

> **ELKARGI** SGR

INSTRUMENTO CLAVE PARA LA **FINANCIACIÓN** EMPRESARIAL

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Conference
"Saving Jobs"
Madrid, 6 July 2017

ELKARGI SGR

Tu **aliado** financiero. Zeure alboan.

Brussels | 26.09.2017

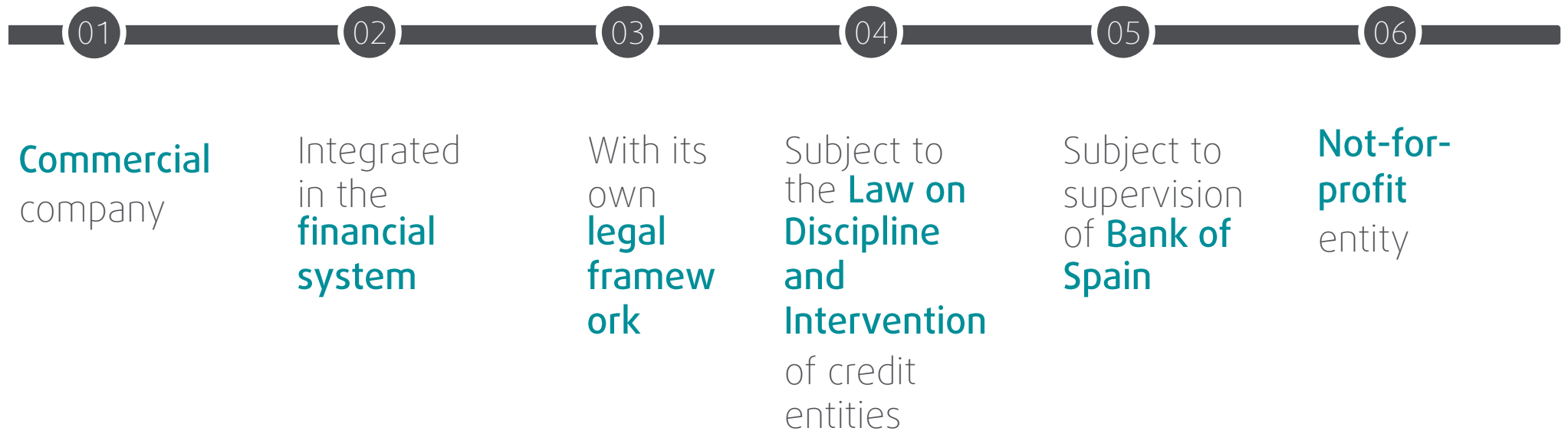
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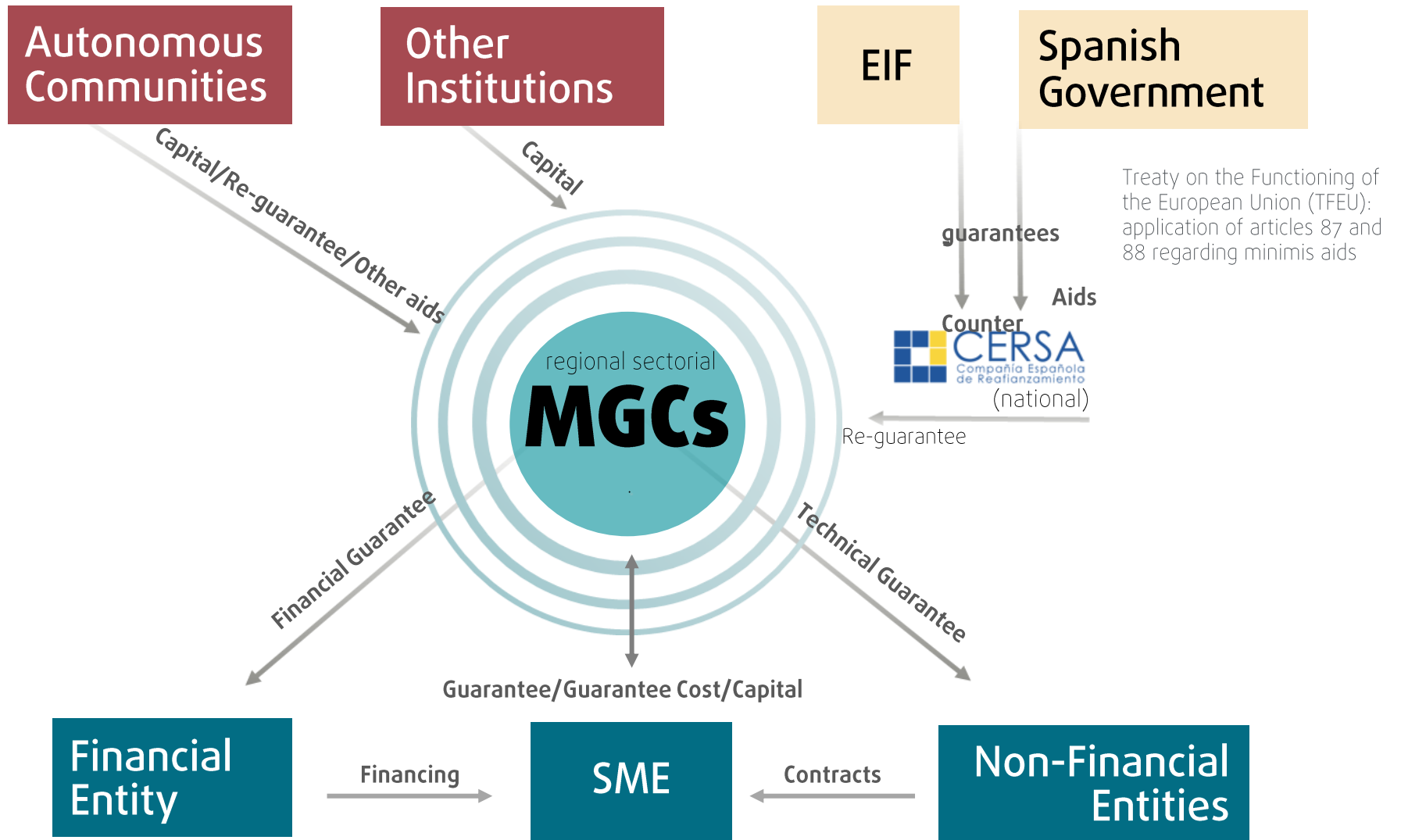
> 01

