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This presentation was prepared by EIF. The information included in this presentation is based on figures available for September 2009. Any estimates and projections contained herein involve significant elements of subjective judgment and analysis, which may or may not be correct.

 EUROPEAN INVESTMENT FUND

## EIF Model

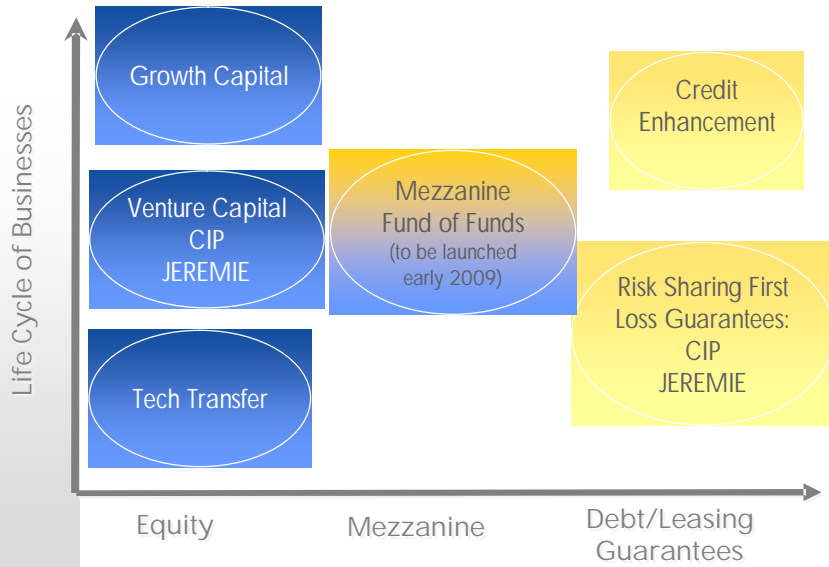
- n Simple and clear business mission
- n Public Private Partnership
- n Strong financial base
- n Operate with a commercial approach
- n Share risk
- n Intermediation

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EUROPEAN  
INVESTMENT  
FUND

## EIF Providing Integrated Financing for Innovative SMEs



EUROPEAN  
INVESTMENT  
FUND

## GIF – principles:

Private-public partnership

Commercially oriented / best market principles

Minimum 50% of private investors

Pari passu with private investors, catalytic effect (added value)

### GIF1 EARLY STAGE

§ Innovative SMEs with high growth potential in their establishment or early stages < 10 years

§ Between 10% and 25% of total commitments

### GIF2 EXPANSION STAGE

§ Innovative SMEs with high growth potential in their expansion stage

§ Between 7,5% and 15% of total commitments

## European eco-innovation venture capital market

- n 6% of European venture capital market investments
- n Focus on earlier stages
- n Likely to grow, but increasingly lagging behind the US
- n Problem: Lack of capital allocated from institutional investors

### Incentives under GIF

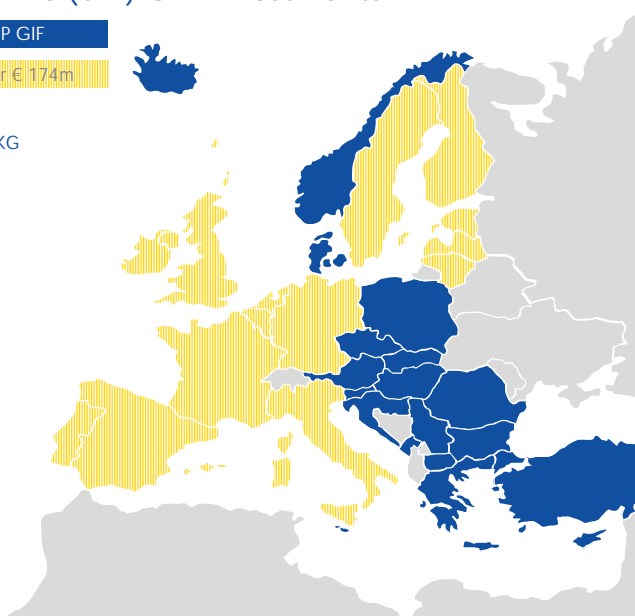
- n For Funds: Increased investment in funds investing in eco-innovative SMEs:
  - n up to 50% of commitments for GIF1
  - n up to 25% of commitments for GIF2
- n For EIF: management fee structure enhancing investments in eco-fund

## Competitiveness & Innovation Framework Programme (CIP) GIF Investments

### COUNTRIES COVERED BY CIP GIF

16 DEALS SIGNED to date for over € 174m

Inventure Fund Ky (ex Holtron)  
 Dritte SHS Technologie GmbH & Co. KG  
 Pinova Fund I  
 Fountain Healthcare Partners Fund I  
 Albuquerque FCR  
 Chalmers Innovation Fund  
 Pentech Fund II  
 UMIP-MTI TTA Fund  
 360 Capital One  
 Balticcap Private Equity Fund  
 Capricorn Cleantech Fund  
 Serena Capital  
 WHEB Ventures Private Equity Fund II  
 Bullnet Capital II  
 Cape Regione Siciliana  
 Demeter II



