



# EU Financial Instruments for SMEs

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**Jean-David MALO  
Head of Unit "SMEs, Financial Instruments and State Aids"  
European Commission – DG Research and Innovation**



# EU financial instruments

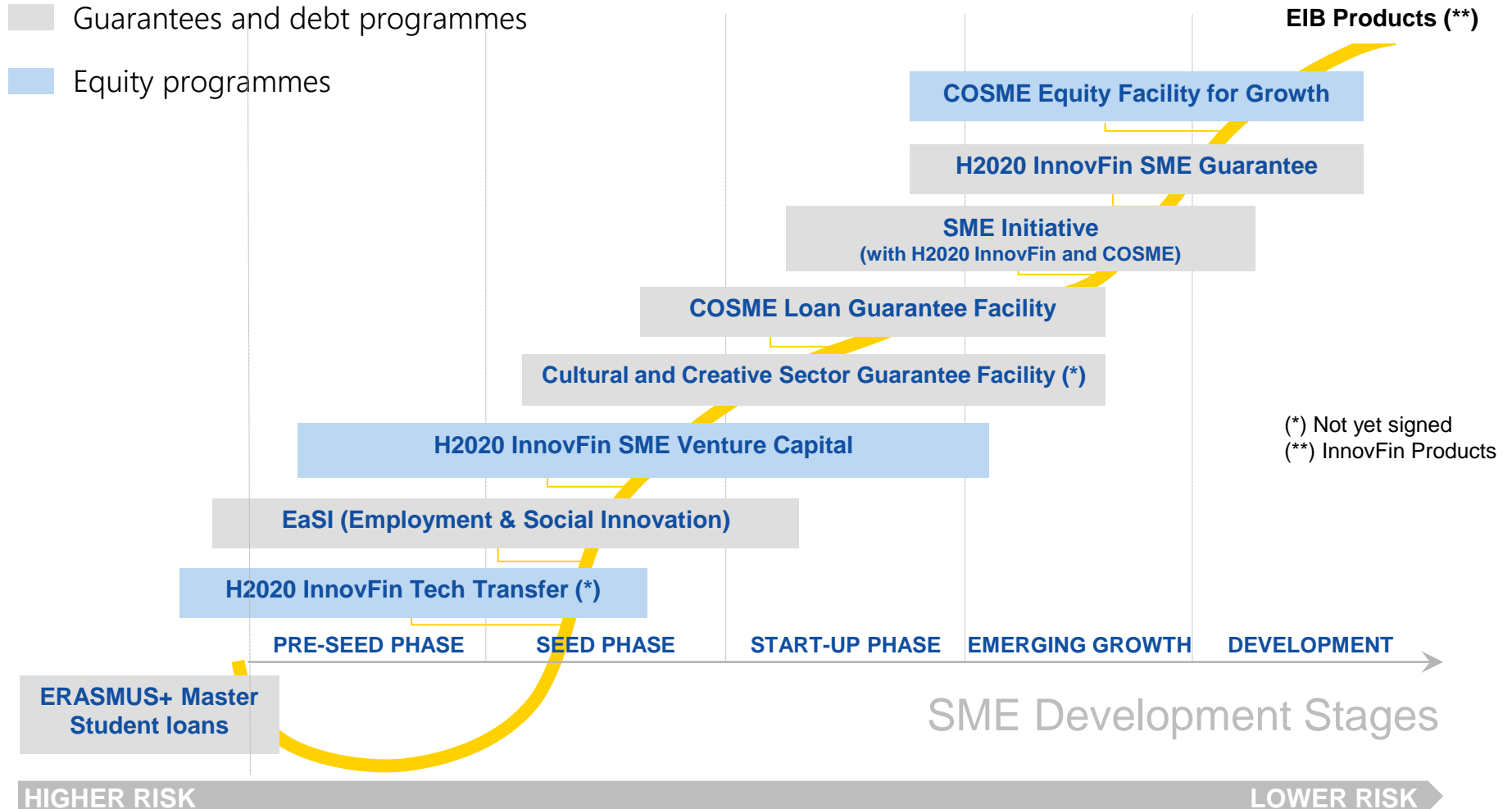
- Objective:
  - Aim to increase access to finance
- Broad range of interventions:
  - Guarantees to mutual guarantee societies and banks
  - Equity participations for early and growth stage investments
- Common features:
  - Delivered via financial intermediaries on behalf of the European Commission
  - Operated by the EIB/EIF



