
PRESS RELEASE

MicroBank and the European Investment Fund extend their agreement to foster the financing of 45,000 projects of entrepreneurs and micro-enterprises

- ***The €600 million agreement will facilitate the funding of projects by entrepreneurs and micro-enterprises.***
- ***The loans could be allocated to the creation, consolidation or expansion of businesses, helping to create and maintain jobs among groups with greater difficulties in accessing financing.***

Madrid, 26th February 2020 - The Head of Equity Investments & Guarantees at the European Investment Fund (EIF), Alessandro Tappi, and the Chairman of MicroBank, Juan Carlos Gallego, have signed an extension of the guarantee agreement currently in place between both the two entities.

With this agreement, MicroBank, the social bank wholly owned by CaixaBank, the leading retail bank in Spain, reaffirms its commitment to the European Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME), managed by the European Investment Fund. As part of the agreement, the total volume of loans to be granted to self-employed professionals and micro-enterprises in the period of 2017-2021 amounts to €1.2 billion. As a result of this extension, new loans amounting to €600 million could be allocated, benefiting over 45,000 entrepreneurs and micro-enterprises. The agreement is backed by the European Fund for Strategic Investments, a key pillar of the Investment Plan for Europe.

With the EIF backing, this funding will be granted based on the applicant credibility and the feasibility of their projects. The loans can be allocated to support the launch of new businesses, as well as to consolidate or expand the ones already in existence, contributing to job creation and consolidation among groups facing difficulties when accessing financing.

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The signing of this new agreement signals the strengthening of the collaboration between the two institutions. Since MicroBank's creation in 2007, the EIF has supported its granting of microloans. The agreement signed yesterday enables the ongoing provision of aid already received through the COSME programme, which MicroBank has been a participant of since 2014.

About the COSME programme

COSME is the EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises running from 2014 - 2020 with a total budget of €2.3 billion. At least, 60% of the programme will be devoted to easing access to finance for SMEs in Europe, with two financial instruments. The COSME Loan Guarantee Facility supports guarantees and counter-guarantees to financial institutions to help them provide more loan and lease finance to SMEs. This facility also includes securitization of SME debt finance portfolios. The COSME programme also invests through the COSME Equity Facility for Growth in equity funds that provide risk capital to SMEs mainly in the expansion and growth stages. The COSME programme builds on the success of the Competitiveness and Innovation Framework Programme (CIP) (2007-2013) which helped to mobilize almost €21 billion of loans and more than €3 billion of venture capital to over 384,000 SMEs in Europe.

Companies can contact the financial institutions selected in each country to access to the EU funding: <http://www.access2finance.eu/>

About the EIF

The European Investment Fund (EIF) is part of the European Investment Bank Group. Its central mission is to support Europe's micro, small and medium-sized businesses (SMEs) by helping them to access finance. EIF designs and develops venture and growth capital, guarantees and microfinance instruments which specifically target this market segment. In this role, EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment.

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About MicroBank

MicroBank, CaixaBank's social bank, is the only bank in Spain chiefly dedicated to financing projects through microloans. It fulfils the company's commitment to socially responsible banking and generating a positive impact on society through its activities. The bank offers microloans and unsecured loans of up to 50,000 euros to entrepreneurs and micro-enterprises, as well as other impactful financing allocated to sectors of society seeking to generate a positive social impact, such as the social economy, education, health and innovation.