



European Investment Fund

Improving SMEs Access to
Finance Luxembourg 09 July 2015

Small and Medium-sized Enterprises (SMEs) key facts

“ SMEs are major contributors to economic **growth** and **job** creation in Europe ”



99%

of businesses in Europe are **SMEs**

20 million

SMEs in Europe totalling **86 million jobs** which equal **66.5%** of all European jobs

EUR 3.4 trl

of **SME contribution** to the GDP* of the EU-28

1 in 3 SMEs

failed to obtain the financing they needed in 2013. This is where EIF steps in.

*source: Annual Report on European SMEs 2012/2013 - European Commission – 2012 figure



What is the EIF?

Section One

What is the EIF?

“ We provide **risk financing** to stimulate **entrepreneurship and innovation** in Europe ”



Making
finance more
accessible and
helping SMEs to
innovate and
grow

Offering
a large array of
targeted products
to support **SMEs**
ranging from venture
capital to guarantees
and microfinance to
SMEs

Working
with financial
intermediaries
across the **EU-28**
EFTA countries,
candidate &
potential candidate
countries

Supporting
the market in a
countercyclical
way

A few facts about us

“We pursue **EU** policy objectives and financial sustainability”



Shareholders

unique tripartite structure: 63.7% European investment Bank (EIB), 24.3% European Commission (EC), 12% 26 public & private financial institutions (FIs)

Assets under management

of **EUR 14bn**, mobilising over EUR 77bn with other market players

AAA-rated

by three major rating agencies

Capital increase to EUR 4.5bn

ensuring strong capital base

Our history

“ We have designed and implemented financial solutions for SMEs for **20 years** and so far supported more than **1.5 million SMEs** ”



1994

Founded and started by providing **guarantees** to financial intermediaries ; in 1997 offer expands to **venture capital**

2000

EIB becomes majority shareholder and makes EIF the “SME risk finance specialist”

2004

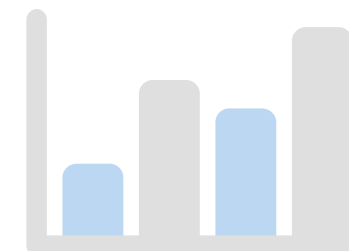
EIF starts to manage the **first** SME focussed **fund-of-funds** on behalf of an EU Member State

2014

EIF’s role strengthened with **increased capacity** allocated by its shareholders for the benefit of European SMEs

Our objectives

“ To support **smart, sustainable and inclusive** growth for the benefit of European SMEs ”



