




 FIEC information workshop, Brussels 21 January 2016

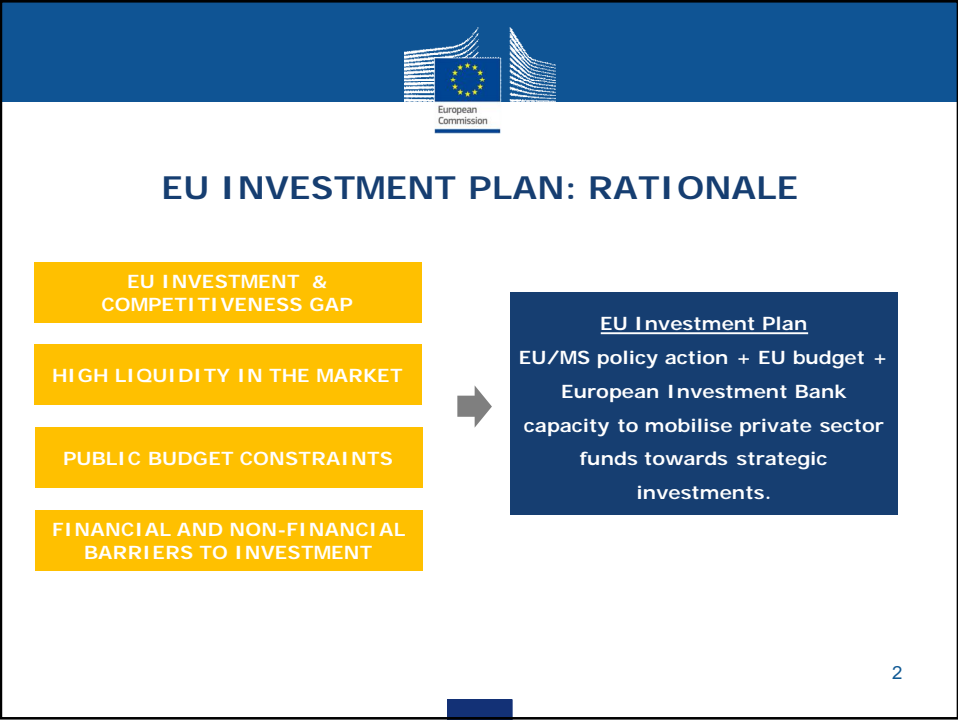
THE INVESTMENT PLAN FOR EUROPE


EUROPEAN FUND FOR STRATEGIC INVESTMENTS (EFSI) SME WINDOW

*Dražen Budimir
 COSME Financial Instruments
 European Commission
 DG for Internal Market,
 Industry, Entrepreneurship
 and SMEs*








EU INVESTMENT PLAN: RATIONALE

EU INVESTMENT & COMPETITIVENESS GAP

HIGH LIQUIDITY IN THE MARKET

PUBLIC BUDGET CONSTRAINTS

FINANCIAL AND NON-FINANCIAL BARRIERS TO INVESTMENT

→

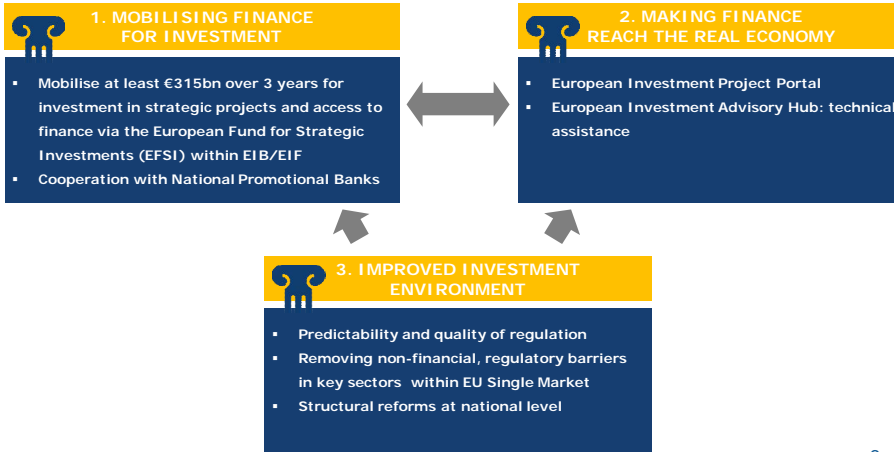
EU Investment Plan

EU/MS policy action + EU budget + European Investment Bank capacity to mobilise private sector funds towards strategic investments.

