

# EIF *in* 2018



Record-breaking  
and real-economy  
financing for  
Europe's SMEs  
in 2018

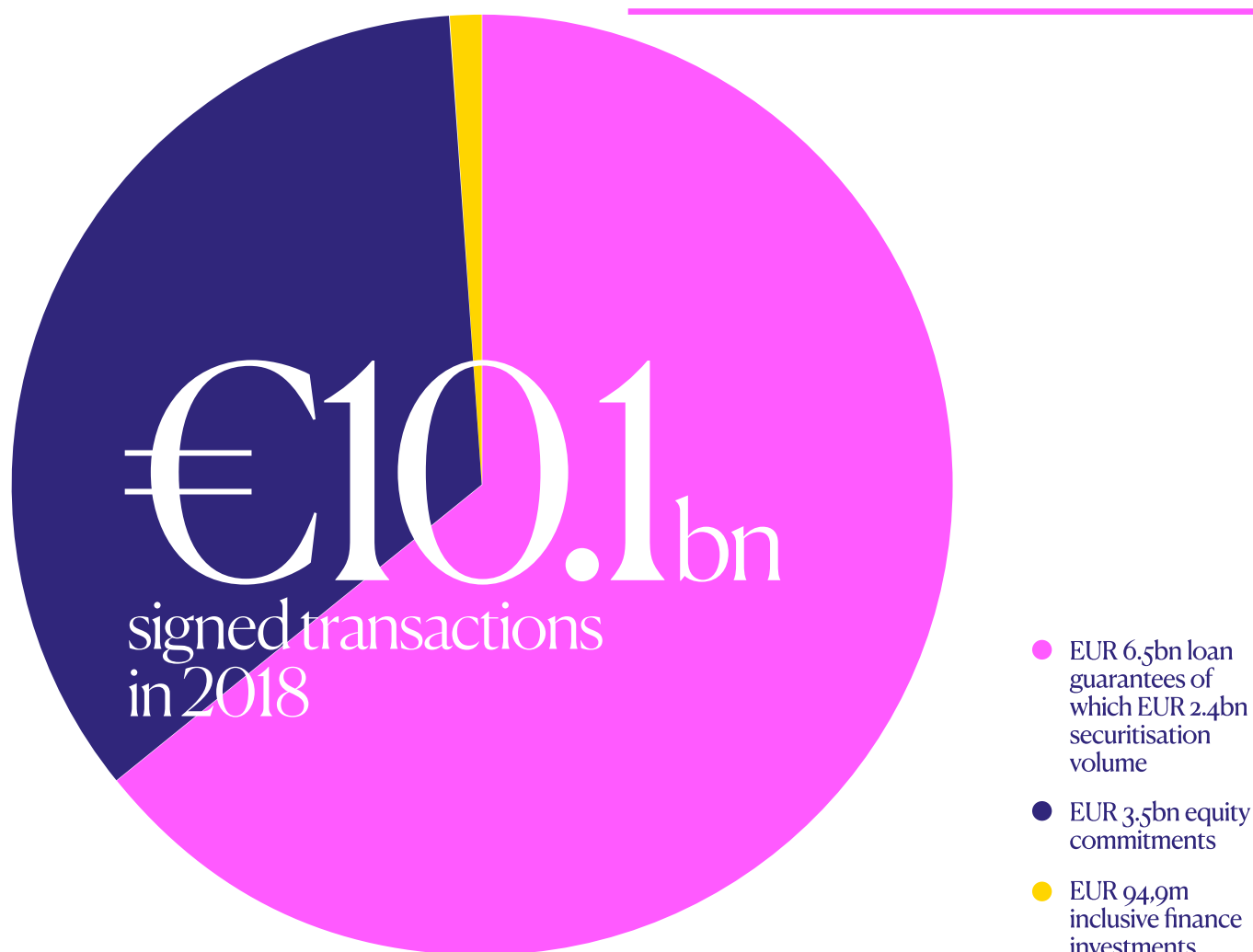
New products and  
sources of financing  
for Europe's small  
businesses

Ongoing positive  
impact on SMEs,  
including 280,000  
SMEs supported

In 2018, the EIF put to work EUR 10.1bn of additional EU finance for SMEs, signing more than 340 transactions with its diverse banking, fund and micro finance partners across Europe.

## EIF commitments in 2018

Split across three broad product types to meet the different SME financing needs.



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# 280,000

SMEs benefitted.

# 2.8m

jobs were supported  
in 2018.



# €43.7 bn

of SME financing  
in the real economy

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Thanks to the EIF's unique approach of using financial instruments, one euro invested leads to more than four euros for SMEs in the real economy.

In 2018, the EIF put EUR 10bn (EUR 9.3bn in 2017) to work, leading to an additional EUR 43.7bn (EUR 35.4bn in 2017) in SME financing, effectively multiplying public resources by 4.33 (3.81 in 2017) at the aggregated level.

