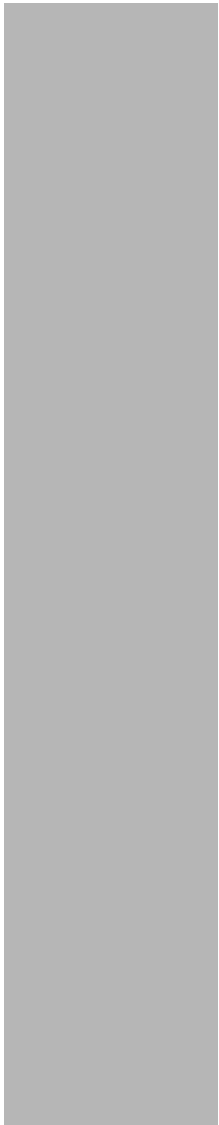
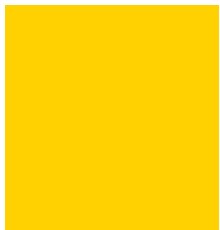




**Richard Pelly
Chief Executive**



**European
Investment Fund**



EIF's activities in support of SMEs

This presentation was prepared by EIF. Any estimates and projections contained herein involve significant elements of subjective judgment and analysis, which may or may not be correct.

Objectives of today

- Information exchange on EU financial instruments
- Open discussion on ways to stimulate SME growth & development
- Dialogue on and commitment to common initiatives to increase cooperation with Member States and to standardise financial instruments at EU and national level (“best practices”)

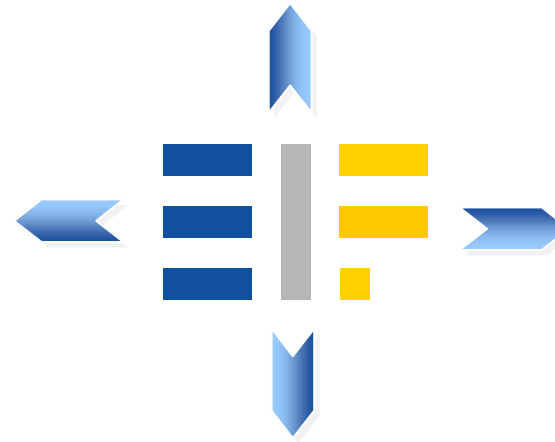
EIF at a Glance

Geographic Focus:

EU 27, EFTA, Accession Countries

Financial Inter- mediaries:

Banks, Funds, Micro-
finance Institutions etc.



Authorised Capital

€ 3bn

EIB: 61%

EU: 29 %

Fin. institutions: 9 %

To be issued: 1%

AAA rated

EU specialised institution for risk financing to benefit SMEs

- Venture Capital and Mezzanine (primary fund of funds investor)
- Structuring and Guaranteeing portfolios of SME and microfinance loans/leases
- Support for Europe's micro-enterprises