THE ROLE OF THE MUTUAL GUARANTEE COMPANY

THE ROLE OF THE MUTUAL GUARANTEE COMPANY (MGC) FINANCING SMES

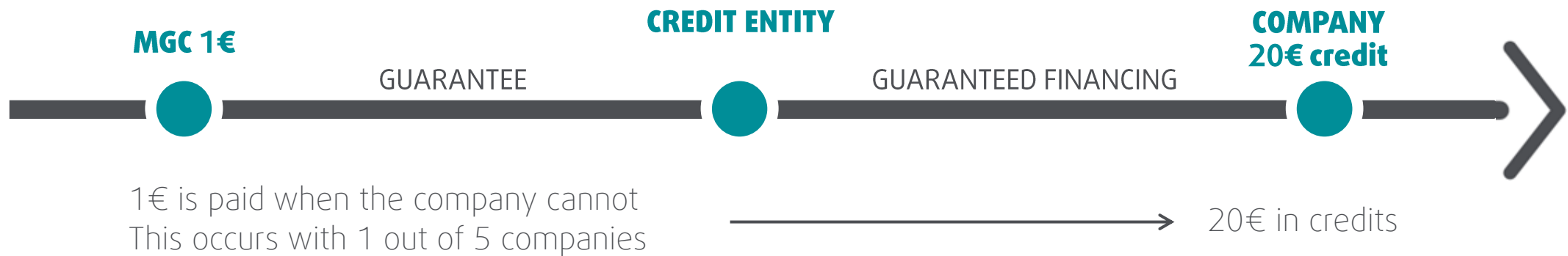


MULTIPLYING EFFECT OF THE SYSTEM



TOOL THAT GENERATES ECONOMIC AND SOCIAL BENEFITS

MULTIPLYING EFFECT OF RESOURCES



ECONOMY AND EMPLOYMENT GENERATING EFFECT

4 out of 5
guaranteed
companies remain



ADVANTAGES OF THE GUARANTEE



FOR COMPANIES

- › **The size** of the company does not matter
- › It grants **the project** credibility
- › Provides access to **real financing**
- › **Investment and working capital**, national and international
- › Preferential **conditions** for cost and funding period
- › **No need to change** financial entity
- › Makes possible **an increase in risks assigned** to the financial entity



FOR FINANCIAL ENTITIES

- › Risk coverage with **liquid guarantee**
- › **Reduces** non-performing loan ratios
- › **Minimises** long-term risk
- › **Eliminates** loan-loss provisions
- › Provides for increase in **quota/risk** per company

> 02

ELKARGI MGC
YOUR FINANCIAL ALLY.
ZEURE ALBOAN.

