

**Κωνσταντίνος ΓΕ.
ΑΘΑΝΑΣΟΠΟΥΛΟΣ**

Καθηγητής Παντείου
Πανεπ. Κοιν. και Πολ. Επιστημ.,
Πανεπιστημίου Αθηνών (Επισκ.),
Ex Ch.L.U.L. Bruxelles, Ex Int.
I.I.A.P. Paris

ΤΟ ΔΙΚΑΙΟ ΤΗΣ ΕΥΡΩΠΑΪΚΗΣ ΕΝΩΣΗΣ

Νέα έκδοση

Βασικές έννοιες και
οριοθετήσεις
Φιλοσοφία της Ένωσης
Ρυθμίσεις περί
Ευρωπαϊκής Ένωσης
Διεύρυνση και εμβάθυνση
Σχέσεις Δικαίου
Ευρωπαϊκής Ένωσης
και Εθνικού Δικαίου
Οι επί μέρους Πολιτικές
της Ευρωπαϊκής Ένωσης

Αθήναι, 2006



European
Investment
Bank

EIB Forum
Athens, 19-20 October 2006

Francis CARPENTER

Chief Executive Officer,
European Investment Fund



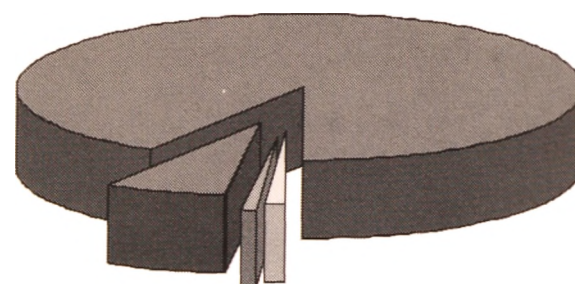
South-East Europe – A Region on the Move

Innovative finance to finance innovation

This presentation was prepared by EIF. The information included in this presentation is up-to-date as at 12th October 2006. Any estimates and projections contained herein involve significant elements of subjective judgment and analysis, which may or may not be correct.

The challenge: financing innovation in Europe

- 23 million SMEs account for 75% of jobs
- 99% of businesses in Europe are SMEs
- 91% of all SMEs are micro-enterprises (with staff of less than 10)
- EU (European Summit) puts issues of growth, employment, innovation and competitiveness high on agenda (Lisbon Summit amongst others)
- Support to SMEs: one of the top five EIB Group priorities



- Medium-sized firms, 50 to 250 employees
- Large enterprises
- Small firms 10 to 49 employees
- Micro-business 1 to 9 employees

Given the importance of SMEs as the backbone of the European Economy, SMEs needs and concerns are incorporated into most Community policies and programmes

EIF at a glance

Established 1994

EU specialised financial institution for SMEs,
acting through: Venture Capital (fund-of-funds),
Guarantees for SME portfolios and financial engineering



