of EIB Group financing, after Spain, Italy, France and Germany. Part of the financing was backed by the European Fund for Strategic Investments (EFSI), which is the financial pillar of the "Juncker Plan".

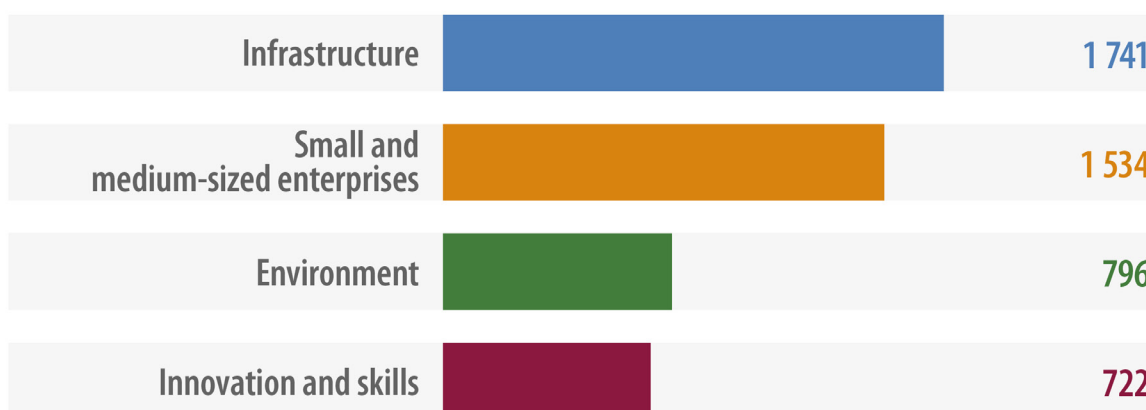
Overview

The European Investment Bank. The **public sector**, with its infrastructure needs and wide-ranging modernisation plans, traditionally accounts for the bulk of the EIB's lending volume (EUR 2.14bn or 57% of the EIB total in 2018). This includes projects undertaken by national, regional and local authorities, in as many sectors as urban regeneration, public transport or universities. **Banks and leasing companies** (channelling EIB funds to **SMEs**) accounted for EUR 973m or 26% of the total, while **corporates and energy groups** were the other large recipients of EIB loans in 2018.

The European Investment Fund. For the EIF in particular, 2018 was a record year both in Europe and in Poland. At EU level, the EIF committed EUR 10.06bn in equity investments and portfolio guarantees, thanks to soaring demand from Europe's **innovative** entrepreneurs, an increase in funding for **securitisation** and more volumes backed by the European Fund for Strategic Investments (EFSI). Poland was no exception, with 12 EIF transactions and EUR 1.05bn committed (about one tenth of the total).

In 2019, the EIB Group will continue to support projects in line with the growing diversification of the Polish economy. It will promote investments that have an impact on the four traditional priority areas of the EU bank: Infrastructure, Innovation and skills, Environment, Small and medium-sized enterprises (SMEs).

European Investment Bank Group Total lending in Poland in 2018 (in EUR m) **EUR 4 793 million**



Source: EIB

Supporting strategic infrastructure and cities

Within the public sector, the EIB supports the development of priority transport infrastructure in Poland – in particular **railways** and **expressways** – which is key to strengthening the country's competitiveness, ensuring cohesion among the different regions and improving the quality of life of Poland's citizens. Projects signed in 2018 include a EUR 580m loan for the modernisation of the S19 Lublin-Rzeszów Expressway, a EUR 500m loan for the S61 Via Baltica Expressway and a EUR 29m loan for the improvement of the PKP Linia Hutnicza Szerokotorowa railway in in southern Poland.



The EIB also finances a wide range of **modernisation plans undertaken by Polish cities**, including urban mobility, environmental-friendly projects and social housing. In 2018, the EU bank financed the renewal of the bus fleet in Warsaw and the tramways in Krakow and Silesia. Cities including Gorzow, Lodz, Poznan, Walbrzych and Wroclaw received funding from the EIB for urban revitalisation and development programmes.

