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EU SME Finance day
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European Investment Fund

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

EIF at a Glance

EU specialised institution for SMEs, risk financing
Venture Capital and Mezzanine (fund of funds)
Structuring and Guaranteeing portfolios of SME and microfinance loans/leases

Geographic Focus / Intermediaries
EU 27, EFTA, Candidate Countries
Distributing through Banks and Funds

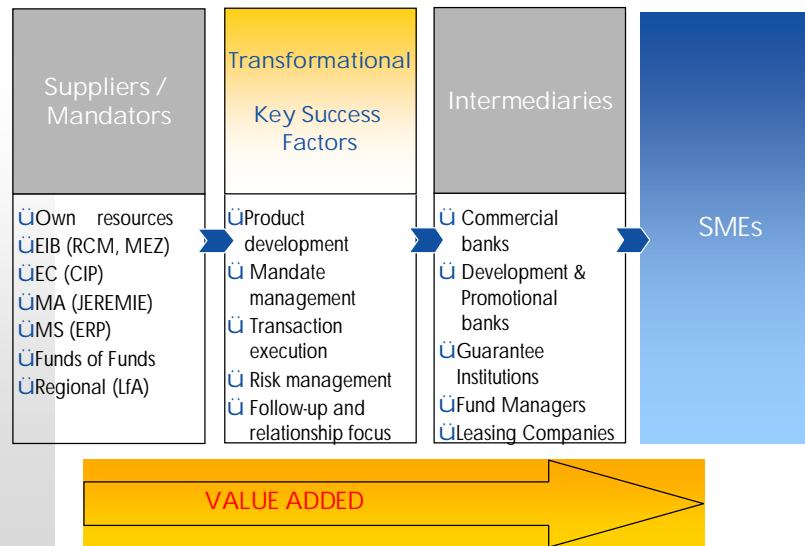
Staffing, Culture and Values
Leading-edge modern institution
Adapting to changing market conditions
Attracting talented staff
High standards of compliance and integrity

Authorised Capital
€ 3bn
EIB: 61%
EU: 29 %
Fin. institutions: 9 %
To be issued: 1%
AAA rated

Dual Objective of Meeting EU Policy Goals & Generating a Satisfactory Return on Equity

1 / 12

Operating Model of EIF Transformational Role of EIF



Competitiveness & Innovation Framework Programme (CIP)

n Purpose

- n Encourage the competitiveness of European enterprises
- n Support innovation and entrepreneurship activities
- n Provide better access to finance
- n Promote the increased use of renewable energies and energy efficiency

n The European Commission has mandated the management of the CIP financial instruments to EIF

n CIP budget - total envelope for €1.1 billion to be split between VC and Guarantees, invested over a period 2007-2013

CIP SME Guarantee Facility

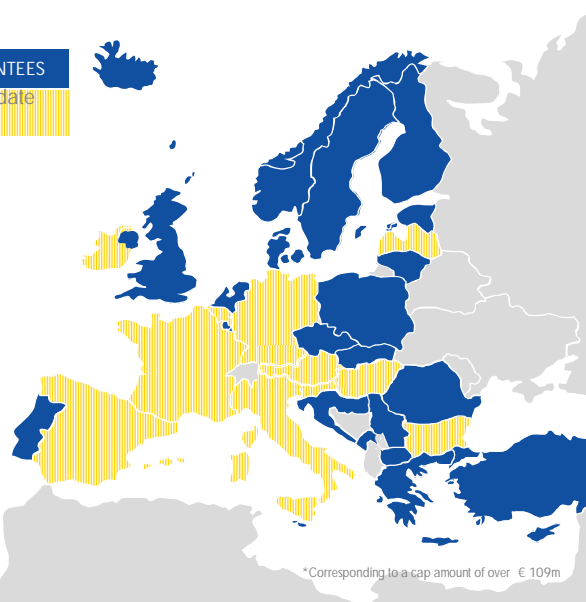
- CIP budget total envelope for Guarantees € 550m covering 2007-2013
- Implementation via guarantee schemes, banks and leasing companies
 - Committed to SME financing
 - Able to comply with the requirements under the Facility, especially enhanced access to finance
- Selection of intermediaries with wide geographical cover in each country so that as many SMEs as possible have access
- Minimum selection criteria (volumes, geographical reach, etc.)
- 4 windows lines
 - Loan Guarantees
 - Micro-Credit Guarantees
 - Equity Guarantees
 - Securitisation