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TYPES OF ELKARGI GUARANTEES

2 TYPES



FINANCIAL GUARANTEE

Guarantees monetary obligations

- › Investment loans, financial restructuring, working capital
- › CDTI, Reindus, reimbursable advance, etc.
- › Domestic/international commercial discount, advances on invoices, factoring, confirming, importation financing, letters of credit, credit account



TECHNICAL GUARANTEE

Guarantees non-monetary obligations,
for contract compliance

- › Provisional and definitive deposits, anticipated subsidy collection
- › Performance guarantee, work completion, supply and provision of services, advances received

THE DATA BACKS UP **ELKARGI'S PROFESSIONAL INTERMEDIATION** IN FUNDING LINES 2016

At the service
of **SMEs** since
1980

14.800
PARTNER
COMPANIES

Domestic scope:
**Basque
Country**
and **Navarre**
mainly

6.45M€
GUARANTEES
FORMALISED

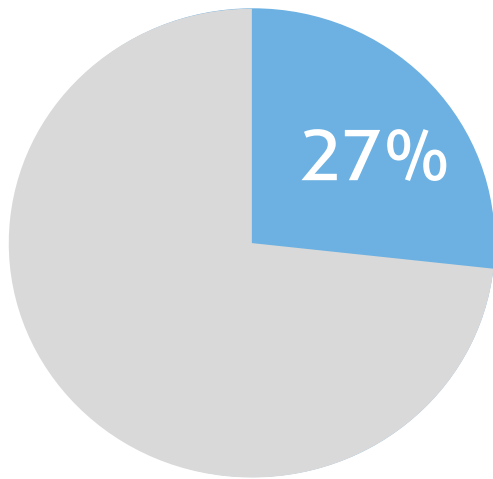
122,590
GUARANTEES
GRANTED

946M€
CURRENT
RISK

+15%
SOLVENCY

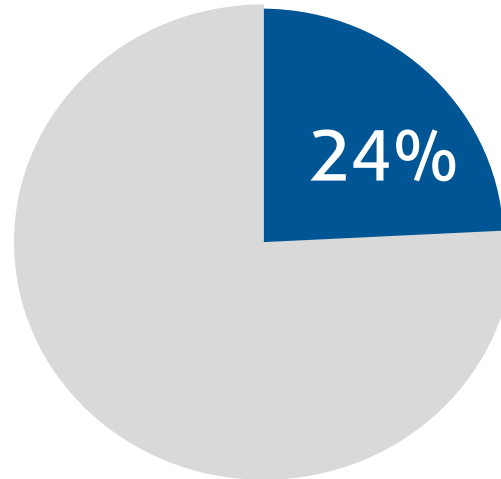
1

STATE GUARANTEEING ENTITY IN GRANTING GUARANTEES WITH DIRECT IMPACT ON THE BUSINESS NETWORK



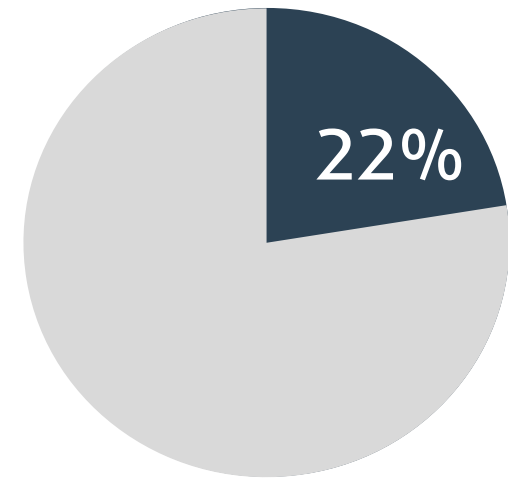