In addition, the Bank supports the energy efficiency and modernisation of Polish municipalities through the **JESSICA** (Joint European Support for Sustainable Investment in City Areas) initiative, giving Polish regions the opportunity to use part of its EU Structural Funds allocation (ERDF) to make repayable investments in projects promoting sustainable urban development through Urban Development Funds (UDFs). Such investments take the form of long-term preferential loans and encourage the development of partnerships between municipalities, banks and private investors in Poland.

Supporting companies and SMEs

Several corporates benefited from a direct EIB loan. The EIB supported the modernisation and innovation of the chemical sector, with a loan of EUR 145m to **Grupa Azoty** and of EUR 45m to **PCC Rokita**, the latter backed by an EFSI guarantee. In the energy sector, the European Investment Bank signed a second EFSI-backed hybrid bond operation with **Tauron** (the first ever PLN-denominated) for an amount of EUR 175 m. The proceeds from the bond will support Tauron's capital expenditure for its distribution subsidiary, which will bring benefits in terms of energy efficiency and thus contribute to a better environment.

The EIB joined forces with Bank Gospodarstwa Krajowego (BGK) to finance the first Nearly-Zero Emission Building in Poland – the **Posejdon business and hotel centre in Szczecin**, after similar projects were financed in Germany and Scandinavia. The Bank provided a EUR 29m loan to the investor Porto Sp. z o.o. through BGK. The Posejdon building project was presented during the UN Climate Change Conference COP24 in Katowice in December 2018, as an example of energy efficiency projects supported by the EU bank.

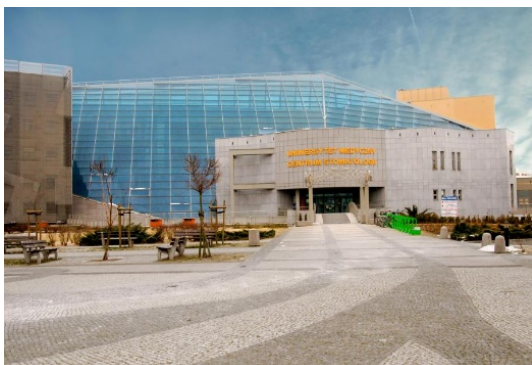
Lending to **smaller business**, as a way to create jobs and foster innovation, will continue to be decisive for the economy and is therefore one of the EIB's priorities. The EU bank cooperates actively with **18 Polish banks and leasing institutions** in improving access to finance for Polish SMEs and mid-caps (medium-sized companies, larger than SMEs, with up to 3 000 employees), by granting loans on improved terms, in the form of reduced interest rates and longer tenors. In 2018, EIB funds supported Poland's smaller businesses for an aggregate amount of EUR 627.6m, benefiting some 17 600 SMEs and sustaining 331 000 jobs. Thanks to EFSI, the Bank was also able to conclude two mezzanine synthetic securitisation transactions (EUR 148 m) for the benefit of SMEs and mid-caps.

Rolling out the Investment Plan for Europe (“IPE” or “Juncker Plan”)

In 2015, the European Commission and the EIB jointly launched the Investment Plan for Europe (“IPE” or “Juncker Plan”) as an initiative to fight the economic weakness lingering from the 2008 financial crisis. The aim: to relaunch public and private investment and restore EU competitiveness, thus increasing growth and creating jobs. One major pillar of the Plan is the **European Fund for Strategic Investments (EFSI)**, which combines an EU budget guarantee and EIB resources. The other two pillars involve regulatory reform and technical assistance via the **European Investment Advisory Hub (EIAH)**. Thanks to the EFSI pillar, the EIB

can finance a greater number of operations, taking on board a higher risk than it did previously and acting as a catalyst for further investment from private and public sources.

Total EFSI approvals in Poland as at 31 December 2018 (since the launch of the “Juncker Plan”) totalled EUR 3.7bn, helping trigger close to EUR 16.2bn of EFSI-related investments in the country. Below are highlighted some examples of operations signed in 2018 and backed by the Investment Plan for Europe.