Dual Objective: EU Policy Goals & satisfactory return on equity

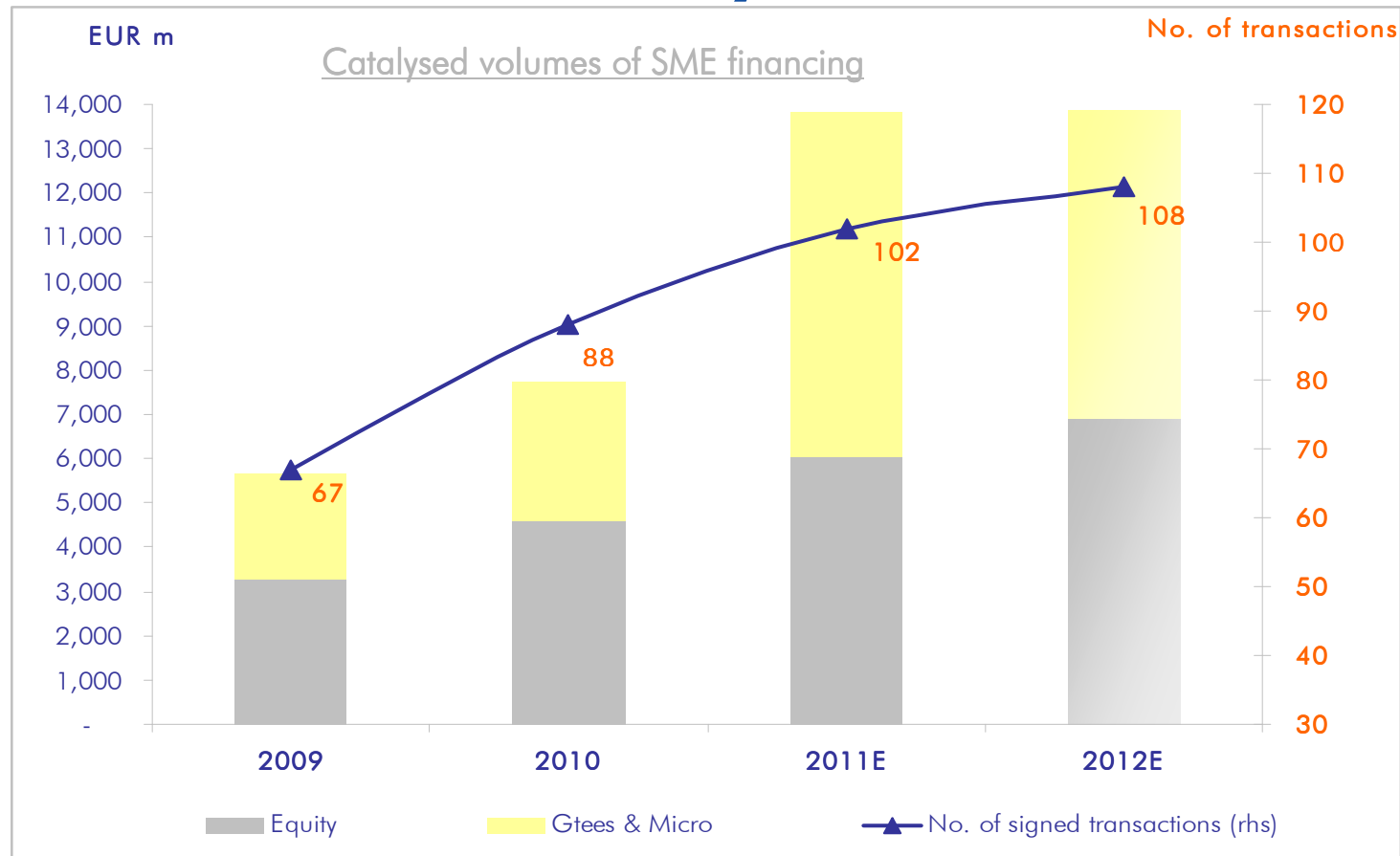
Vision & Medium Term Strategy

7 Key Objectives

- Maximise impact on the smart, sustainable and inclusive growth
- Cornerstone €6/7 billion pa Growth and Venture Capital
- Catalyse €7billion p.a. in loans to SMEs through First and Second loss guarantees
- Generate €60 million⁺ operating profit at 45–50% cost to income and at a long run ROE of 5 to 6%
- Establish value creating Risk Management – sustain the AAA rating
- Build integrated, stable, scaleable systems and processes
- Promote and enhance an excellent internal and external reputation