27% OF THE TOTAL
GUARANTEES
FORMALISED 2016

- MGC SECTOR -



24% OF TOTAL
GUARANTEES
IN FORCE

- MGC SECTOR -

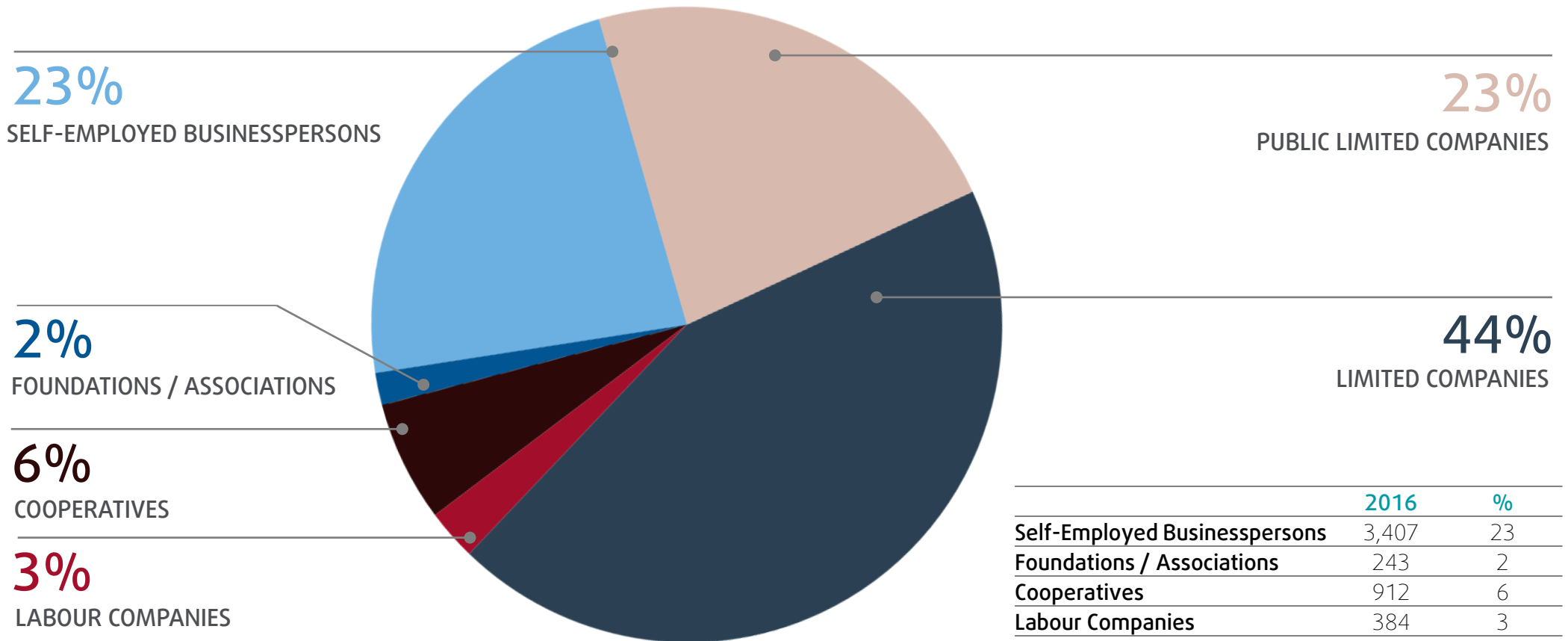


22% OF HISTORIC TOTAL
OF GUARANTEES
FORMALISED

- MGC SECTOR -

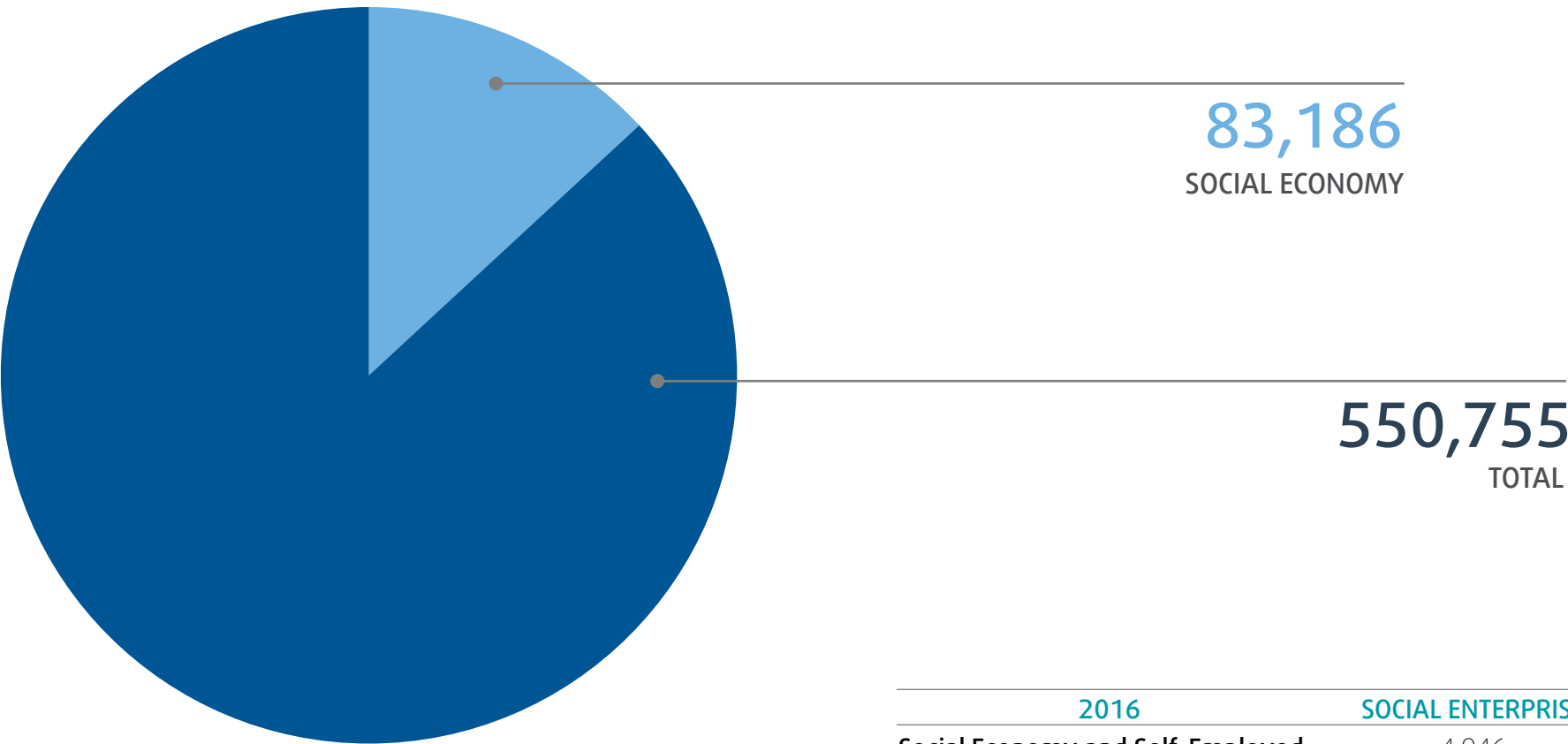
ONLY MGC SPECIALISED IN SOCIAL ECONOMY

34% OF OUR PARTNERS ARE COMPANIES AND ENTITIES FROM THE SOCIAL ECONOMY AND SELF-EMPLOYED



	2016	%
Self-Employed Businesspersons	3,407	23
Foundations / Associations	243	2
Cooperatives	912	6
Labour Companies	384	3
Limited Companies	6,529	44
Public Limited Companies	3,343	23
ALL	14,818	100