# EU Financial Instruments 2014-2020

	Centrally managed by EC (Financial Regulation)	EFSI	Shared Management with MS - ESIF (Common Provisions Regulation)
Research, Development Innovation	Horizon 2020 Equity and Risk Sharing Instruments (€2.7 bn, including at least €1.5 bn for SMEs)	SME Window (SMEs and small mid- caps)	European Structural and Investment Funds <ul style="list-style-type: none"> <li>➤ EU level (central management)</li> <li>➤ National/regional instruments (shared management)               <ul style="list-style-type: none"> <li>▪ Off-the shelf FIs</li> <li>▪ Tailor made FIs</li> </ul> </li> </ul> <p><i>Significant higher amounts than currently!</i></p>
Growth, Jobs and Social Cohesion	Competitiveness & SME (COSME) Equity & guarantees (€1.4 bn)		
	Employment and social innovation (EaSI) (€192m)	Erasmus+ Guarantee Facility (€517m)	
Infrastructure	Connecting Europe Facility (CEF) Risk sharing (e.g. project bonds) and equity instruments	Infra- structure and Innovation Window	

# EU Programmes helping businesses at every stages





European  
Commission



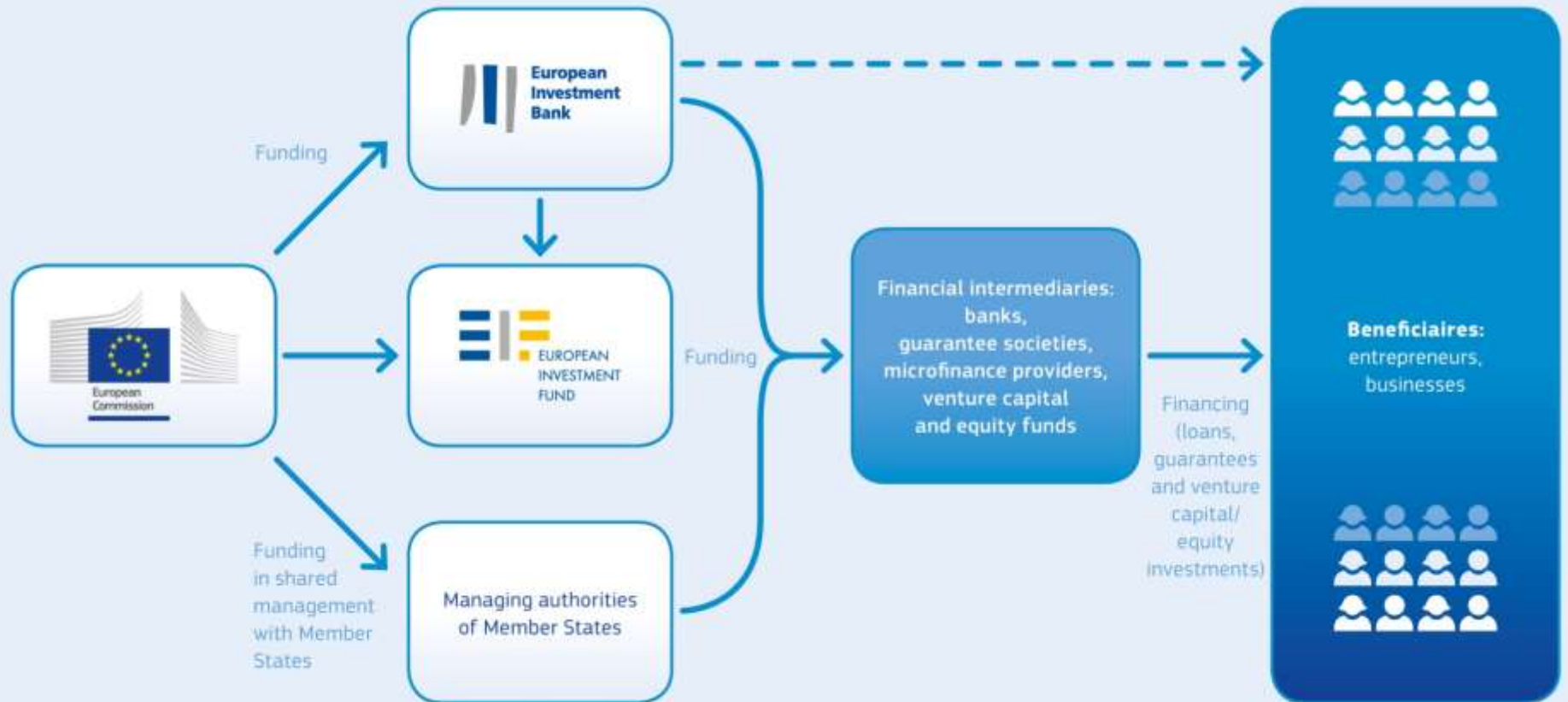
SMEs	Midcaps	Large Caps	Thematic Finance	Advisory
InnovFin SME Guarantee	InnovFin MidCap Guarantee	InnovFin Large Projects	InnovFin Energy Demo Projects	InnovFin Advisory
InnovFin SME Venture Capital	InnovFin MidCap Growth Finance		InnovFin Infectious Diseases	
SMEs and small Mid-Caps < 500 Employees	Mid-Caps < 3,000 Employees	Large Caps Typically > 3,000 Employees	SPV, Mid-Caps and Large Caps	Public and Private Sector Promoters
Intermediated SME/Mid-Cap Financing	Intermediated and/or direct Corporate lending	Direct Corporate Lending	Project Finance and/or Direct Corporate Lending	Financial Advisory