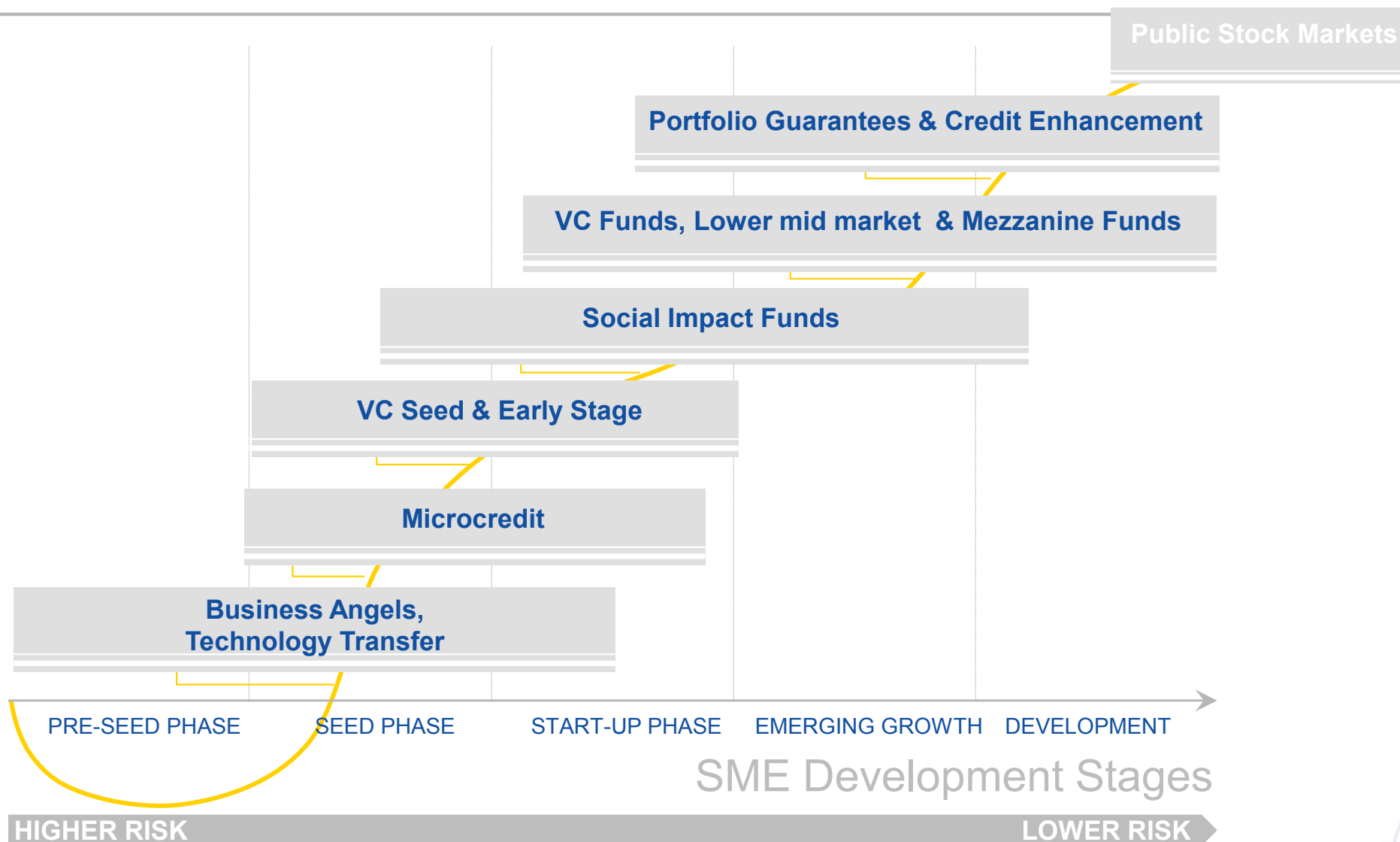
Be
Europe's
leading **investor** in
venture and growth
capital & a **catalyst**
to promote **SME**
lending &
microfinance

Support
innovation &
entrepreneurship
and bring together
public and private
partners

Fill
the SME
financing
gap
and leverage public
funds by attracting
private capital

Achieve
policy objectives
and **return on**
capital

Helping businesses at every stage of their development



A few key figures

“ We are the prime provider of SME financing in Europe ”



Equity*

2014 commitments:
EUR 1.7bn
which mobilised
EUR 8.2bn

Guarantees & securitisation *

2014 commitments:
EUR 1.6bn
which mobilised
EUR 5.6bn

Microfinance*

2014 commitments
EUR 51m
which mobilised
EUR 135m

500 venture and growth funds

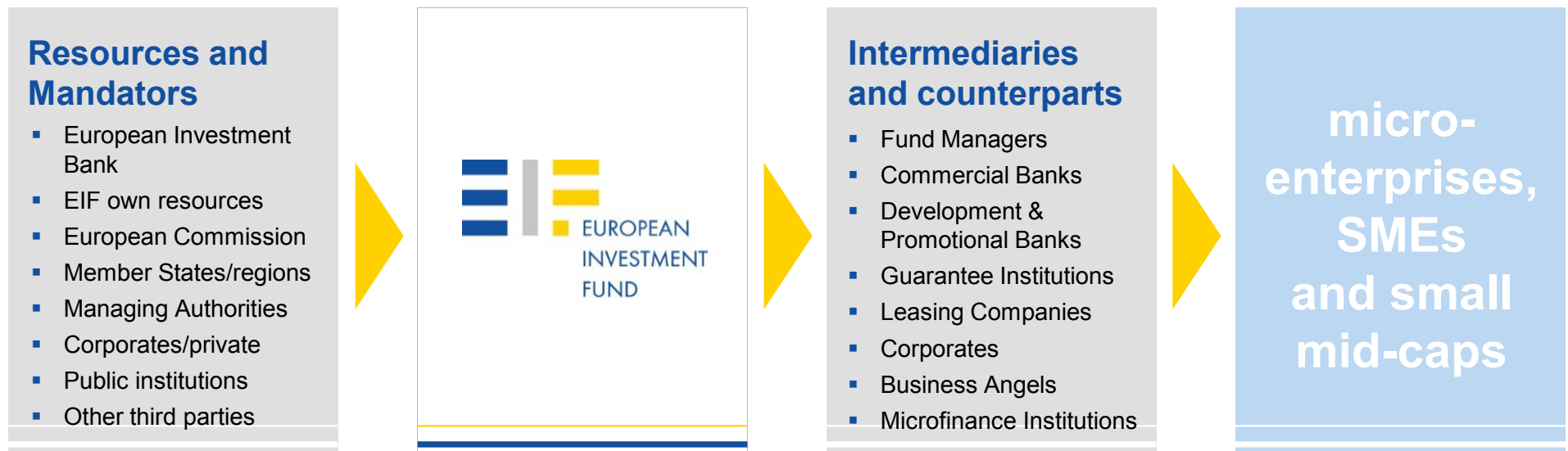
400 banks, guarantee and promotional institutions