Europe's leading developer of risk financing for entrepreneurship
and innovation

Evolution of the Activity Volumes



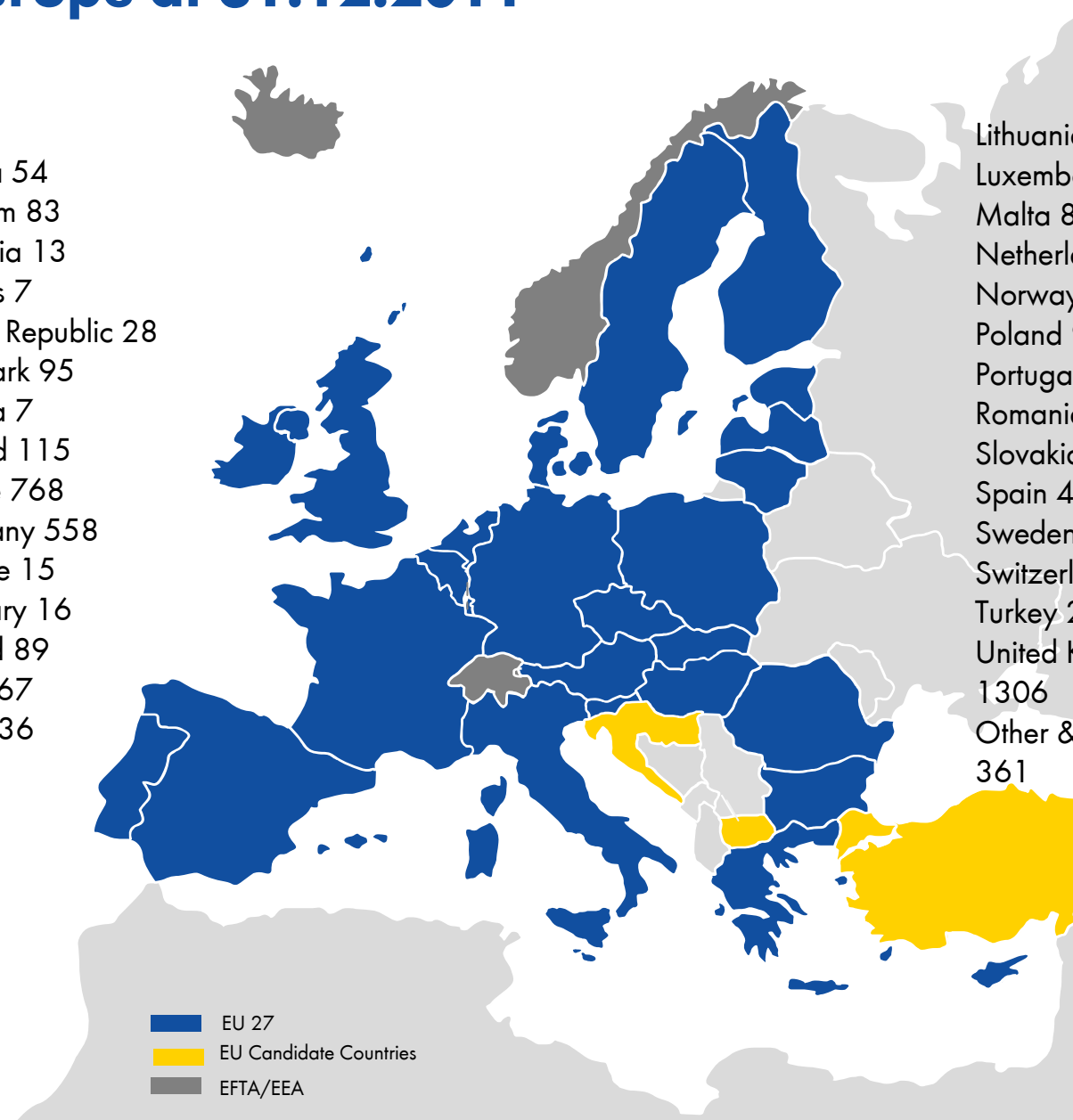
- Doubling of total yearly commitments in response to the crisis
- New products and facilities developed
- 2011 as a record year: level of commitments will be maintained in the coming two years

