



Financial Instruments in Latvia. State of Play

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Market trends in financial market

Commercial bank lending:

- Increased risk aversion
- High collateral requirements
- No focus on start-ups, micro companies, high growing companies
- Viable business projects rejected due to scoring system

Venture capital investments in% of GDP below the EU average



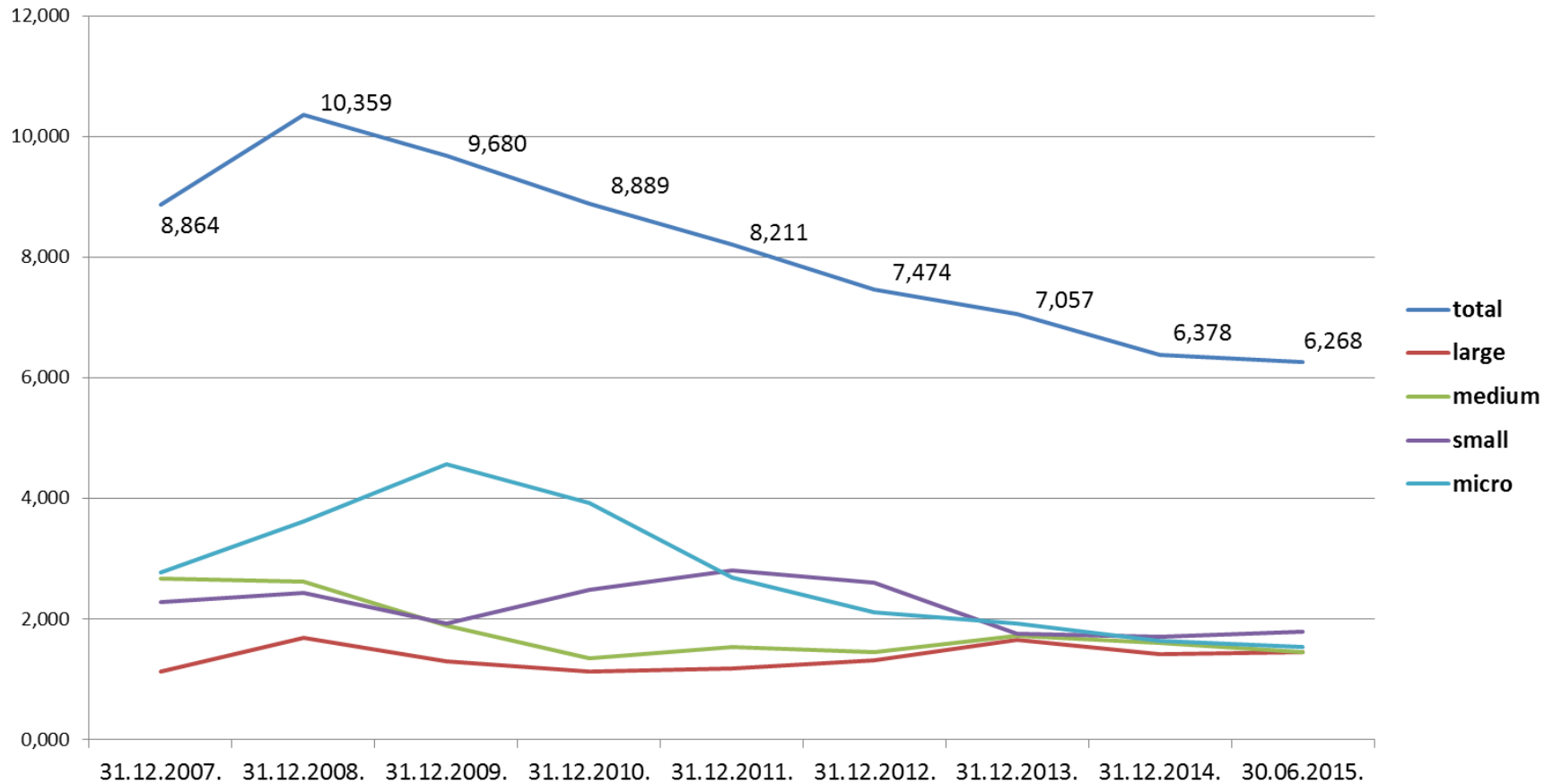


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Total amount of loans outstanding to resident companies from 31/12/2007 to 30/06/2015, in bn EUR