**European
Investment
Fund**

• Rating

Standard & Poor's: AAA
Moody's: Aaa
Fitch: AAA

• MDB status 0% weighting

• Shareholders

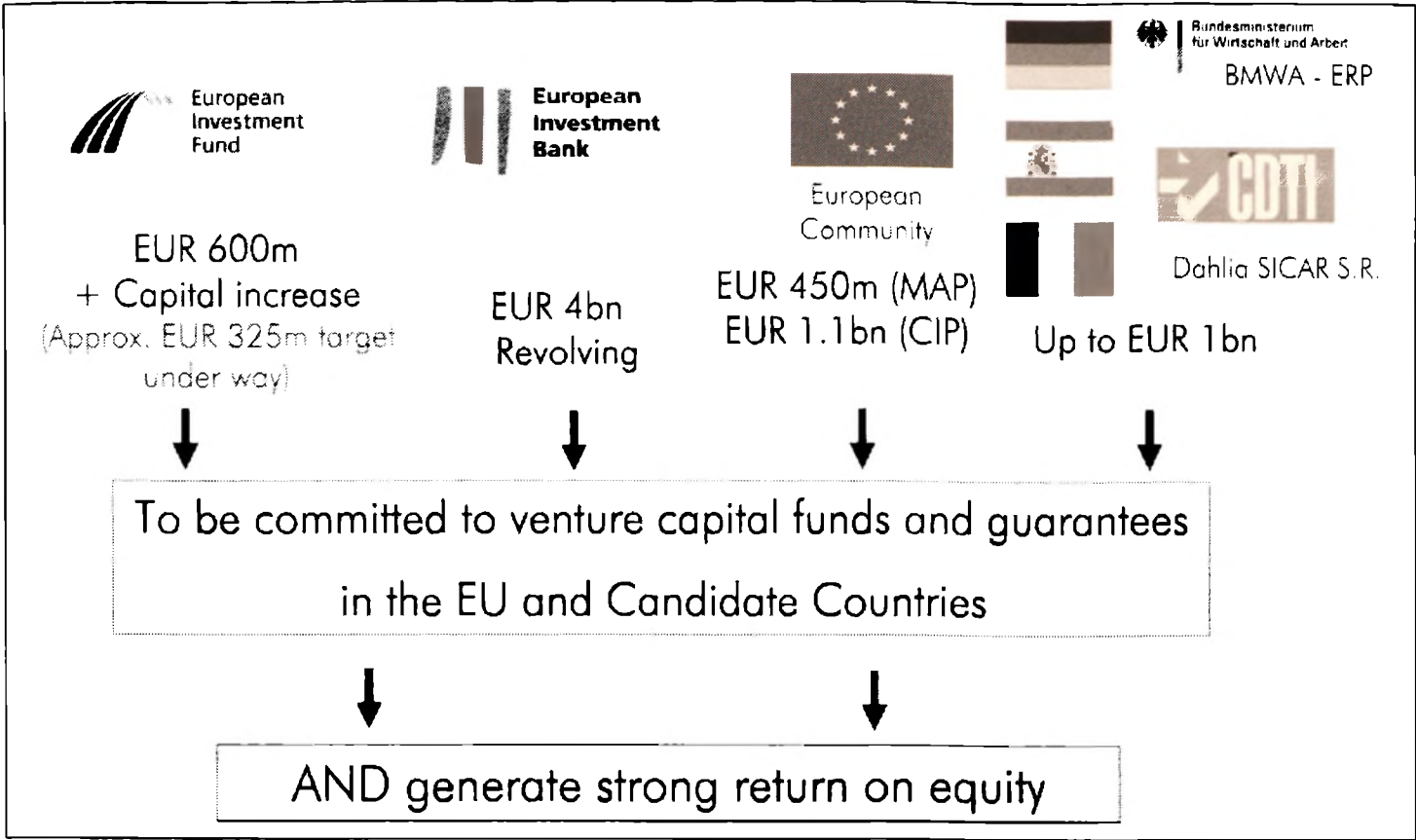
EIB, EU, Financial institutions

• Subscribed capital

EUR 2bn + EUR 1bn

Aaa-rated European institution with MDB status

Resources and objectives

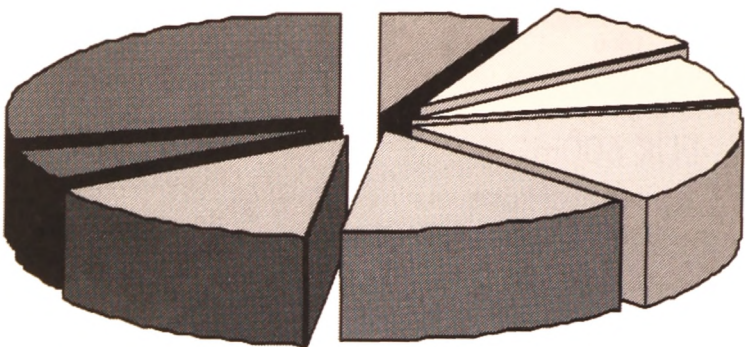


EIF assets under management (at 30/09/06)

	Total commitments	New commitments (1 January 2006-30 September 2006)	Vehicles
VENTURE CAPITAL	EUR 3.7bn	EUR 450m	240 funds
GUARANTEES	EUR 10.3bn	EUR 490m	180 banks/ guarantee institutions
TOTAL	EUR 14bn	EUR 940m	