1.5m SME/midcaps supported

EUR 14bn in total outstanding commitments mobilise over **EUR 77bn**

Our counterparts

“ We work with a **wide range of counterparts** to support SMEs ”



“ We manage resources on behalf of a variety of stakeholders ”

European Investment Bank

- Risk Capital Resources (RCR)
- EIB Group Risk Enhancement Mandate (EREM)
- Progress Microfinance

European Commission

- CIP* allocated to equity and guarantees
- Risk-Sharing Instrument (RSI)/InnovFin
- Progress Microfinance
- SME initiative
- WB EDIF**

National & Regional Funds

- **14** funds-of-funds including in the Balkans, Germany, Poland, Portugal, Spain, Turkey, UK
- **14** Holding Funds supported by struct. funds

*CIP: Competitiveness and Innovation Framework Programme

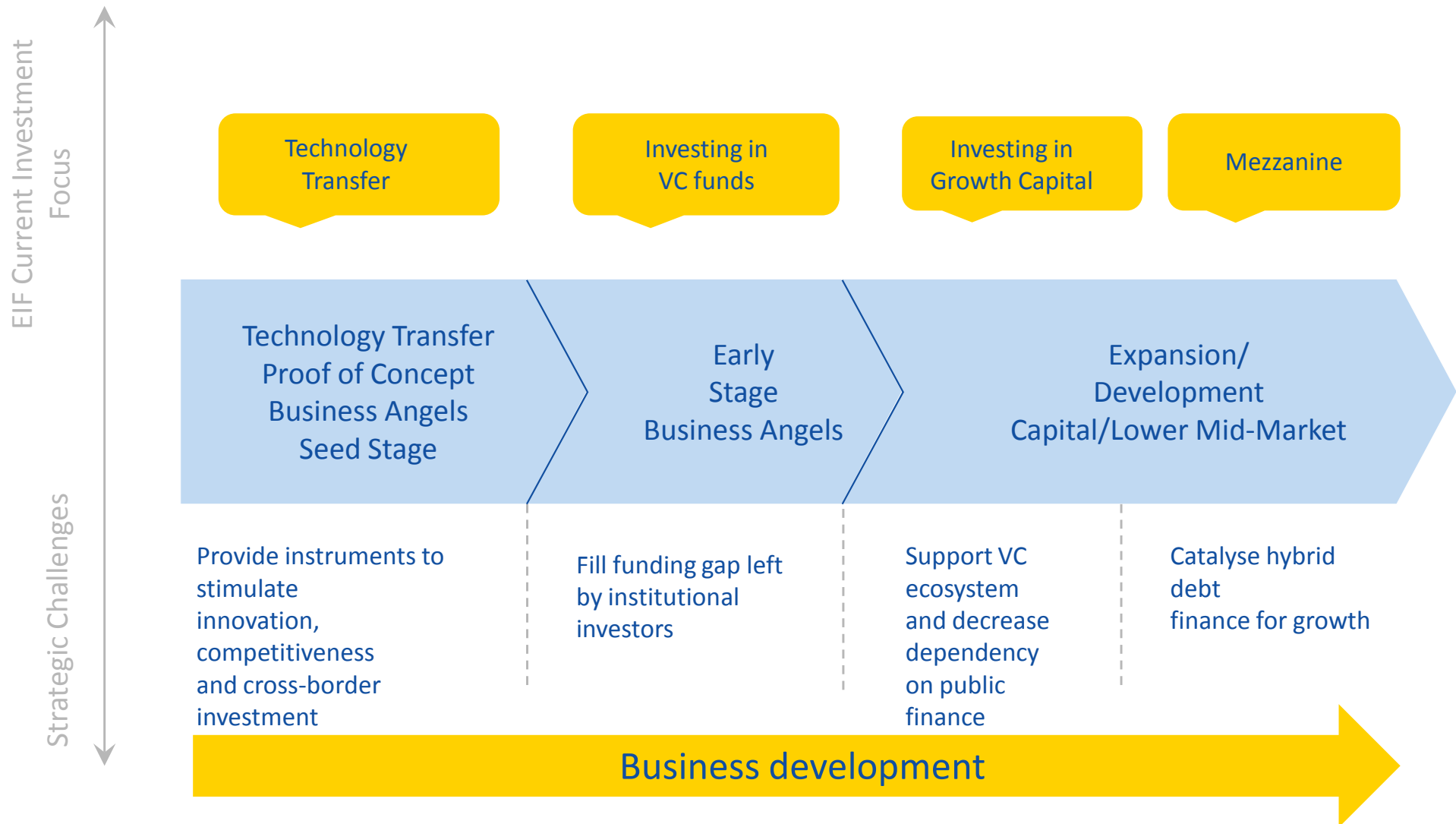
**WB EDIF: Western Balkans Enterprise Development & Innovation Facility