direct products

indirect products



# EU financial instruments in practice





## Results after 2.5 years of implementation (1/4)

InnovFin implementation to-date:

Since October  
2014

- 77 applications
  - 68 for the direct guarantee
  - 9 applications for the counter-guarantee
- 61 agreements signed (multiple FIs under umbrella applications)
  - covering 27 countries
  - for a total guarantee amount of EUR 3bn
- Enabling over EUR 6.9bn of loans/ leases to innovative SMEs and Small Mid-Caps



## Results after 2.5 years of implementation (2/4)

### InnovFin distribution List of financial intermediaries (as of April 2016)

InnovFin  
SME Guarantee



Signed guarantee transactions

Signed guarantee transactions (continued)

#	InnovFin Intermediary Names	Country	Guarantee Amount (EURm)	Signature date	#	InnovFin Intermediary Names	Country	Guarantee Amount (EURm)	Signature date	#	Countries (alphabetically)
1	Bankinter	Spain	100.0	27-Oct-14	26	Barclays	United Kingdom	70.0	15-Sep-15	1	Albania
2	BPI	Portugal	100.0	27-Nov-14	27	MCTAA	Italy	15.0	06-Oct-15	2	Austria
3	Vaekstonden	Denmark	67.5	28-Nov-14	28	Inveready	Spain	3.3	26-Nov-15	3	Belgium
4	Almi	Sweden	66.0	22-Jan-15	29	ING Bel	Belgium	50.0	17-Dec-15	4	BiH
5	AWS	Austria	48.0	30-Jan-15	30	CDP-SACE	Italy	150.0	18-Dec-15	5	Bulgaria
6	LHV	Estonia	20.0	12-Feb-15	31	CERSA	Spain	60.0	04-Jan-16	6	Czech Republic
7	Ceska sporitelna	Czech Republic	50.0	26-Mar-15	32	LfA Forderbank Bayern	Germany	35.0	04-Jan-16	7	Denmark
8	Komercon	Czech Republic	75.0	26-Mar-15	33	KfW	Germany	125.0	04-Jan-16	8	Estonia
9	Anthilia Capital Partners	Italy	25.0	02-Apr-15	34	BPCE - Banque Populaire	France	150.0	06-Jan-16	9	Finland
10	BPfrance financement	France	200.0	22-Apr-15	35	Commerzbank	Germany	100.0	13-Jan-16	10	France
11	Credem	Italy	110.0	20-May-15	36	Banca CRS	Italy	15.0	18-Jan-16	11	Germany
12	ING Luxembourg	Luxembourg	25.0	21-May-15	37	Raffaelsen Bank	Bulgaria	17.5	20-Jan-16	12	Ireland
13	Idea Bank SA	Poland	10.0	29-May-15	38	ProCredit Umbrella	BIH, ALB, BGR, MDA, SRB, ROU, FYROM	125.0	21-Jan-16	13	Israel
14	Santander UK	United Kingdom	70.0	12-Jun-15	39	Norriandsfonden	Sweden	9.0	25-Jan-16	14	Italy
15	Belfus	Belgium	50.0	16-Jun-15	40	CREVAL	Italy	75.0	26-Jan-16	15	Latvia
16	Bank of Ireland	Ireland	50.0	16-Jun-15	41	Bari	Italy	50.0	01-Feb-16	16	Lithuania
17	DB	Germany	150.0	17-Jun-15	42	Bank Leumi	Israel	45.0	02-Feb-16	17	Luxembourg
18	Banif	Portugal	10.0	26-Jun-15	43	TSKB	Turkey	10.0	17-Feb-16	18	Macedonia
19	Bürgschaftsbank	Germany	17.5	30-Jun-15	44	Banco Popolare	Italy	150.0	18-Feb-16	19	Moldova
20	BIL	Luxembourg	30.0	01-Jul-15	45	BCC Cambiano (umbrella)	Italy	45.0	08-Mar-16	20	Poland
21	LBank	Germany	20.0	13-Jul-15	46	Pohjola	Finland, Latvia, Lithuania, Estonia	75.0	29-Mar-16	21	Portugal
22	BPER	Italy	50.0	14-Jul-15	47	BPCE - Caisses d'Epargne	France	50.0	08-Apr-16	22	Romania
23	Novo Banco	Portugal	100.0	24-Jul-15	48	LBP	France	20.0	08-Apr-16	23	Serbia
24	Sowalfin	Belgium	10.0	10-Sep-15	49	Entrepreneur Venture	France	25.0	08-Apr-16	24	Spain
25	BCP Millennium	Portugal	100.0	11-Sep-15	50	Raffaelsen Leasing Polska	Poland	17.5	20-Apr-16	25	Sweden
<b>Total signed</b>								<b>3,041.3</b>		26	Turkey
										27	United Kingdom

