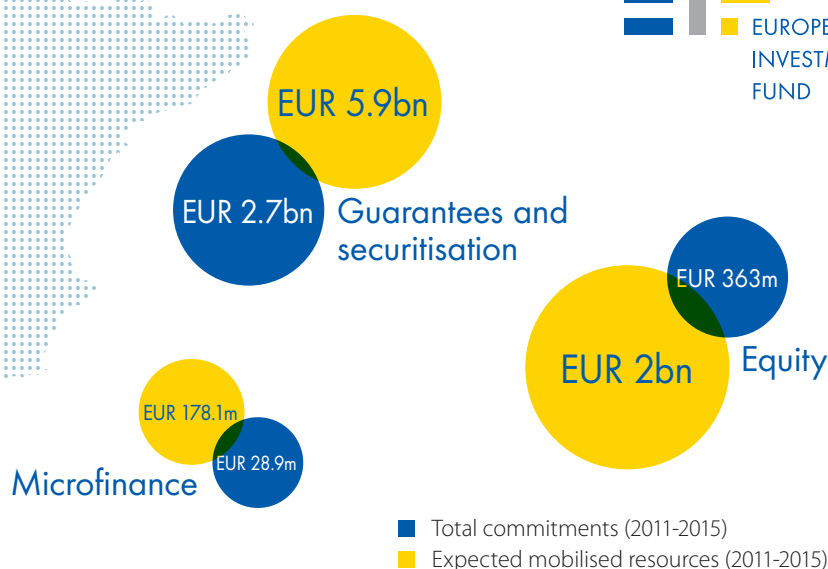


EIF in Spain



Key figures (at 31.12.2015)

- First EIF operation in Spain: 1997
- 49 supported Spanish private equity funds
- 24 partner finance and guarantee providers
- Over 131 000 Spanish SMEs supported

Equity

EIF investments in Spain are spread across a wide range of sectors and stages, from business angels and technology transfer to venture capital and lower mid- and mid-market private equity funds. In 2015, EIF's equity participations in Spain amounted to EUR 109m and are expected to mobilise EUR 444m in capital. EIF invested into three lower mid-market funds and made co-investments into two Spanish companies and two business angels. Two of the transactions also benefit from the support of the European Fund for Strategic Investments (EFSI), which is at the heart of the Investment Plan for Europe.

On the lower mid- and mid-market segments, EIF is predominantly focused on development and growth capital, mezzanine and private debt funds strategies. In the past five years approximately EUR 258.9m have been provided in equity participations to funds investing in these segments, mobilising EUR 1.75bn of financing.

Regarding venture capital investment, EIF has committed since 2011 EUR 104.2m, which is expected to mobilise EUR 265.7m of additional capital for Spanish entrepreneurs.

Additionally, EIF manages the European Angels Fund S.C.A. SICAR - Fondo Isabel La Católica ("EAF Spain") in close cooperation with Axis, a subsidiary of Instituto de Crédito Oficial (ICO). EAF Spain is a EUR 30m initiative funded by EIF, ICO and Neotec, a Spain-based fund-of-funds and co-investment fund, developed by EIF and the Centre for the Development of Industrial Technology.

Guarantees and securitisation

In 2015, EIF committed in total EUR 1.7bn through eight guarantee transactions (six under the SME Initiative) which are expected to generate EUR 3.6bn of further lending to Spanish SMEs and small mid-caps. Previously EIF has provided a number

of guarantees on senior tranches of securitisation transactions and of liquidity lines for SME portfolios.

In the framework of Horizon 2020, one guarantee agreement was signed in 2015 under the InnovFin SME Guarantee Facility with Inveready Venture Finance I, allowing innovative SMEs and small mid-caps to benefit from EUR 6.6m of new lending. The transaction benefits also from the EFSI guarantee.

As a new activity, EIF and Nuevo MicroBank signed the very first Erasmus+ Master Student Loan Guarantee agreement in Europe to provide a total of EUR 30m of loans to mobile Master's students.