How do we help small and medium-sized enterprises?

Section Two

Equity: Involved throughout the business cycle



Guarantees: Encouraging SME lending by sharing risk

“ We provide a wide range of products to increase our intermediaries’ lending capacity to SMEs ”

We protect

our financial intermediaries’ capital by sharing the risk they take when lending to SMEs

We make it easier

for financial institutions to transfer credit risk to capital markets

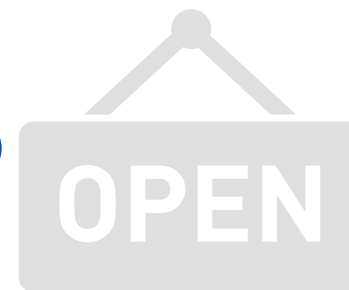
We provide

“First loss” guarantees, risk sharing instruments and credit enhancement

- SMEs benefit from reduced collateral requirements
- Guarantees are often provided free of charge, which benefits SMEs

Microfinance: Micro-enterprises are key to European economy

“ By supporting **micro-enterprises** we promote **job creation**, entrepreneurship and **social inclusion** ”



Improving

the availability of finance for micro-entrepreneurs, the self-employed and vulnerable social groups who often lack access to the commercial credit market

Providing

financial (equity and guarantees)
and non financial (Technical Assistance) instruments
to increase microfinance institutions' funding capacity & sustainability

Committing

to the EU 2020 objectives of smart, sustainable and inclusive growth



How do we cooperate with EU Member States & Regions?

Section Three

How does EIF cooperate with EU Member States and regions?



“ We foster **SME development** in EU Member States and regions ”



Developing

targeted **financial instruments** for EU Member States, Accession Countries & Regions

Encouraging growth

particularly in less developed regions, with the help of **revolving instruments** instead of grants

Providing impartial advice

that helps **regional and national authorities** manage their resources

Transferring know-how

to regions and helping develop **sustainable risk capital** markets at the local level

