Microfinances for Start-ups and SMEs

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4.981 M2 OF INCUBATION FACILITIES
50 COMPANIES
BACKGROUND

- CREDIT CRUNCH 2008
- TRADITIONAL BANKING SYSTEM DIFFICULTIES
- START-UPS AND ENTREPRENEURS LACK OF CREDIT
FACILITY

➢ PUBLIC – PRIVATE PARTNERSHIP

➢ AIMING AT START-UPS, SMEs AND ENTREPRENEURS

➢ FUND PROVIDED BY THE PROVINCIAL GOVERNMENT OF BURGOS (SPAIN) AND MANAGED BY CEEI-BURGOS

➢ TRANSFERABLE METHODOLOGY / MODEL
HOW DO WE MANAGE UNCERTAINTY?

ASSESSMENT OF FINANCIAL RISK IN UNCERTAINTY ENVIRONMENTS
ESTIMATED RECOVERY PROBABILITY

\[ ERP = CI \left[ \alpha (RR) + \beta (SOA) + \varphi (COA) \right] - [NCR] \]

\( \alpha, \beta, \gamma = \) Weighting level
SOME INDICATORS OF PERFORMANCE I

01/01/2013 – 23/10/2019

155 APPLICATIONS

87 GRANTED

3 IN STUDY

65 REJECTED
SOME INDICATORS OF PERFORMANCE II

01/01/2013 – 23/10/2019

Total budget (Microfinance fund)
1.125.000.-

Total loans granted
1.677.636.-

Total leveraged investment (approved applications)
5.226.149.-

Fully repaid
1.117.104

Jobs created
94

NPL 30
3,04%
DEFAULT RATE COMPARATIVE

SPAIN BANKING SYSTEM 5,8%

EU BANKING SYSTEM 3,7%

EU MICROFINANCE INSTITUTIONS 13,9%

CEEI-BURGOS MICROFINANCE FACILITY 3,04%
Thank you