



PRESS RELEASE

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JUNCKER PLAN: EIB SIGNS A EUR 300m GUARANTEE WITH FARMAFACTURING ESPAÑA TO SUPPORT SPANISH SMES' ACCESS TO FINANCE

Small companies supplying goods and services to public sector-related entities will benefit from a discount of invoices at favourable rates, a diversification of funding sources and a reduction in days of sales outstanding.

Spanish SMEs and midcaps working with public sector companies will be able to benefit from improved access to liquidity via an innovative supply chain financing programme that Farmafactoring España (FFE) will implement in Spain thanks to the financial support of the European Investment Bank (EIB). The EIB has granted a EUR 300m guarantee to FFE in the framework of the European Fund for Strategic Investments (EFSI), the central pillar of the European Commission's [Investment Plan for Europe](#) (the so-called "Juncker Plan"). Román Escolano, EIB Vice-President, and Massimiliano Belingheri, CEO of FFE and of BFF Banking Group, signed the agreement today in Luxembourg.

Farmafactoring España focuses its operations on discounting receivables against public administrations. The guarantee provided by the EIB will enable the company to extend its scope to include SMEs supplying goods and services to limited liability companies owned by the public sector. The agreement will contribute to providing risk protection for FFE on a new portfolio of trade invoices issued to SMEs and payable by selected public sector entities over a period of three years. This new platform will benefit SMEs by discounting their commercial invoices at favourable rates and by facilitating timely payment of their outstanding claims. As a result, SMEs benefiting from this financial instrument will diversify their sources of funding, improve their credit metrics and have additional resources to implement further investments.

The support of the Investment Plan for Europe has been crucial in extending the scope of traditional EIB loans for commercial companies owned by the public sector to an innovative operation concerning short-term trade payables. This is the first EIB supply chain operation with a specialised factoring operator.

At the signature event, **EIB Vice-President Román Escolano** said: *"SMEs account for over 70% of employment in Spain. The innovative agreement we are signing today will improve access to credit and working capital management for SMEs supplying goods and services to public sector entities. It will promote a new and alternative channel of financing for SMEs with attractive financial conditions. Financing these companies is a key pillar of EIB activity, as they are a central driver of economic growth and job creation"*.

European Commission Vice-President Jyrki Katainen, responsible for Jobs, Growth, Investment and Competitiveness, said: *"This innovative financing solution will provide Spanish SMEs with the space they need to invest in innovation, expansion and job creation."*



I am glad that the European Fund for Strategic Investments could play an important role in creating this financial instrument. I wish all the beneficiaries every success”.

The Juncker Plan is already expected to mobilise over EUR 28bn in investments in Spain and EUR 209bn across Europe.

Mr Belingheri, CEO of BFF Banking Group, said: *“We are very proud of the agreement signed today with the EIB, aimed at supporting small and mid-sized corporates in Spain. We hope that this innovative operation will be the first of further agreements between the EIB and BFF Banking Group across Europe. We are positioned to be a valuable counterparty, facilitating strict collaboration between corporates, the financial and the public sector”.*

Background information:

The **European Investment Bank (EIB)** is the long-term lending institution of the European Union owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals.

Investment Plan for Europe, the so-called “Juncker Plan”, is one of the European Commission's top priorities. It focuses on boosting investments to create jobs and growth by making smarter use of new and existing financial resources, removing obstacles to investment and providing visibility and technical assistance to investment projects.

The European Fund for Strategic Investments (EFSI) is the central pillar of the Juncker Plan. It provides a first loss guarantee, allowing the EIB to invest in more, often riskier, projects. EFSI is already showing concrete results. The projects and agreements approved for financing under EFSI so far are expected to mobilise more than EUR 209bn in investments and support around 427 000 SMEs across all 28 Member States.

More information on the results of the Investment Plan for Europe is available [here](#).

BFF Banking Group

Farmafactoring España is part of BFF Banking Group, the leading player in Europe in the management and non-recourse factoring of receivables towards public administrations. BFF Banking Group operates in Italy, Poland, the Czech Republic, Slovakia, Spain and Portugal. In 2016 the Group's consolidated adjusted net profit was EUR 88m and the CET1 ratio for the Banking Group at the end of March 2017 was 14.1%.

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