EIF-managed fund-of-funds and Holding Funds across Europe

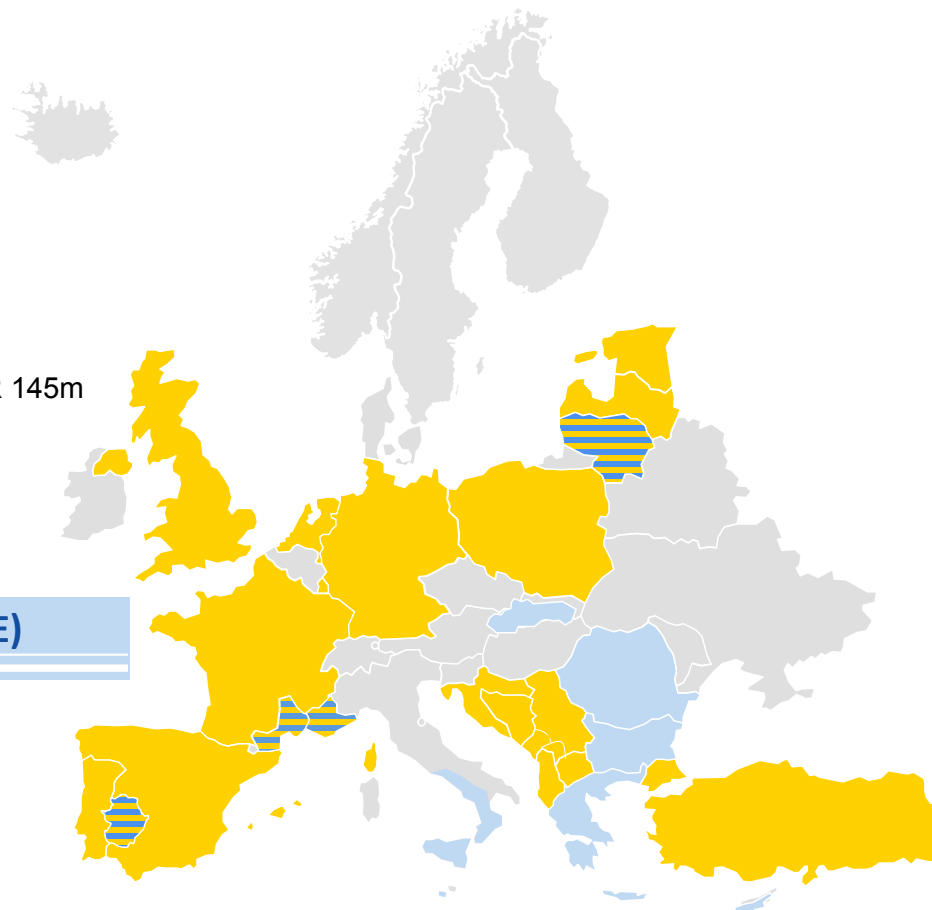


Fund-of-fund Activity

UK FTF: GBP 200m	BIF (LT,LV,EE): EUR100m
ERP (DE): EUR 1000m	DVI (NL): EUR 150m
LFA-EIF (DE): EUR 50m	PGFF (PL): EUR 90m
NEOTEC (SP): EUR 183m	MDD (GER): EUR 200m
PVCi (PT): EUR 111m	WBEDIF (AL,BA,HR,MK,ME,RS,XK): EUR 145m
IVCi (TR): EUR 160m	
Future initiatives	
LFF (LU): EUR 150m	

Holding Funds Supported by Structural Funds (JEREMIE)

BULGARIA: EUR 349m	LITHUANIA: EUR 67.1m
CALABRIA (I): EUR 45m	ROMANIA: EUR 100m
CAMPANIA (I): EUR 90m	MALTA: EUR 12m
CYPRUS: EUR 20m	PACA (FR): EUR 20m
EXTREMADURA (ES) : EUR 10m	SLOVAKIA: EUR 100m
GREECE: EUR 250m	SICILY (I): EUR 60m
LANGUEDOC	SICILY ESF (I): EUR 15m
ROUSSILLON (FR): EUR 30m	