2



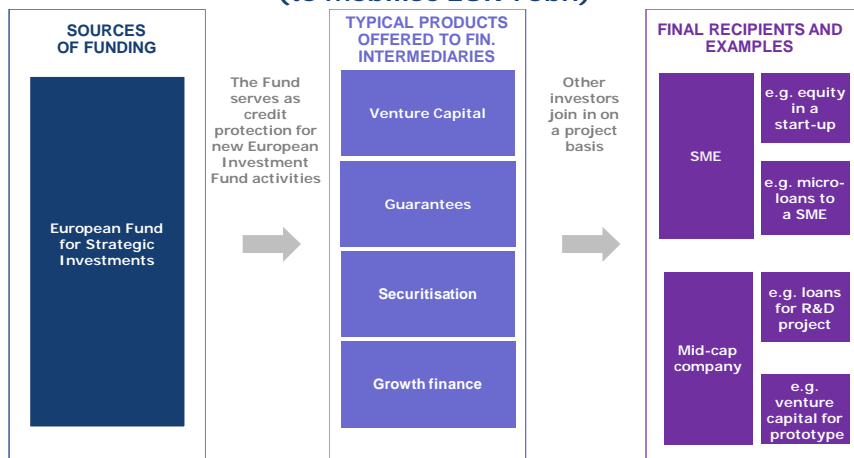
EU INVESTMENT PLAN: 3 PILLARS



3



SMES AND MID-CAP WINDOW (to mobilise EUR 75bn)



4



Outlook for new SME products in the context of EFSI

- ❑ **European Fund for Strategic Investments** has specific window to support financing of **SMEs and mid-caps**
- ❑ Support delivered via **European Investment Fund (EIF)**, through agreements between the EIF and financial intermediaries
- ❑ The target is to mobilise investments worth **EUR 75 billion** through the SME Window; One part is guaranteed by the EU under EFSI, the other funded by EIB
- ❑ The window will offer a mix of facilities covering:
 - ❑ both **debt and equity** financing;
 - ❑ finance to **SMEs and small mid-caps** in the EU in **early, as well as expansion stages** of their life-cycle;
 - ❑ financing of **investment** as well as **working capital**;
 - ❑ specifically the needs of **higher-risk, innovative or research-intensive companies**.

6



Where do we stand?

- ❑ **3 products already launched since July 2015:**
 - ❑ COSME Loan Guarantee Facility Enhancement – COSME the first EU programme dedicated to support only SMEs
 - ❑ InnovFin SME Guarantee Enhancement – InnovFin part of the European research programme to support research and innovation
 - ❑ EUR 2.5bn boost to "Risk Capital Resources", an EIF facility investing in venture capital and equity funds.
- ❑ **For COMSE and InnovFin EFSI enables bringing forward in time the signature of the agreements with financial intermediaries - timing effect**

7



EIF signed operations (2015)

SME Window (EIF signatures)	# transactions with Financial Intermediaries	Total investment (est.)	EIF financing commitment (EFSI)
EIF risk capital	45	€ 14.6 bn	€ 1.4 bn
EIF guarantees for SMEs portfolios	39 *	€ 10.5 bn	€ 0.4 bn
TOTAL	84	€ 25.1 bn	€ 1.8 bn

Some 81,200 SMEs and Midcaps are expected to benefit from such enhanced access to finance.

In 17 countries* of EU-28: Belgium, Bulgaria, Czech Republic, Denmark, Estonia, France, Germany, Hungary, Ireland, Italy, Luxembourg, Netherlands, Poland, Portugal, Slovenia, Spain, United Kingdom.