24 applications are currently under review for additional guarantee of EUR 1.1bn





## Results after 2.5 years of implementation (3/4)

Map of signed transactions (as of 20 April 2016)  
 39 agreements signed with total portfolio volume of *EUR 8.1bn*  
 corresponding to an aggregate budget allocation of *EUR 365.5m*



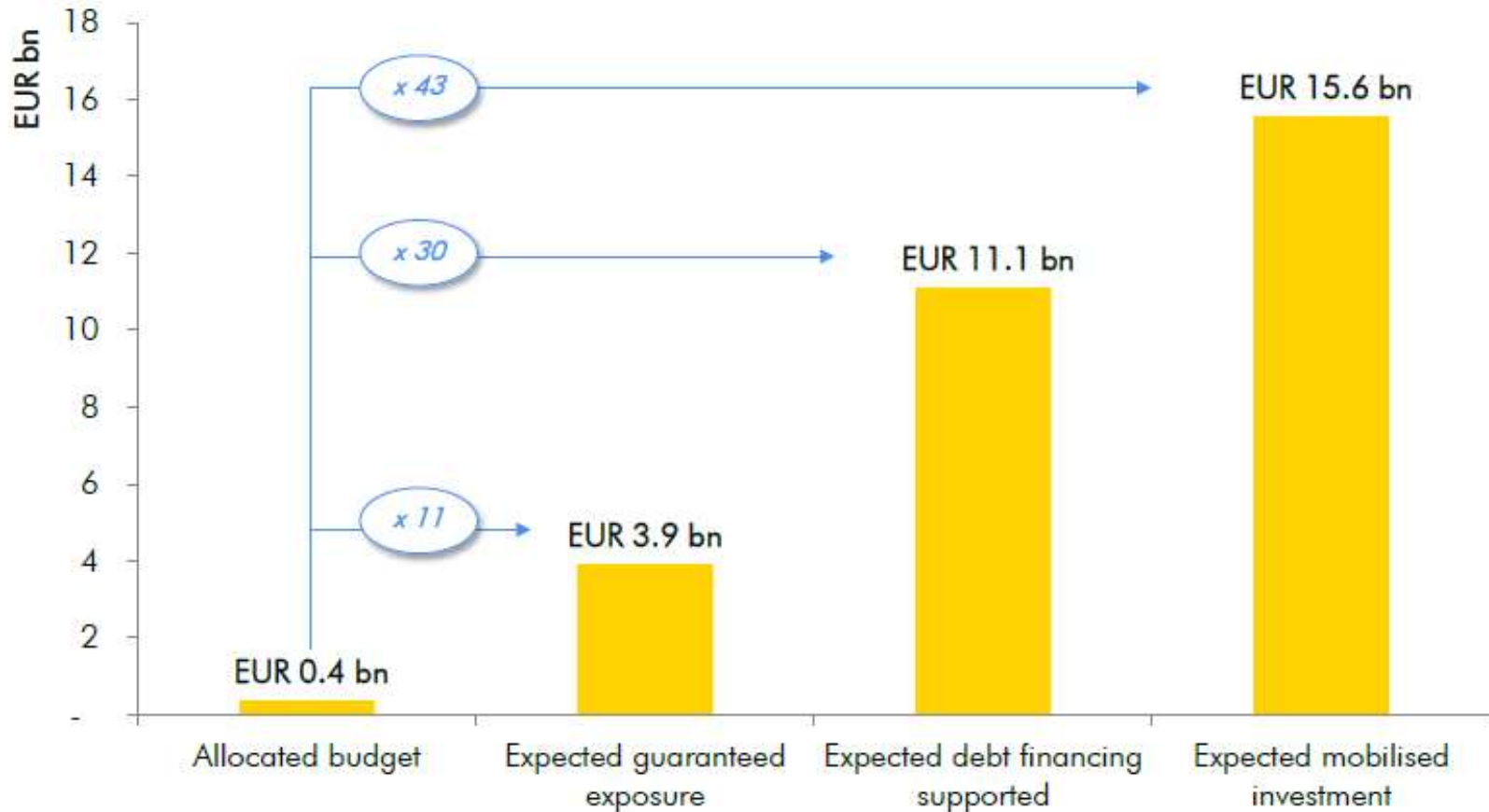
	Austria	aws
	Belgium	SOWALFIN, PMV
	Bulgaria	CIBANK
	Czech Rep.	CMZRB, Komerční Banka, Equa Bank
	Denmark	Vaeksfonden
	Estonia	Kredex
	France	France Active Garantie, SOCAMA, SIAGI, GE Capital Equipment Finance, FranFinance
	Germany	LfA, KfW*, Bürgschaftsbanken
	Hungary	K&H
	Italy	BdM - MCC - Fondo di Garanzia, CdP-SACE, Credito Emiliano, Marche Piemonte Confidi Umbrella**
	Montenegro	CKB
	Netherlands	Qredits
	Poland	BGK, Raiffeisen Leasing, IdeaBank
	Romania	Libra Internet Bank
	Slovenia	SEF
	Spain	Microbank, CERSA
	UK	EZBOB, iwoca

