

European Investment Fund  
Annual General Meeting 2009

Speech by  
Mr. Peter Scott, Barclays Bank plc  
Financial Institutions Coordinator

Mr President, Ladies and Gentleman,

On behalf of the Financial Institutional shareholders, I would like to congratulate the European Investment Fund on a successful year in 2008.

Whilst net profit for the year [as we have heard] is down at €35.1M after €26.9M of impairments and provisions, the results should be viewed against the backdrop of the worst financial and economic conditions in over 60 years. On a positive note, income growth was seen at 8%, costs are under control and the equity position remains strong with an AAA rating. The EIF is to be congratulated for maintaining a dividend in 2008, which within the banking sector is the exception rather than the rule.

The EIF continues to be successful across the EU in ensuring SMEs have access to risk capital. We have already heard from Philippe Maystadt of the new commitments in venture funds and guarantee signatures.

Notwithstanding the present financial and economic uncertainties, these results and present 'work in progress' are testament to the strategy being followed, the resilient strength of EIF's operations and the strong management team led by Richard Pelly and supported by Jean-Marie Magonette.

In September 2008, Financial Institutions met in Edinburgh, Scotland - hosted by Scottish Enterprise – as part of our bi-annual programme to discuss a number of issues, and to receive presentations on various topics from senior executives of EIB Group, who took time out from their busy diaries. The meeting was attended by nearly all FI members – for many the first time in Scotland – and proved very constructive.

As I commented last year, I am delighted that we have a more involved Financial Institution membership, not only through the products which EIF provides, but also as shareholders. Richard Pelly said after our Edinburgh meeting, and I quote "I really believe that we got a level of constructive communication started that we have not had in the past and the action plans and useful 'improvement areas' for us are proof of this."

One of the direct outcomes of Edinburgh has been two working parties which met with representatives from EIB Group in October and November 2008 as a result of the working sessions in Edinburgh. The first was held in Frankfurt to discuss Microcredit, with the second in Vienna looking at Mezzanine and Risk Sharing but also reviewing CIP, JEREMIE, and the effects of the 'credit crunch'! We know that the feedback and views of Financial Institutions are well received, we have had detailed feedback from Richard Pelly and Jean Marie-Magnette in our session before the AGM, and my hope is that we can continue to build on this over time.

I would like to formally thank KfW and RZB for hosting these working groups and for their hospitality.

So far as Edinburgh is concerned it would be remiss of me - especially as an Englishman - not to comment on the fabulous hospitality and superb organisation by Scottish Enterprise. It was to be expected that we would do a spot of whiskey testing, and have a tour of the Scottish Parliament, but the opening dinner was very special. Not only were we treated to a piped band in full Scottish regalia with bagpipes and drums but also a Burns night supper and the traditional 'Ode to a Haggis', which tested everyone's language skills and understanding starting with:

Fair fa' your honest, sonsie face,  
Great chieftain o' the puddin-race!

It will be long remembered I'm sure, by all who attended. I would like to thank Hugh Hall and his colleagues – particularly Andrea Young and Pat McHugh who are with us today, and Eunice Craig – for all their hard work in making both the business and social side of this event so successful.

Between the 16th and 18th September this year we are scheduled to meet again in Düsseldorf at the kind invitation of NRW Bank, and in September 2010 in Istanbul at the

kind invitation of the Industrial Development Bank of Turkey. If nothing else, we are prepared.

I would like to thank Werner Oerter as the Financial Institutions representative on the board, and to Gabriela Pantring for her work as our representative on the Audit Board.

In summary, the Financial Institutions look forward to continuing to work with the European Investment Fund throughout 2009 and beyond, led by its Chief Executive, utilising the experience gained in our own markets, and very importantly to improved profitability, and greater influence in assisting SMEs across the European Union.

Thank you.