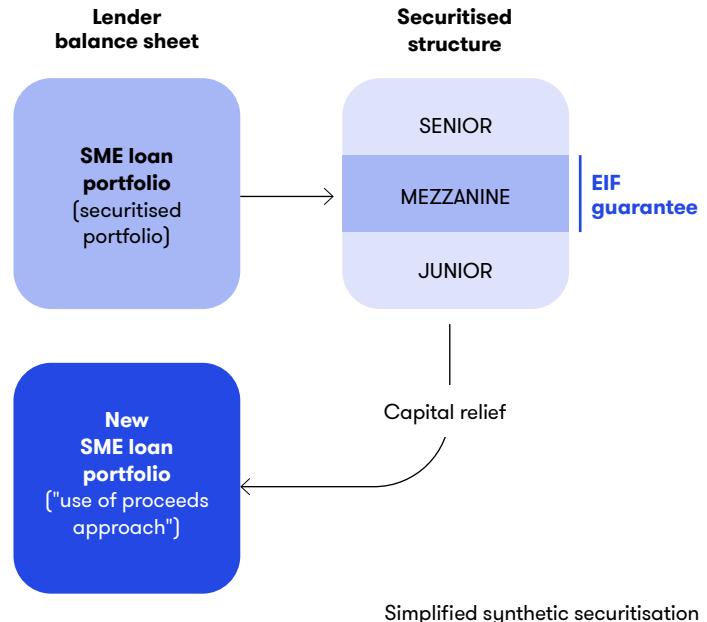


Securitisation

Unlocking additional lending

SME loans can place a heavy burden on a bank's regulatory capital, limiting their ability to extend further credit. Securitisation is an effective way to manage this risk—by packaging SME loans into a security, banks can transfer part of the risk off their balance sheet and reduce capital requirements.

The EIF supports this process by **structuring and guaranteeing securitisation transactions** - both cash and synthetic. By sharing risks with the banks on existing loan portfolios, banks commit to originate new loan portfolios.



Cash & synthetic securitisation

We structure cash and synthetic securitisation transactions with the following characteristics:

LEGAL FORMAT

Synthetic

Lender keeps the SME loans, but transfers the risk using derivatives

Cash

Lender sells the SME loan portfolio to a special entity that issues securities

“USE OF PROCEEDS” APPROACH

EIB Group invests in an existing securitised portfolio (ensuring returns on capital invested), and originators commit to deploy proceeds generated in new financing to SMEs (including “green” loans and other policy objectives)

MAIN CONTRIBUTION

Counterparties commit to originate additional lending for SMEs, with a climate action & environmental sustainability component

OTHER CONTRIBUTION

Securitisation activity supports other policy objectives, such as cohesion and gender-smart loans. Additionally, it supports the Savings and Investment Union by opening new markets, supporting small originators, crowding-in private investors and promoting best practices and standardisation

Benefits & impact

For banks

Cash securitisation provides the lending bank with funding and balance sheet relief, which in turn creates the capacity to issue a new portfolio of loans.

Synthetic securitisation provides banks with regulatory capital relief and credit enhancement, which in turn creates the capacity to issue a new portfolio of loans.

For SMEs

Improved access to finance due to the origination of new loan portfolios.

Success stories



GREEN SECURITISATION IN POLAND

“This agreement will inject significant new funding into the Polish economy for sustainable investment; it will have a very direct impact for private individuals. And it serves as a fine example of a three-way cooperation between the EIB, EIF and the European Commission that leverages innovative financial instruments in support of the green transition.”



SUPPORT TO SMES IN CZECHIA

“By providing regulatory capital relief, we are enabling CSAS to expand its lending capacity, which is crucial for fostering economic growth and job creation in the region.”



FIRST SOLAR LOANS SECURITISATION

“This securitisation transaction with Enpal underscores our commitment to support the swift roll-out of renewable energy technologies to residential homes in Germany, ultimately fostering climate action and environmental sustainability as we navigate the green transition.”