17 countries where agreements were signed  
 4 further countries with approved transactions  
 3 further countries from where applications were received



\* EIF signed two agreements with KfW  
 \*\* Marche Piemonte Confidi Umbrella consists of 6 agreements

## Results after 2.5 years of implementation (4/4)





## Results after 1 year of implementation

Total approved of  
**EUR 3.52 bn**

Mobilised  
investments of  
**EUR 48.16bn**

Expected to benefit  
more than  
**138,900**  
SMEs and mid-caps



Via  
**183**  
financial  
transactions



Leveraging RCR  
**COSME LGF**  
**INNOVFIN SMEG**  
resources



Reaching  
SMEs across  
**25 EU**  
countries

## Why such a promising start: some reasons

- Products designed based on experience, a strong partnership between EC and EIF (reinforced by EFSI), as well as intensive / continuous exchanges/cooperation with market practitioners (e.g. simplified eligibility conditions)
- Joint governance among EU services
- State Aid Modernisation allowing subsidised product (like H2020 Innovfin SMEG) while compatible with Single Market conditions.
- EFSI Boost (frontloading) ... but by the end of 2016 (InnovFin) or beginning of 2017 (COSME) all EU allocation are expected to be used ...
- Relevance of technical assistance schemes to fight against information asymmetry and favour emergence of innovative solutions (InnovFin Advisory, European Investment Advisory Hub, ...)



## What next (as of second half of 2016 and beyond) (1/3)

- A promising start but still have to do more!
- Reinforced cooperation among EU funds (strengthening EFSI SME Window) to increase support to SMEs:
  - ✓ EU EFSI Guarantee on SMEW to be increased from EUR 2.5 bn to EUR 3 bn;
  - ✓ EFSI frontloading on COSME LGF and H2020 InnovFin SMEG to be transformed soon into top-ups (as well as on other schemes like for example Easi);
  - ✓ Expansion of H2020 InnovFin SMEG to also support uncollateralised loans for innovative SMEs and small mid-caps, together with EFSI and EIF.

## **What next (as of second half of 2016 and beyond) (2/3)**

- Continuation and improvement of the SME Initiative. More combination with ESIF.
- On the equity side, launch of EFSI Equity product, covering both early stage (together with InnovFin) and growth stages (and including the Pan-European VC Fund-of-Funds initiative launched by Commissioner Moedas and identified as key delivery of CMU Action Plan).
- Development of investment platforms (with NPIs in particular)
- Simplifying / Improving regulatory frameworks (e.g. EuVeca)

## What next (as of second half of 2016 and beyond) (3/3)

- Reinforcement of technical assistance (including pilot with EBRD for innovative SMEs in “modest innovators” EU countries under Horizon 2020)
- Reflections regarding:
  - ✓ More blending approach (e.g. combining grants and debt/equity support), including in existing and future EU programmes (seamless approach; complementarity; ...)
  - ✓ Continuous simplification exercise

Thank you for your attention!