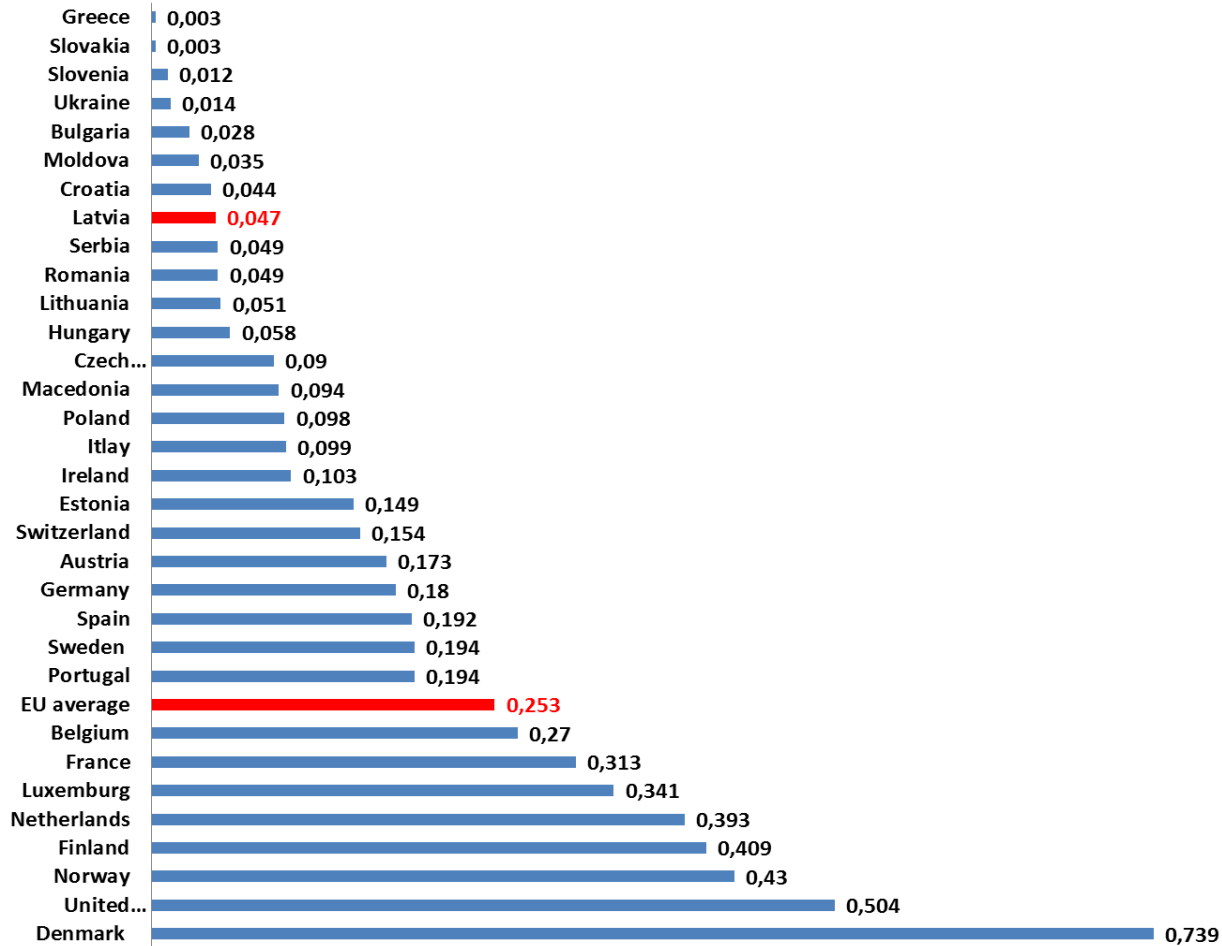


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Venture capital investments in % of GDP (data on 31/12/2013)





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State strategy to improve SMEs access to finance

- **FI objectives to stimulate:**
 - Development of new products, technologies
 - Support for fast growing export companies
 - Stimulation of the creation of new start – ups
 - Focus on high risk loans (basically micro and small companies)

- **Promotion of alternative forms of financing to commercial banks (venture capital)**

- **FI based on market gap analysis**





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Debt instruments of 2014 - 2020