Competitiveness & Innovation Framework Programme (CIP) SME Guarantees

COUNTRIES COVERED BY CIP GUARANTEES

AGREEMENTS SIGNED 16 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



CIP Venture Capital

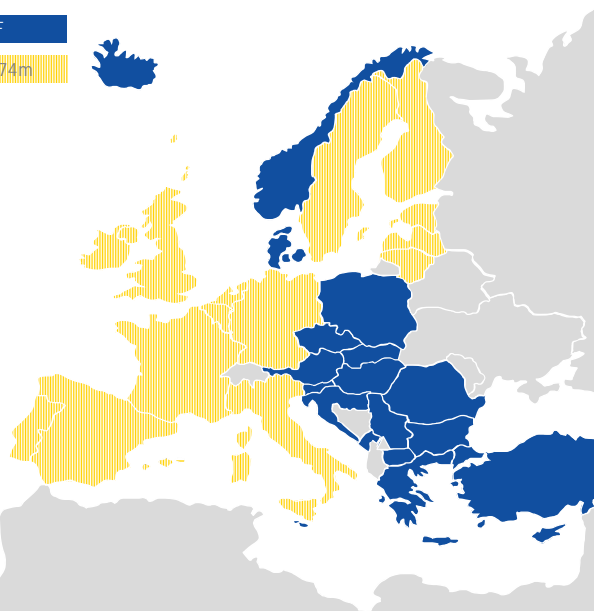
- n Two windows
 - n GIF 1 = early-stage
 - n GIF 2 = expansion stage
- n Focus
 - n SMEs in Participating Countries
- n Participating Countries
 - n EU, EFTA, EEA countries, other participating countries
 - n Precise list notified by EC to EIF

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
 Baltic Private Equity Fund
 Capricorn Cleantech Fund
 Serena Capital
 WHEB Ventures Private Equity Fund II
 Bullnet Capital II
 Cape Regione Siciliana
 Demeter II



EIF Activity in Portugal Portuguese Venture Capital Initiative

- Sponsors
 - EIF 15%
 - Portuguese Public Sector 25%
 - Banks & Corporate 60%
- Focus
 - Portuguese PE/VC funds investing in Portugal, International established PE/VC funds with a strong Portuguese angle and European successful PE/VC funds (through EIF's deal flow).
 - Start-up, development, expansion capital and buyouts up to mid sized companies. In Generalists funds, ICT, Life Sciences, Healthcare, Environmental & Energy Technology
- Objectives
 - To achieve a strong IRR for investors
 - To facilitate access of Portuguese investors into VC funds
- Status

Fund size € 111m – 1 deal approved, 1 to be approved and 1 in due diligence

EIF Activity in Portugal

- n Total cumulative commitment in equity EUR 53 m
 - n of which close to EUR 20 million using European Commission resources (1 recent deal under CIP – Albuquerque fund)
 - n Rest: PVCi, EIB and EIF resources
- n Total cumulative guarantees commitment EUR 245m
 - n Split: Own resources EUR152 million and mandate activity EUR 93 million
 - n Own fund SME securitisations originated by: Banco Invest, Banco BPI, BES, Finibanco and Millenium BCP.

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

The Joint European Resources for Micro to Medium Enterprises

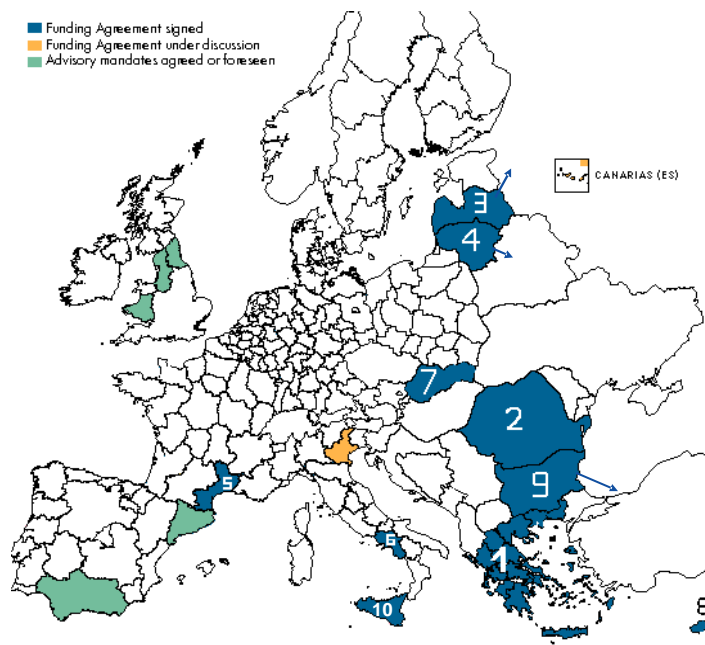
- n Joint initiative of the EU (DG Regio & EIB Group) launched in October 2005
- n **Joint** also because it potentially combines resources from the EU, National Public Authorities, EIF, EIB and/or other financial institutions
- n Participation in JEREMIE **optional** for each country – Holding Fund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

Geographic Spread JEREMIE

- Funding Agreement signed
- Funding Agreement under discussion
- Advisory mandates agreed or foreseen

	Country	JEREMIE (EURm)
1	Greece	100
2	Romania	100
3	Latvia	91.5
4	Lithuania	290
5	France * LR	30*
6	Italy * Campania	90*
7	Slovakia	100
8	Cyprus	20
9	Bulgaria	200
10	Italy * Sicily	60*

*= Regional amount



Response to the Crisis in 2009

New Instruments for Key Sectors

Mezzanine

- n EUR 1bn facility distributed through specialist funds
- n Quasi-equity, without equity sponsors
- n Mezzanine capital for growth businesses not supported by traditional bank debt
- 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

Contact

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