€5.2 bn Net Equity Commitments Across Europe at 31.12.2011

EUR m

Austria 54
Belgium 83
Bulgaria 13
Cyprus 7
Czech Republic 28
Denmark 95
Estonia 7
Finland 115
France 768
Germany 558
Greece 15
Hungary 16
Ireland 89
Italy 267
Latvia 36

Lithuania 40
Luxembourg 21
Malta 8
Netherlands 109
Norway 25
Poland 92
Portugal 155
Romania 36
Slovakia 4
Spain 424
Sweden 280
Switzerland 81
Turkey 274
United Kingdom
1306
Other & Non EU
361



Cornerstone of European Venture/Growth Capital

Resources

		<u>EUR bn</u>
<u>EIB</u>	Risk Capital Mandate (RCM)	5.0
	Mezzanine	1.0
<u>EIF</u>	Own Funds	0.5
<u>EC</u>	Competitiveness & Innovation Programme (CIP)	0.7
<u>Member States</u>	Structural Funds, Fund of Funds	1.1
<u>Private sector</u>	Portugal, Spain, France, Turkey...	0.3
		<hr/> <hr/> 8.6

Investments

(1)

Direct Investments in individual Funds

(2)

Investment in a Fund-of-Funds vehicle

Investments in individual Funds

Fast Growing Innovative SMEs

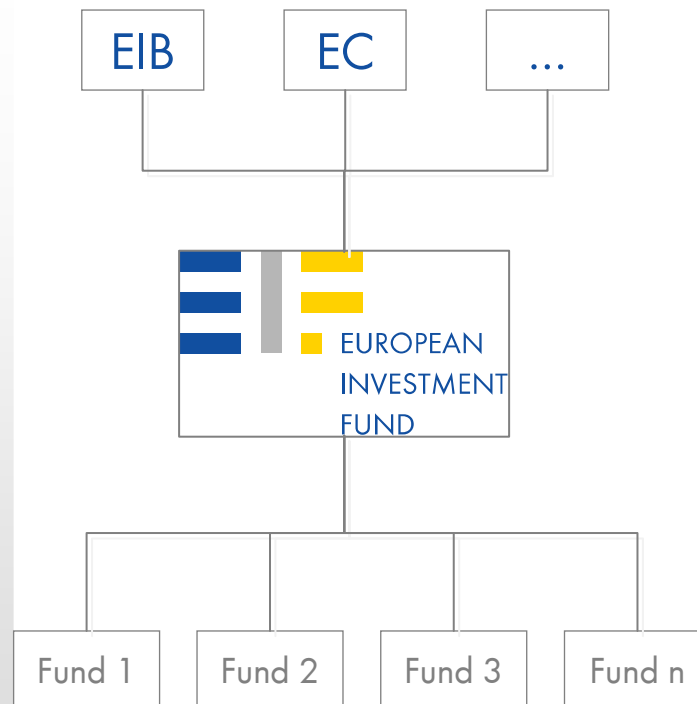
→ **20 FoFs**

→ **345 Funds**

→ leveraging **25bn**

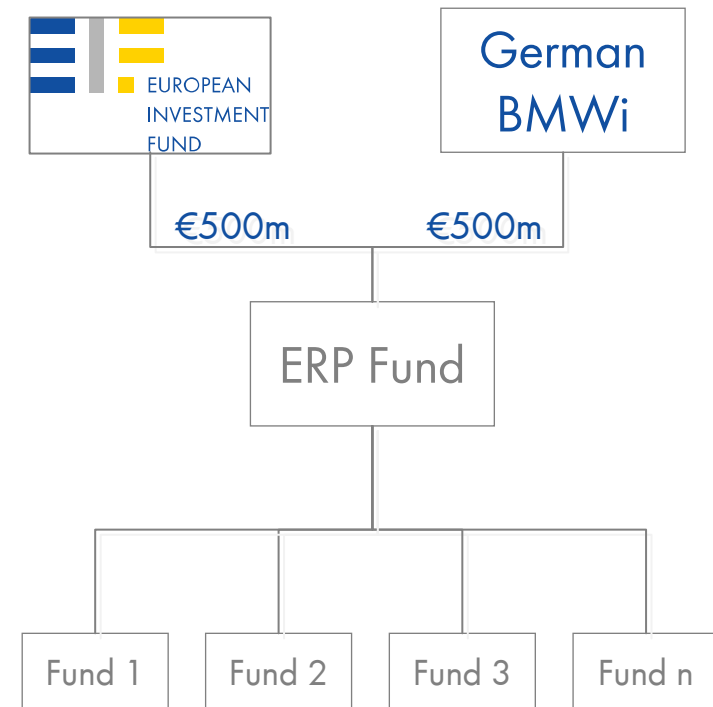
EIF Equity Investment Model

Direct Investment



345 Funds supported across Europe

Fund of Funds Investment (e.g.ERP)



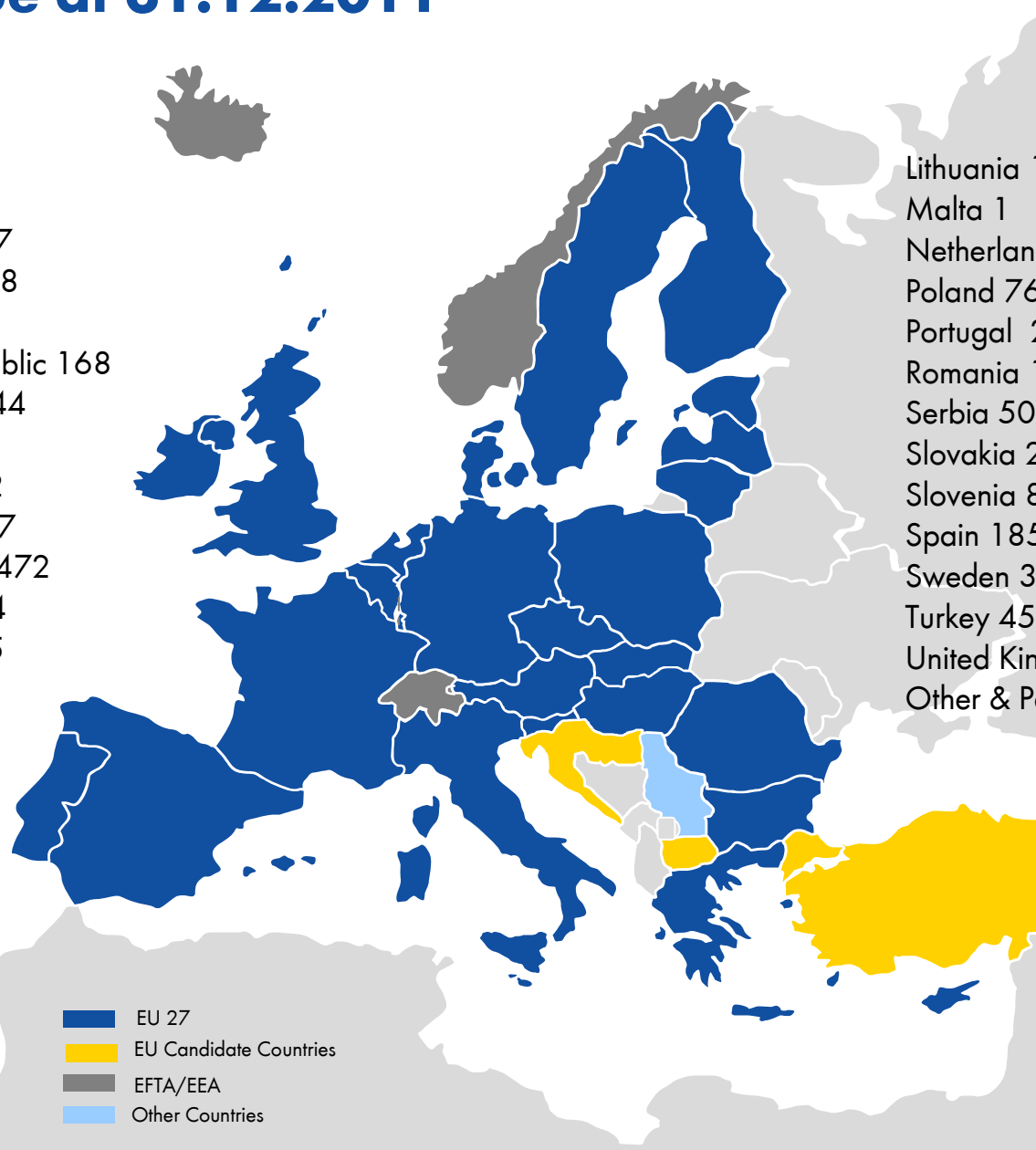
...23 Venture and Growth Capital Funds
focussed on DACH area