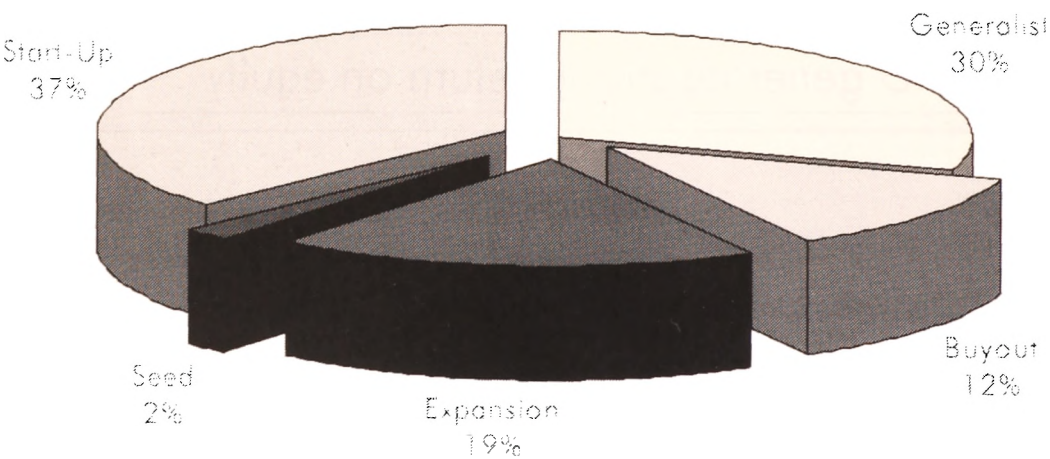
Venture capital: portfolio of EUR 3.6bn (at 30/09/06)

- Balance portfolio between expansion capital and start-up / early stage
- Portfolio biased towards technology (65% in ICT & life sciences)
- Around 30% of portfolio in multi-country funds
- Track record in backing new teams in Central & Eastern Europe



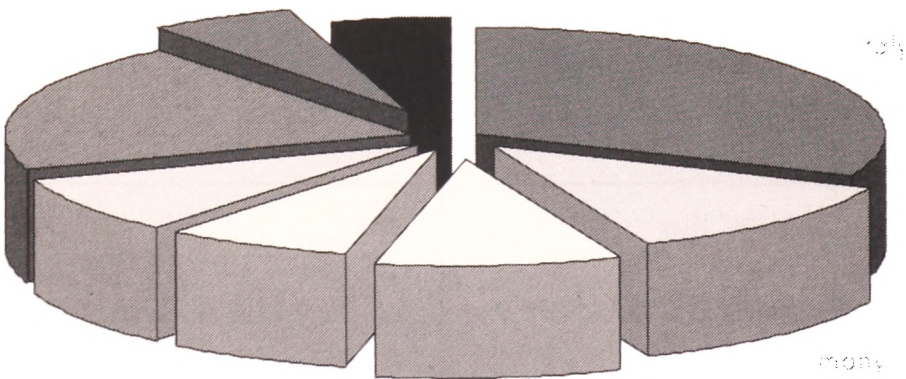
Key investor in major markets Niche opportunity player in smaller markets

Venture portfolio: stage breakdown of EUR 3.6bn (ate 31/08/06)



Heavy share of technology

Guarantees & Securitisation: EUR 10.3bn in commitments across Europe (at 30/09/06)



Important role in SME guarantees and as micro-finance guarantor

Micro-finance guarantees

Micro-finance guarantees under MAP, in 7 different countries.

- Designed to encourage micro-lending by banks/institutions in the EU.
- Guarantees for micro-enterprises (1-10 employees).
- Financial institutions cooperating with NGOs and grassroots organisations to provide appropriate «mentoring».
- France (Adie), Germany (KfW), Ireland (First Step), UK (The Prince's Trust + The Enterprise Fund), Norway (Cultura Sparebank), Belgium (FdP), Spain (La Caixa) guarantee rate of 75%.
- As at March 2006, some 26,000 SMEs benefited from 27,500 loans.

EUR 127m outstanding micro-finance guarantee volume (as at end March 2006) makes EIF the leading micro-finance guarantor in Europe

Bridging a gap in commercial lending: micro-finance securitisation

- Historically, Micro-Finance Institutions (MFIs) rely on donor/development bank funding
- 2005: Pioneer securitisation of loans to MFIs in Western Balkans and South-East Europe
- 2006: Landmark securitisation of a loan portfolio of an MFI in Bulgaria
- Supporting MFIs securing long-term funding continued growth in micro-lending activity
- Micro-loans <€10K, however positive impact on o Potential in business productivity gains o Job creation