PROVIDES **ACCESS TO FINANCING,**
 CREATION AND MAINTENANCE OF **EMPLOYMENT**



	2016	SOCIAL ENTERPRISE	EMPLOYMENT
Social Economy and Self-Employed	4.946		83186
ALL	14.818		550.755

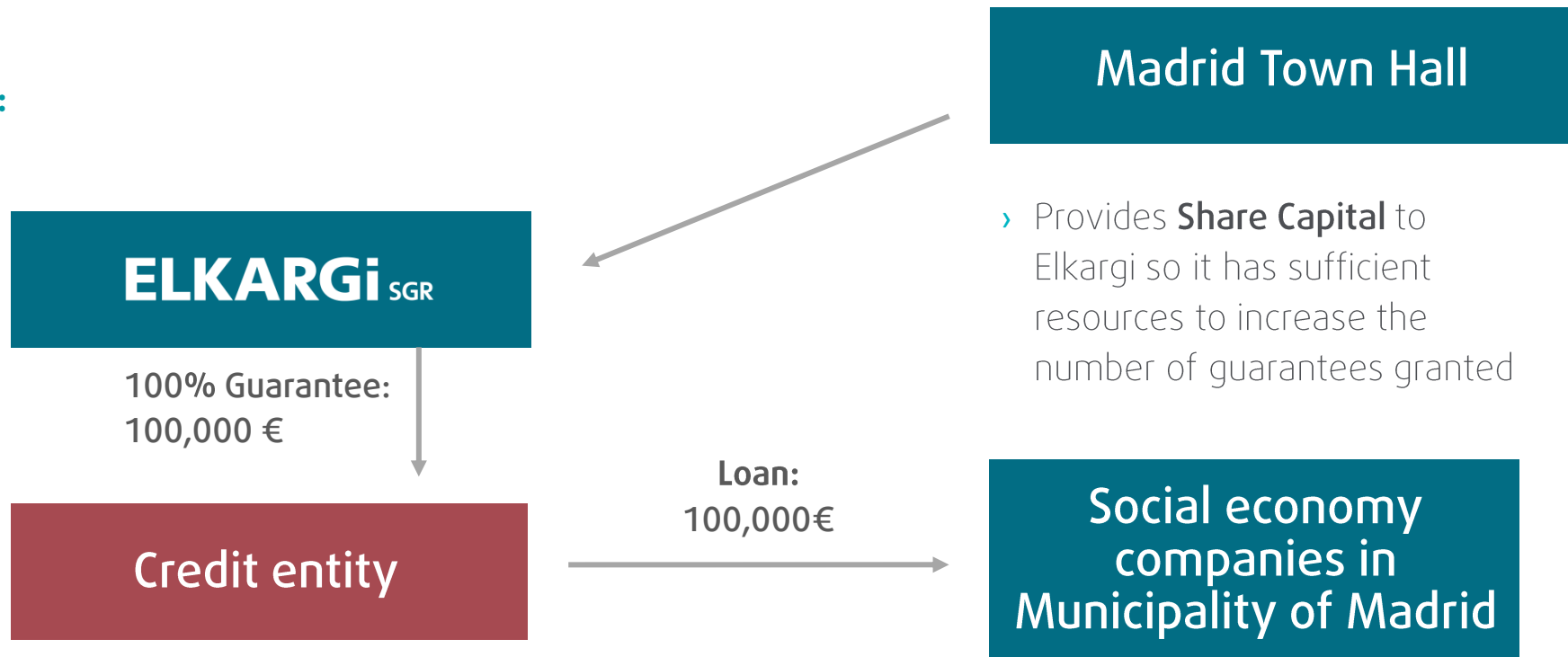
A blurred, teal-tinted photograph of people walking in a crowd, likely in a public space. The image is out of focus, showing the lower legs and feet of several individuals. The overall color scheme is a monochromatic teal.

> 03

Collaboration with public institutions: **agreement with Madrid Town Hall**

AGREEMENT MADRID TOWN HALL

EXAMPLE:



Madrid Town Hall

- › Provides **Share Capital** to Elkargi so it has sufficient resources to increase the number of guarantees granted

Social economy companies in Municipality of Madrid

ADVANTAGES:

- › Increases the **risk limit** with the credit entity
- › Sustainability with **longer-term financing**

ADVANTAGES:

- › **Does not** assume **default risk**
- › **Reduces** non-performing loan ratios
- › **Eliminates** loan-loss provisions
- › Coverage with the best **liquid guarantee**
- › Provides for increasing **risks assigned** to the company

AGREEMENT MADRID TOWN HALL

BUSINESS VENTURE, INNOVATION AND EXPORTATION LINE:

- › Total Financing: **16,000,000 €**
- › Beneficiaries:
 - Economy Entities**
 - Corporate headquarters or work centre in the city of Madrid**
 - SMEs, micro-enterprise**
 - Entrepreneurs** (fewer than 2 years)
 - Innovation or Exportation** (may be more than 2 years)
 - Contribution **own funds 30%** for investment projects
- › Amount to finance: **50,000 € - 300,000 €**
- › Financing type: **Loan**
- › Destination: **Investment + Liquidity**
- › Funding period: up to **7 years** with 2-year grace period max.
- › Interest rate: **Eur +(1 – 1.95%)**

CONSOLIDATED COMPANIES LINE:

- › Total Financing: **10,000,000 €**
- › Beneficiaries:
 - Economy Entities**
 - Corporate headquarters or work centre in the city of Madrid**
 - SMEs, micro-enterprise**
 - Entities** (over 2 years)
 - Contribution **own funds 30%** for investment projects
- › Amount to finance: **up to 600,000€**
- › Financing type: **Loan/Leasing**
- › Destination: **Investment + Liquidity**
- › Funding Period:
 - Investment:** Up to 10 years with 2-year grace period max.
 - Liquidity:** Up to 4 years with 1-year grace period max.
- › Interest rate:
 - Investment:** Eur +(1 – 1.95%)
 - Liquidity:** Eur12m +1.5%

✓
THANK YOU

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