€ 29.8 bn in Guarantee Commitments Across Europe at 31.12.2011

EUR m

Austria 297
Belgium 367
Bulgaria 138
Cyprus 10
Czech Republic 168
Denmark 244
Estonia 16
Finland 212
France 1867
Germany 1472
Greece 114
Hungary 55
Ireland 3
Italy 4355
Latvia 89

Lithuania 187
Malta 1
Netherlands 736
Poland 762
Portugal 247
Romania 116
Serbia 50
Slovakia 25
Slovenia 89
Spain 1855
Sweden 354
Turkey 450
United Kingdom 382
Other & Pan EU 39



Guarantees, Securitisation & Microfinance

Facilities

Products

Catalysed Loan Portfolio

**EC MAP/ CIP
SMEG**

JEREMIE

€1 bn First Loss
guarantees

13.5bn

EIF own
resources

€2.9bn Second
Loss guarantees

€14.5bn

JEREMIE

Progress
Microfinance

€0.9bn Liquidity
instruments

€1.8bn

Deep relationship
with 180+ Banks,
Guarantee and
Promotional
Institutions all over
Europe

Over 1 million
SMEs have been
reached through
EIF products so far

Capitalise on the AAA rating and zero risk-weighting



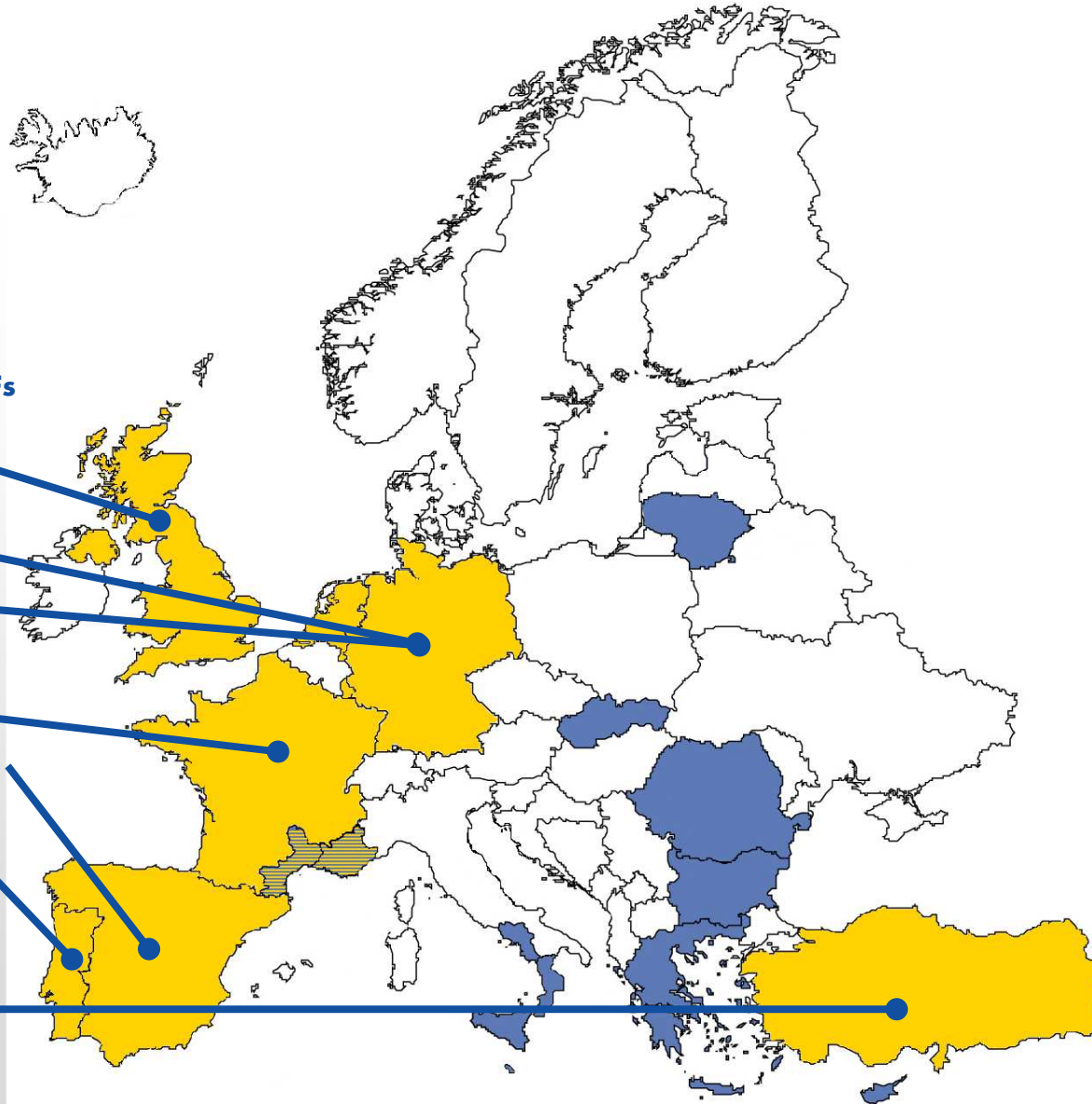
EIF-managed Fund of Funds (over EUR 3.6bn)

EIF-managed Equity FoFs

- UK FTF GBP200m
- DVCi (NL) EUR300m
- ERP (DE) EUR 1b
- LfA-EIF (DE) EUR50m
- IFL (LU) EUR150m
- Dahlia (FR) EUR300m