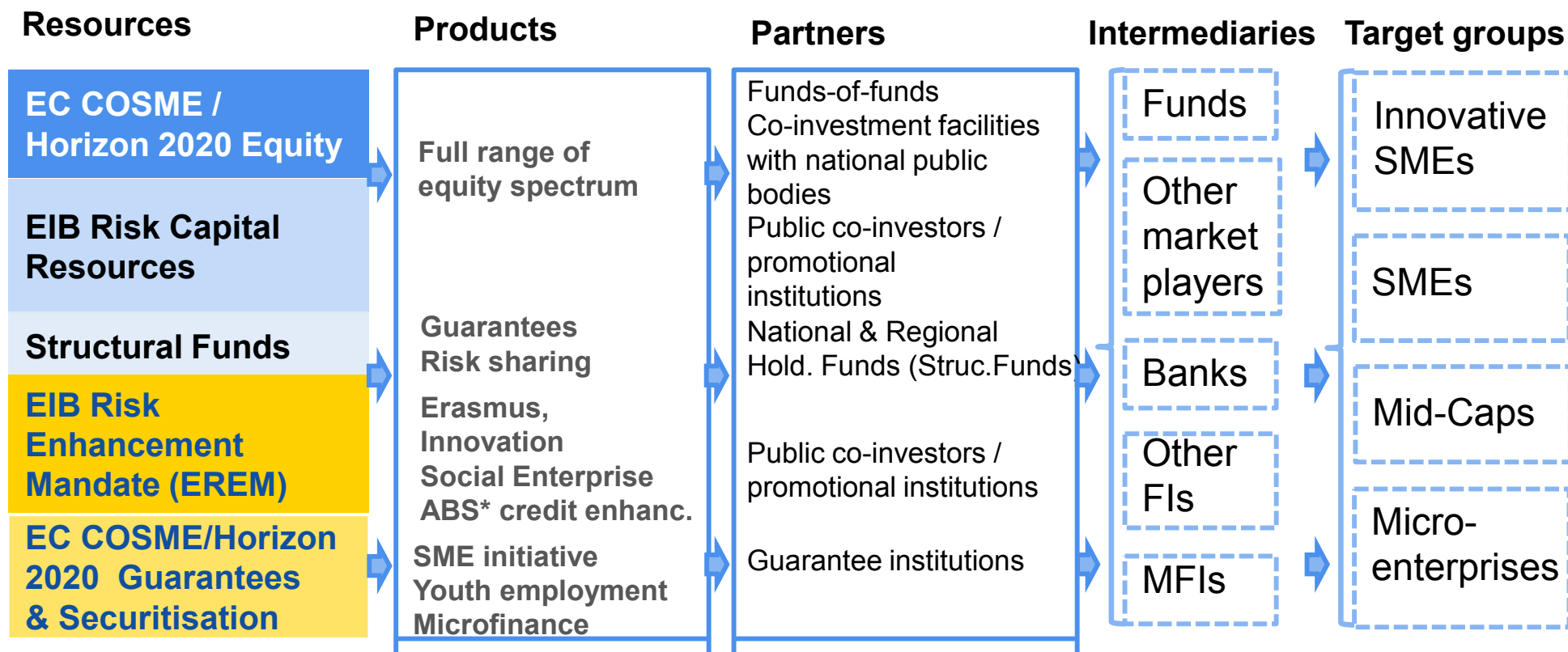


Latest developments

Section Four

The shape of EIF in 2014 and beyond

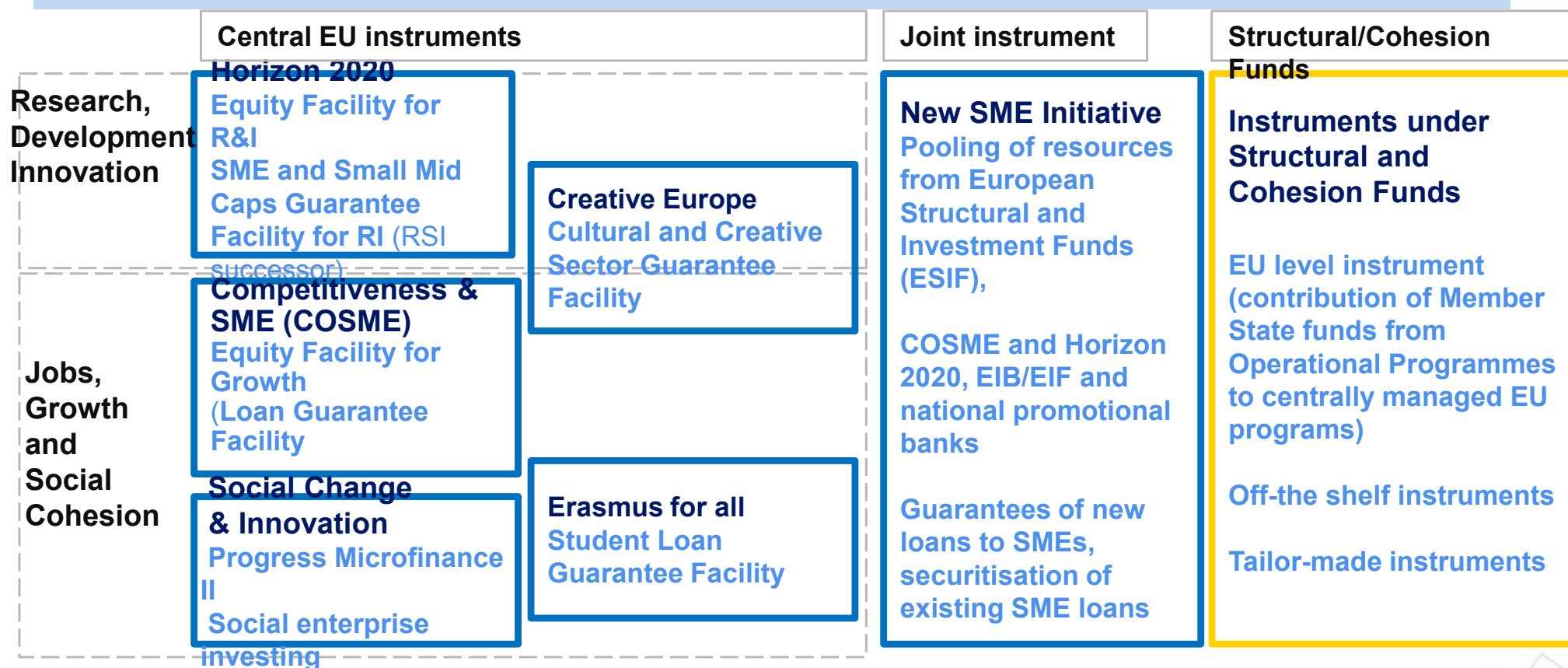
“ Committing and mobilising resources to support **100 000 SMEs** a year ”