Transactions are an interesting new funding source for MFIs

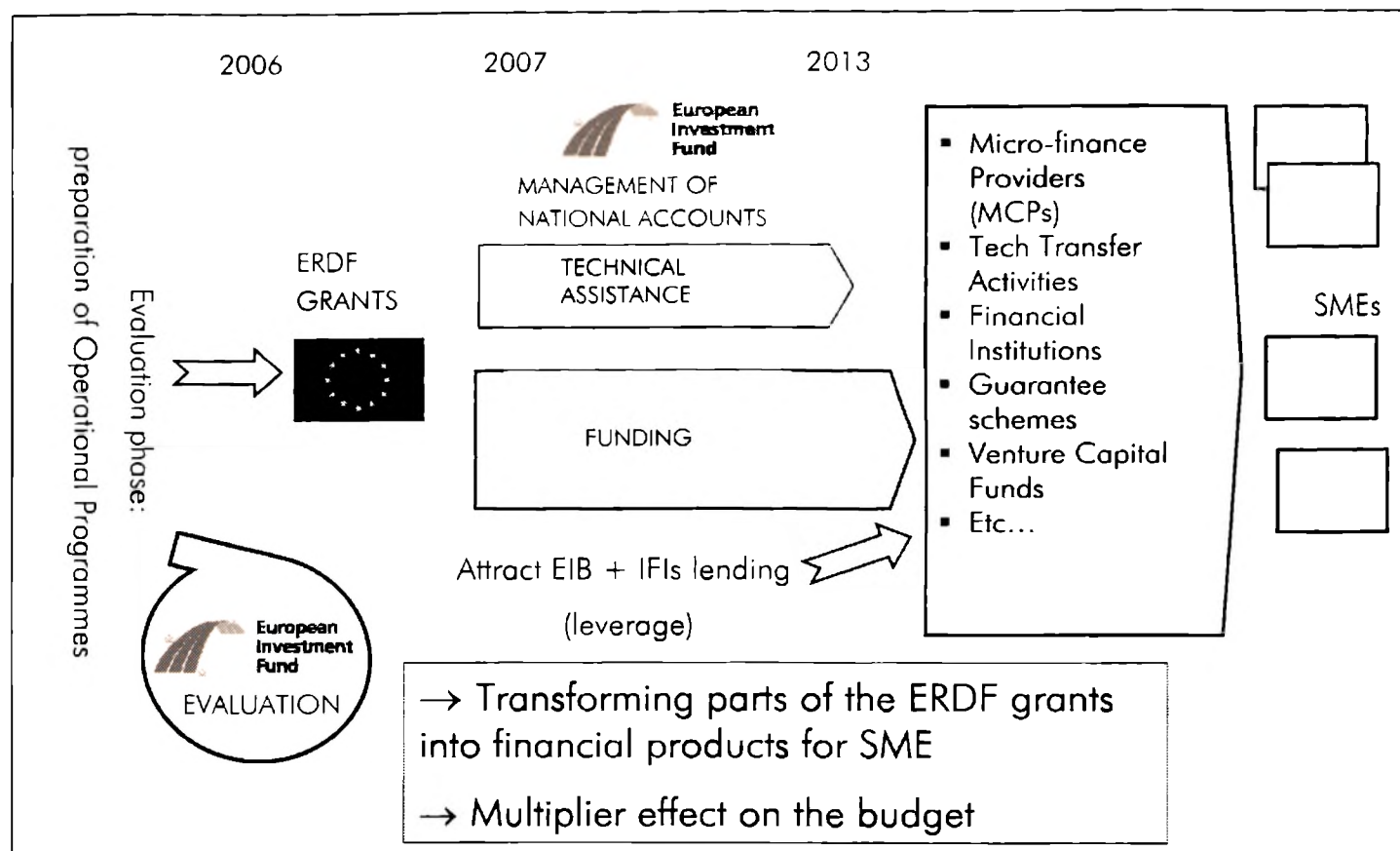
Competitiveness & Innovation Framework Programme (CIP)

EIF responsible for the financial instruments of the Entrepreneurship and Innovation Programme:

- High Growth Innovative Companies Scheme
 - Early and expansion stage VC funds
 - Vo-investments in side-funds with business angels
 - Eco-Tech equity window
- SME Guarantee Facility
 - SME Ioan guarantees
 - Micro-credit guarantees
 - Mezzanine guarantees
 - SME Ioan securitisation
- Capacity Building Scheme (Seed Capital Action and partnership with international finance institutions)

Budgetary envelope: EUR 1.1bn (2007-2013) for all EU 27 Member States + EFTA

JEREMIE: the cycle



JEREMIE: Status as of today

- EU has asked the EIF to undertake evaluations as part of JEREMIE for each country in partnership with National Development Authorities
- EIF has formed a JEREMIE team from internal and external specialists
- Some regions and countries have begun process
 - Slovak Republic (signature of a MoU on 7 June 2006)
 - Bulgaria, Denmark, Spain
 - Greece, Portugal, Romania underway
- Evaluation Phase to be completed by end of 2007