- NEOTEC (SP) EUR183 m
- PVCi (PT) EUR111m
- iVCi (TR) EUR160m

EIF-managed JEREMIE Holding Fund (FoFs)

- Greece EUR 250m
- Romania EUR 100m
- Lithuania EUR 210m
- Slovakia EUR100m
- Languedoc Roussillon (FR) EUR 30m
- Campania (I) EUR90m
- Cyprus EUR20m
- Bulgaria EUR199m
- Sicily (I) EUR 60m
- Malta EUR 10m
- Sicily ESF EUR15m
- Calabria (I) EUR 45m
- PACA (FR) EUR 20m



EIF as Unique Partner of European Commission, Member States and National Promotional Institutions

- Context of Europe 2020 and the new Multi Annual Financial Framework
- Increasing importance of small, medium and micro-enterprises for all Member States

EIF Actions

- Deliver on CIP, JEREMIE, PROGRESS and RSI objectives
- Build on 20+ Holding Fund / Fund of Fund relationships and track record
- Develop 'Partnering Role' with National Promotional Institutions (KfW, Förderbank, Caisse des Depots, OSEO, NEFI AND EVfin networks etc.)
- Share widely expertise in use of Structural Funds for SMEs (e.g. Greece)
- Pilot new projects/initiatives to support EU objectives (e.g. Innovation Platform, Risk-sharing Instrument)

Contact

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