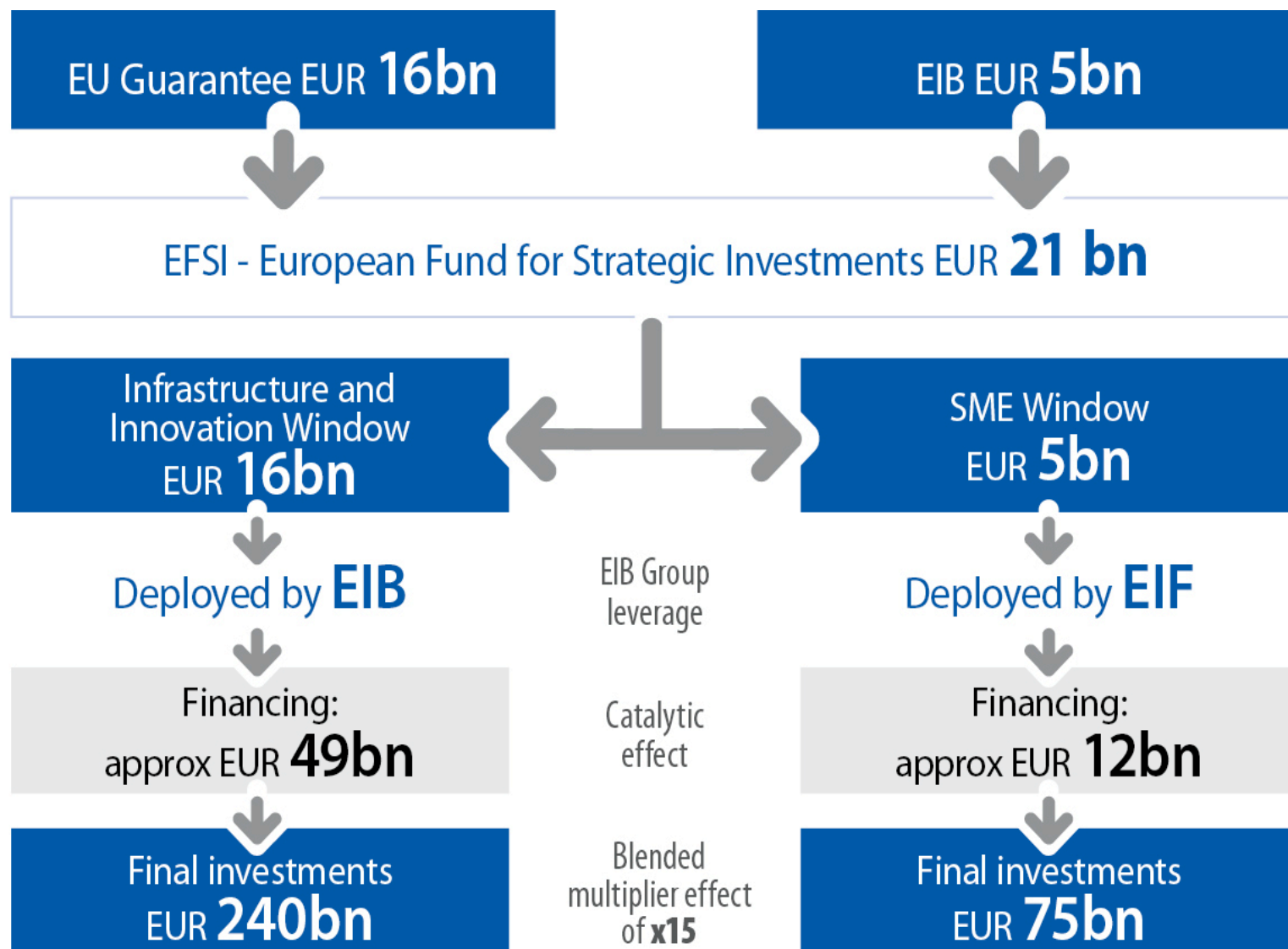
*ABS: asset backed security

Enhanced cooperation with the EC

“ EIB Group is committed to continue implementing EU initiatives ”