## General SME Guarantee Facility : Making Debt Finance available to SMEs

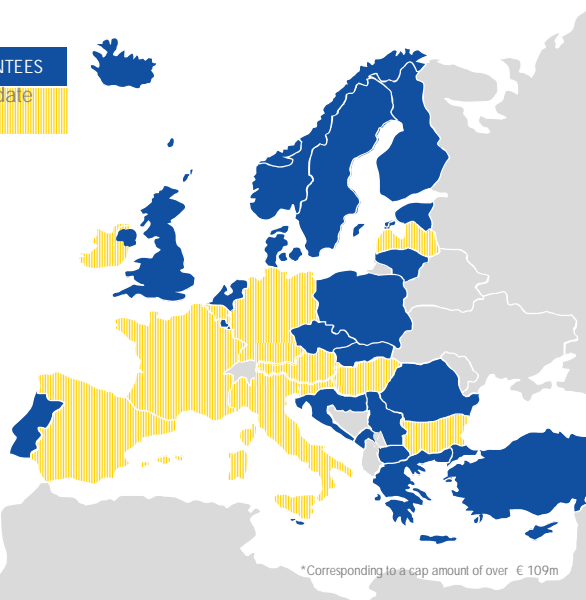
Loan Guarantees	Micro-credit Guarantees	Equity/quasi equity Guarantees	Securitisation of debt portfolios
<ul style="list-style-type: none"> <li>„ Guarantee rate up to 50%</li> <li>„ Cap rate up to 10%</li> </ul>	<ul style="list-style-type: none"> <li>„ Maximum principal EUR 25,000</li> <li>„ Guarantee rate up to 75%</li> <li>„ Cap rate up to 20%</li> <li>„ Technical support to partially offset high adm costs</li> </ul>	<ul style="list-style-type: none"> <li>„ Maximum guaranteed amount EUR 500,000</li> <li>„ Guarantee rate up to 50%</li> <li>„ Cap rate up to 20%</li> </ul>	<ul style="list-style-type: none"> <li>„ Transaction externally rated</li> <li>„ Guarantee rate up to 50% for first loss piece and up to 100% for other tranches</li> <li>„ Additional portfolio's size at least 50% of the securitised portfolio and the content is 100% SMEs</li> </ul>

## Competitiveness & Innovation Framework Programme (CIP) SME Guarantees

COUNTRIES COVERED BY CIP GUARANTEES

AGREEMENTS SIGNED To F.I. to date  
for over € 2.1bn \*

CERSA  
 FdP  
 KfW  
 Siagi  
 Slovene Enterprise Fund  
 SOCAMA  
 UniCredit Bank Hungary  
 ADIE  
 Microbank La Caixa  
 Bulgarian Development Bank  
 Raiffeisenbank Bulgaria  
 Alleanza di Garanzia  
 Federfidi Lombarda  
 Austria Wirtschaftsservice  
 First Step Microfinance  
 Hipoteku Banka



\*Corresponding to a cap amount of over € 109m

## EIF Activity in Belgium

- n Total outstanding Guarantee commitment EUR 552m of which
  - n EUR 132 Commission resources
  - n EUR 390 EIF own funds
  
- n Total VC signature figure of EUR 44m in Belgium

## JEREMIE: Increasing the Deployment of Self-Sustaining Financial Instruments for SMEs

The Joint European Resources for Micro to Medium Enterprises

- n Joint initiative of the EU (DG Regio & EIB Group) launched in October 2005
- n **Joint** also because it potentially combines resources from the EU, National Public Authorities, EIF, EIB and/or other financial institutions)
- n Participation in JEREMIE **optional** for each country
- n Uses structural funds (European Regional Development Funds) for enhancing SME access to finance in Regional Development areas through sustainable and “revolving” financial instruments
- n Enhances flexible management of financial engineering
- n Creates leverage
- n Encourages move away from grant dependency

## Response to the Crisis in 2009

### Mezzanine

- n EUR 1bn facility distributed through specialist funds
- n Quasi-equity, without equity sponsors
- n Mezzanine capital for transmission and development transactions
- n Financing for high growth Technology companies in their development stage

### JASMINE – Microfinance

- n Debt and equity co-financing for Micro Finance Institutions or specialist bank subsidiaries
- n European Commission: Technical Assistance (EUR 4-6m)
- n European Parliament: Funding EUR 4m
- n EIB: Funding EUR 20m
- n Support of EUROFI

## Contact

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