* Excluding "multi-country" coverage of some equity investments funds

8



EXAMPLE OF COSME LGF EFSI-BACKED EIF OPERATION

EIF and BGK sign first COSME agreement in Europe to benefit Polish businesses

The agreement will provide BGK - Bank Gospodarstwa Krajowego (State development bank) with a counter-guarantee allowing to support PLN 1,000 million (ca. EUR 250 million) of loans to SMEs in Poland over the next two years with the support of EFSI.

The loans will be provided without hard collateral thanks to a 80% guarantee which in turn is backed by a counter-guarantee from the EIF, provided under the COSME programme with financial backing from the EU.

The agreement will make it possible for BGK to launch a new guarantee product and to support additional financing without requiring hard collateral (e.g. mortgage) at favourable conditions to approximately 5,000 SMEs.

8



EXAMPLE OF InnovFin SMEG EFSI-BACKED EIF OPERATION

EIF and Bpifrance sign first agreement for innovative French companies

Under the agreement, Bpifrance (Banque publique d'investissement) will provide finance to innovative companies in France for a total of EUR 420 million over the next two years with support of EFSI, allowing EIF to provide a new financing boost for highly innovative businesses under the Horizon 2020 initiative InnovFin, the EU's Finance for Innovators.

Bpifrance has recently launched a product called "Prêt d'Amorçage investissement" ("PAI") to address the needs of start-up companies.

9



EXAMPLE OF COSME LGF EFSI-BACKED EIF OPERATION

EIF and iwoca sign COSME agreement in UK to benefit UK businesses

The guarantee scheme will allow iwoca to lend GBP 40m (EUR 60m) to over 3,000 small businesses in the UK. The loans will be provided as a result of a guarantee from the EIF under the COSME programme with financial backing from the EFSI. A small business can apply for financing under the programme at www.iwoca.co.uk. iwoca's technology-driven risk platform automatically analyses thousands of data points for each application, allowing a business to get approved for up to £100,000 within hours.

This deal reflects the EIF's commitment to respond swiftly to calls for a launch of concrete initiatives under EFSI, accelerating lending and guaranteeing transactions capable of boosting jobs and growth in the EU.

10

Case Study

***Kopfnuss**: one of the first companies having received COSME financial instrument*



Business Planet programme, Euronews

<http://www.euronews.com/2015/10/16/enhancing-access-to-finance-with-cosme>

14

What is coming?

- ❑ **Further products** to be launched in 2016, often in **partnership with national promotional banks**, to support
 - ❑ equity financing, including technology transfer and social investment
 - ❑ securitisation of SME loan portfolios to allow banks to generate new lending and
 - ❑ lending to innovative companies that lack collateral


15

Finance & funding

- EU funding programmes
- Access to finance
- Exchanges for young entrepreneurs

www.access2finance.eu

This site will help you to apply for loans and venture capital supported by the European Union. Click on your country to locate banks or venture capital funds that provide finance supported by the EU:



How it works +

EU funds +

UNITED KINGDOM Search Reset Download PDF

- Any -

Keyword search

Amount of finance
Show all

Type of finance
Select All
 Loan/ Guarantee
 Equity/ Venture capital

Company category
Select All
 Start-up/ self-employed
 Micro (< 10 employees)
 SME (10-249 employees)
 Small mid-cap (250-499 employees)
 Mid-cap (500-3000 employees)
 Large-cap (> 3000 employees)

Investment focus
Select All
 All sectors/ general
 Leasing
 Research, development, innovation
 Start-up, early stage
 Expansion stage (growth)
 ICT sector
 Life Sciences
 Cleantech

Sources of finance
Select All
 CIP
 COSME
 EFSI
 EIB
 EIF
 InnovFin
 NCFE
 Progress Microfinance
 RSI
 Structural Funds - National sources of finance
 WB EDIF

Displaying 1 results

Financial Intermediaries	Region Of Activity	Type Of Finance	Amount Of Finance	Investment Focus	Additional Information	Sources Of Finance
EZBOB Phone: 0044 800 011 4748 E-mail: customercare@ezbob.com http://www.ezbob.com/		Loan/ Guarantee	<input type="checkbox"/> < 150.000 € <input type="checkbox"/> < 118 000 GBP	All sectors/ general, Start-up, early stage	EU supports: Orange Money (Ezbob) providing online lending	COSME



Thank you!