FI	ESI Funds, m EUR	Other public sources, m EUR	Private sources, m EUR	Total budget, m EUR
Direct microloans	3	7	-	10
Indirect microloans	3	12	2,65	17,65
Start-up loans	10	10	-	20
Growth loans	-	40	-	40
Loan guarantees	20	-	-	20
Export credit guarantees	-	20	-	20





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Equity and quasi equity instruments of 2014 - 2020

FI	ESI Funds, m EUR	Other public sources, m EUR	Private sources, m EUR	Total budget, m EUR
Accelerator funds	15	-	0,7	15,7
Business angels co-investment fund	10	-	0,5	10,5
Venture capital fund	30	-	8	38
Growth capital fund	30	-	20	50
Mezzanine	5	10	-	15

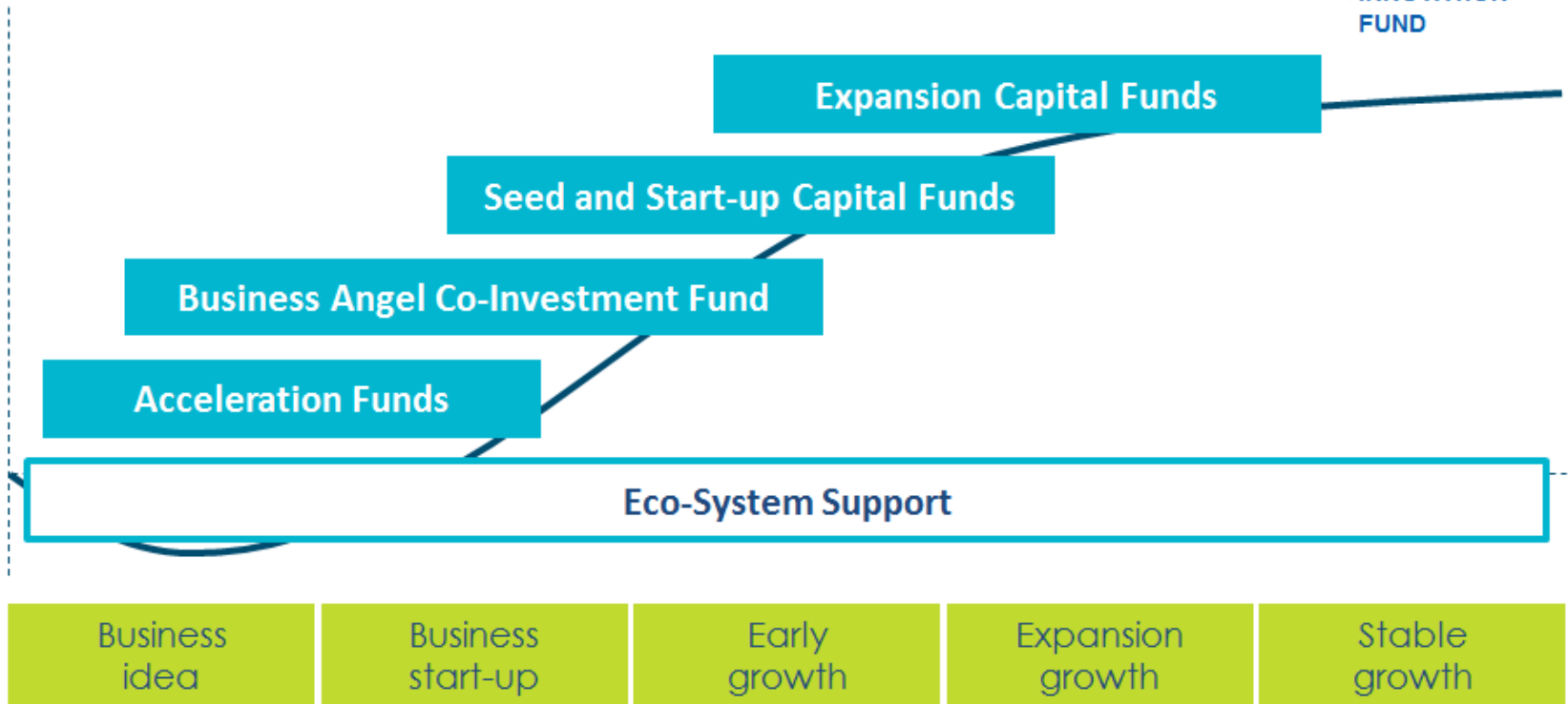




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Thank you

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