EFSI / First direct EIB support for Warsaw and Poznan Medical Universities

Academic facilities in line with the best international standards – that is the aim of the modernisation plans undertaken by two prominent higher education institutions in Poland. The **Medical University of Warsaw** borrowed PLN 100m (EUR 24m) to build state-of-the-art academic facilities, including a new simulation centre, and renovate existing campus buildings. The **Poznań Medical University** borrowed PLN 114.7m (EUR 27.3m) for the construction of the new site of the Faculty of Pharmacy and its Centre for Innovative Pharmaceutical

Technologies, and the extension and rehabilitation of two university hospitals. These were the first direct loans provided by the EIB to Polish universities.

EFSI / Walbrzych revitalisation plans get a boost

The city of Walbrzych received a PLN 60m loan (EUR 14m) to finance far-reaching revitalisation plans that aim at turning this former coal-mining town into an attractive place to live. The funding will contribute to regenerating urban infrastructure (buildings and roads) and to energy efficiency measures. This was the first tranche of a potential EIB commitment of up to PLN 120m (EUR 28m) for the city. For the EIB, no city or region in Poland and Europe should be left behind in the transition from coal to a low-carbon economy.



EFSI / Poznan’s social housing scheme launched

A PLN 178m (EUR 42m) loan was granted for the first time to the municipal communal housing company in Poznan (Zarząd Komunalnych Zasobów Lokalowych, or ZKZL) to finance the construction or refurbishment of around 1 160 social housing apartments for low-income earners and 14 community healthcare centres in Poznan. The loan will also be used for related technical infrastructure, such as the water mains, sewage system, urban road system, garages and above-ground parking spaces. This is expected to provide new or improved social housing for nearly 3 000 people.

EFSI / Alior Bank’s first synthetic securitisation operation in Poland to support SMEs

The EIB and the EIF have joined forces to grant Alior Bank a PLN 1.4bn (EUR 335.3m) guarantee, on the senior and mezzanine tranches of a PLN 1.5bn (EUR 349m) SME portfolio. This is the first synthetic SME securitisation in which the EIB and EIF are jointly participating in Poland. The aim is to foster support for Polish small and medium-sized firms, providing them with loans on favourable terms, with lower interest rates and longer repayment periods.



The EIB Group at a glance

The European Investment Bank Group comprises the European Investment Bank (EIB), founded in 1958, and the European Investment Fund (EIF), which was created in 1994. The European Investment Bank is the EU's long-term lending institution owned by the EU Member States. It makes long-term finance available for sound investment, contributing to growth, jobs, regional convergence and climate action in Europe and beyond. The European Investment Fund (EIF) is the specialist arm of the EIB, providing risk-financing solutions to Europe's financial intermediaries to support SMEs and mid-caps and foster innovation.

In aggregate, EIB Group financing amounted to EUR 64.2bn in 2018, with 854 operations signed, mobilising around EUR 230bn of total investment worldwide.

The EIB Group is also supporting Europe's economic recovery by implementing the European Fund for Strategic Investments (EFSI). By the end of 2018, the EIB Group had committed EUR 70.4bn under EFSI, mobilising total investment of EUR 375.5bn, or 75% of the target of EUR 500bn over five years to 2020.

The EIB is financially autonomous and raises the bulk of its lending resources on the international capital markets through bond issues.

For more information: www.eib.org/poland ; www.eif.org/poland

Overall EIB Group achievements in 2018

A total of EUR 64.2bn in financing by the EIB Group.	By end-2018, the EIB Group had approved EUR 70.4bn under EFSI for close to 1 000 financing transactions, which are expected to support investment of EUR 375bn since the launch of EFSI.
EUR 13.5bn EIB Group support for innovation and skills , including education and digital infrastructure.	EUR 23.3bn EIB Group support for SMEs and mid-caps – the biggest share of our lending.
EUR 12.25bn supporting key infrastructure in transport and energy as well as urban infrastructure.	EUR 15.15bn for environmental projects supporting resource efficiency and sustainability.

For further information on the EIB in Poland: www.eib.org/poland

Press contacts:

Andrea Morawski

Tel: +352 4379-83427

Email: a.morawski@eib.org

Press Secretariat

Tel: +352 4379-21000

Fax: +352 4379-61000

Email: press@eib.org

www.eib.org/press

General contacts:

European Investment Bank

98-100 boulevard Konrad Adenauer

L-2950 Luxembourg

Information Desk

Tel: +352 4379-22000

Fax: +352 4379-62000

Email: info@eib.org

www.eib.org