European Fund for Strategic Investments (EFSI)



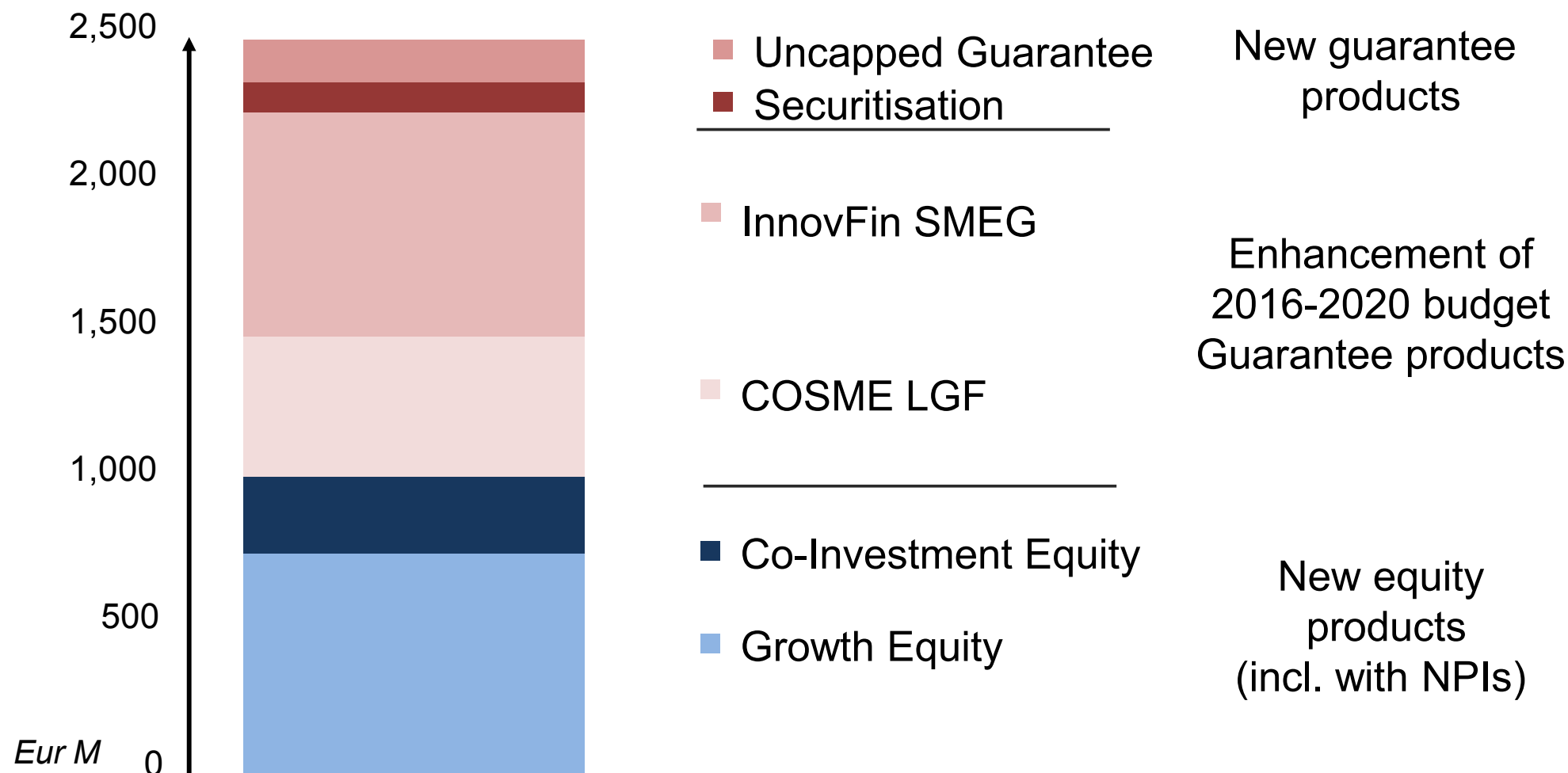
EUR 2.5bn provided by EIB

EUR 2.5bn increase of Equity mandate

- New capacity to invest into private equity /venture capital funds
- With enlarged scope to better meet current market needs

Expected > EUR 30bn of investments at SMEs and mid-caps level

EUR 2.5bn provided by EFSI



Expected > EUR 45bn of investments at SMEs and mid-caps level

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