Under other EU programmes and in support of Spanish SMEs and small mid-caps, EIF signed in previous years portfolio guarantees with various intermediaries under the EU Programme for the Competitiveness of Enterprises and SMEs (COSME), the Competitiveness and Innovation Programme (CIP) and also the Risk Sharing Initiative (RSI).

EIF at a glance

The European Investment Fund (EIF) is Europe's leading risk finance provider for small and medium-sized enterprises (SMEs) and mid-caps, with a central mission to facilitate their access to finance. As part of the European Investment Bank (EIB) Group, EIF designs, promotes and implements equity and debt financial instruments which specifically target the needs of these market segments.

In this role, EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment. EIF manages resources on behalf of the EIB, the European Commission, national and regional authorities and other third parties. EIF's support to enterprises is provided through a wide range of selected financial intermediaries across Europe. Since its inception in 1994, EIF supported over 1.8 million SMEs.

EIF is a public-private partnership whose tripartite shareholding structure includes the EIB, the European Union represented by the European Commission and various public and private financial institutions from European Union Member States and Turkey.

Agencia de Innovación y Desarrollo de Andalucía (IDEA), Banco Santander, Instituto de Crédito Oficial (ICO) and Nuevo Micro Bank belong to EIF's shareholders in Spain.

For further information visit www.eif.org.

Case study

Support to SMEs through EU Structural Funds

The biggest part of the guarantee commitment in Spain in 2015 comes from the SME Initiative whereby EIF signed guarantees with six major Spanish banks: Bankia, Banco Santander, CaixaBank, Banco Sabadell, Banco Popular Español and Bankinter. Thanks to the SME Initiative, these financial intermediaries are expected to grant EUR 3.5bn of new loans at favourable conditions over the next two years. Spain was the first country to implement this new joint EU initiative, committing an amount of EUR 800m under the European Structural and Investment Funds (ESIF).

The SME Initiative in Spain is also co-funded by the European Union through Horizon 2020 resources as well as EIB Group resources and is expected to benefit approximately 40 000 SMEs.

Furthermore, EIF manages the Joint European Resources for Micro to Medium Enterprises (JEREMIE) initiative in Extremadura which has performed very successfully.

Microfinance

EIF is also addressing the financing gap faced by micro-entrepreneurs and social enterprises across Europe by managing the Employment and Social Innovation (EaSI) Guarantee Financial Instrument, on behalf of the European Commission. In 2015, EIF signed two microfinance transactions in Spain under EaSI, one with Banco Popular and one with Laboral Kutxa, enabling EUR 85m of additional lending to Spanish micro enterprises.

Jorge Fernández is a twenty-three-year-old Spanish graduate in biomedical engineering from the Carlos III University of Madrid who received an EU-guaranteed loan from MicroBank under the new Erasmus+ Master Student Loan Guarantee Facility. MicroBank is an EIF shareholder and the first financial intermediary in Europe that took advantage of the new Facility launched in 2015.

With a keen interest in pursuing Master's studies that would enable him to combine his interests in bioengineering and business, he found the perfect fit in the Imperial College London's course on Medical Device Design and Entrepreneurship. On top of the academic knowledge that Jorge could perhaps also acquire partially in his home country, studying abroad and experiencing a different culture is an eye-opener for the Spanish young man.

"I encourage all young people to explore the valuable opportunities offered by student mobility programmes – even if this involves seeking financing from your local bank. The best investment you can make is in knowledge, and a year abroad will enhance not only your education but also your social skills. You simply become a more valuable asset to society", testifies Jorge.

The Erasmus+ loan also allows Jorge to be independent, without the need to rely on his parents support to pay the tuition and living expenses in the British capital.

He firmly believes that completing this Master's degree will improve his chances of finding a good job that fully suits his skills and qualifications. He might become an entrepreneur one day.



Student:
Jorge Fernández

**EU-supported
guarantee through:**
Erasmus+ Master
Student Loan Guarantee
Facility

European Investment Fund

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