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This significant increase in volume and impact was in part due to funding from the European Fund for Strategic Investments (EFSI) SME window, which has reached more than 857,600 SMEs so far.

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## Investment in European SMEs hits EUR 10.1bn

For the first time, our annual investment volumes have hit double billion figures. Led by:

- 1 Soaring demand from Europe's innovative entrepreneurs. Transactions providing guarantees that support innovative financing rose from EUR 2.7bn in 2017 to EUR 3.3bn in 2018.
- 2 Increased funding for securitisation. Securitisation helps to make more capital available to SMEs in Europe, and we increased the volume of securitisation transactions from EUR 1.4bn in 2017 to EUR 2.4bn in 2018.
- 3 Mobilised investments implemented under the European Fund for Strategic Investment (EFSI's) SME Window totalled EUR 131.2bn, vastly exceeding the EUR 82.5bn target of July.

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## New products, new sources of financing

We have increased the diversity of financing options for Europe's SMEs. Including:

A new mandate that supports Europe's growing direct lending market - the EFSI Private Credit instrument.

Guarantees to support financing for agricultural SMEs.

New funds to support Europe's growth financing market.

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We are also diversifying our own funding sources to channel more investment into Europe's SMEs. This includes:

Attracting institutional investor funding into our strongest funds, which helps us to attract a sustainable source of funding from investors in Europe and beyond.

Securing regional and national resources by working closely with national promotional institutions, and securing more funding under EFSI.

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## What is EFSI?

# EFSI addresses market gaps in financing and mobilises private investment into these areas.

The European Fund for Strategic Investments (EFSI) is a crucial source of investment for the EIF and SMEs in Europe. Set up in 2015 as part of the Investment Plan for Europe, EFSI addresses market-gaps in financing - whether in infrastructure, research, energy efficiency or risk finance for SMEs - and mobilises private investment into these areas. The EFSI SME Window is implemented by the EIF on behalf of the EIB Group and deploys the resources of the European Commission, the EIB and the EIF to improve access to finance for SMEs and small mid-caps that would otherwise struggle to access financing.

## Positive impact on SME financing ecosystem

# 1.5m

## SMEs financed since the inception of the EIF

1.5m SMEs in total have gained financing thanks to EIF support, and 857,600 SMEs are expected to benefit under EFSI SME Window in total.

However, impact is about more than volume. SMEs in Europe now have access to a diverse range of financing thanks to the EIF's support. Some notable signs of the positive impact of this support include:

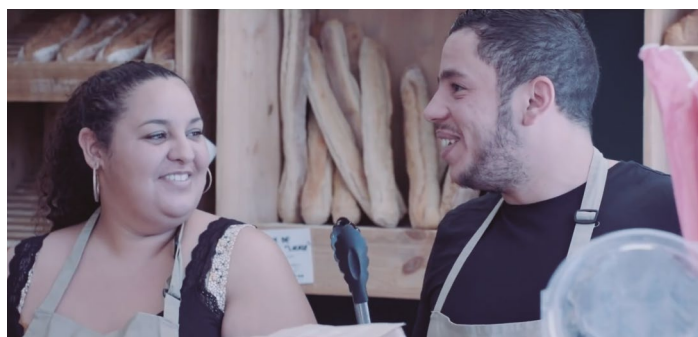
### Start Ups

Thanks to the EIF's support, Spotify has been able to access early and growth-stage financing at a scale that allows it to fundraise globally - with a EUR 30bn direct listing in 2018.

### Scale Ups

Our recent research shows that small businesses that receive a loan guaranteed by the EU grow more than comparable businesses that do not receive a loan guaranteed by the EU.

### Case Study: Drôle de Pain, Responsible bakery



Montpellier-based Drôle de Pain is a bakery with a difference – around half of its workforce is made up of ex-convicts, substance abusers or unemployed people facing social exclusion. “No matter how small your impact may be, you have to try” says Antoine Soive, the baker firmly committed to social responsibility and environmental sustainability. Since 2013, Antoine has offered placements to people from vulnerable groups in order to help them to re-integrate into society. Thanks to a loan from ethical bank LaNef guaranteed by the EaSI Guarantee Facility Instrument backed by the EU and the EIF, Antoine has been able to make the necessary renovations to open a second bakery with ten new employees. Today he runs three bakeries employing over 20 people, sourcing his ingredients locally and using renewable energy to power his project. “For me it’s about values. It’s more than just senseless capitalism. It’s a tiny contribution, but it’s something to make things better,” said Antoine.



The European Investment Fund's (EIF) mission is to improve access to finance for SMEs.

It does this by designing instruments that remove some of the risk taken by financial institutions when they lend to or invest in small businesses.

As part of the European Investment Bank (EIB) Group, the EIF manages resources on behalf of the EIB, the European Commission, national and regional authorities and other third parties.



@eif4smes