Note: Evaluations funded by DG REGIO and EIF

JEREMIE: signature of a MoU between the Hellenic Republic and EIF

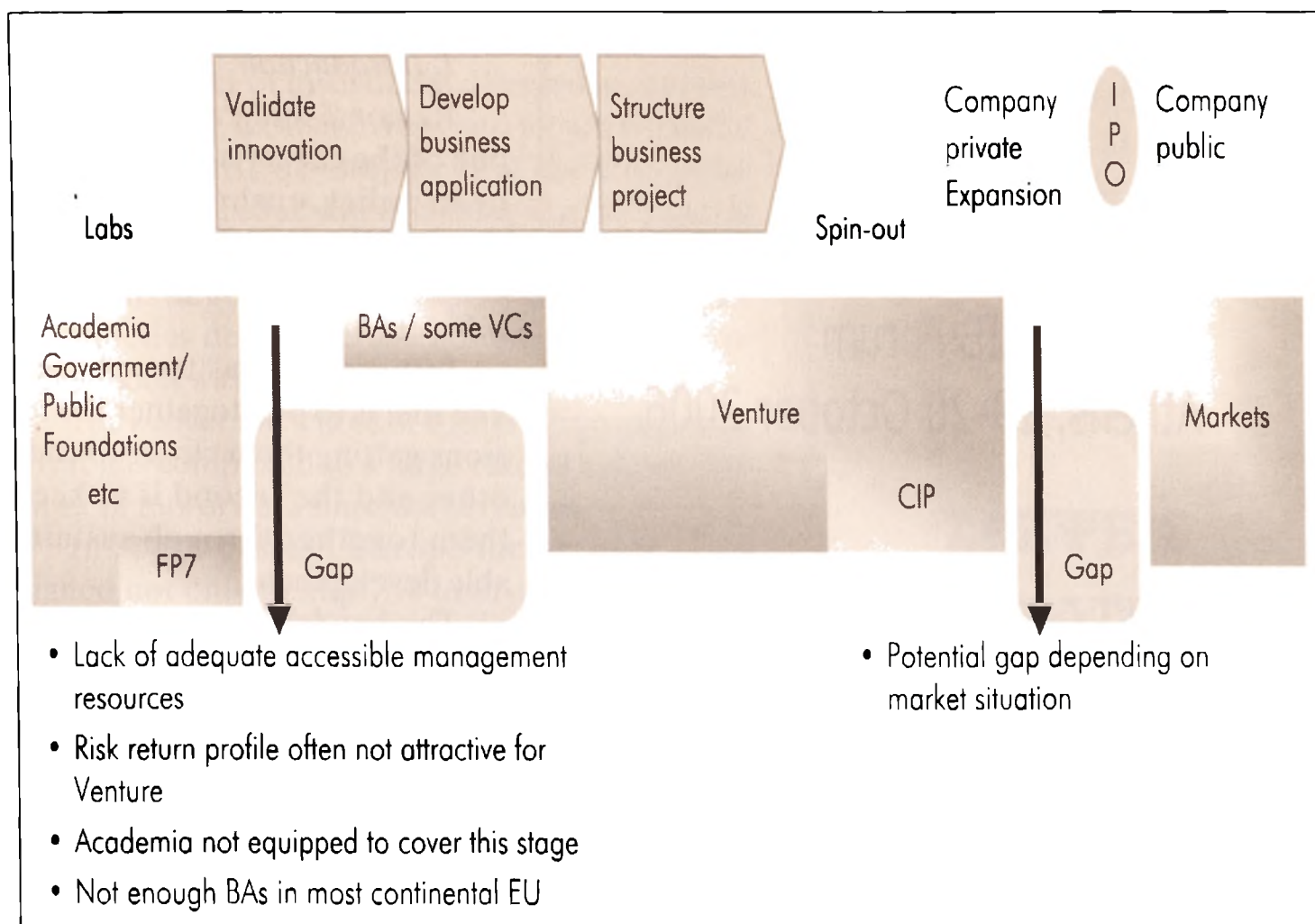
1. General Terms

- Develop the role of SMEs / Entrepreneurship in EU Regional Policy
- Depart from a «grant approach»:
- Reduce administrative procedures
- Enhance flexible management of financial engineering
- Use ERDF funding for enhancing the Access to Finance to SMEs in Regional Development areas through sustainable and «revolving» financial instruments

2. Specifics

- Amount: up to EUR 400m allocated to JEREMIE for 2007-2013
- This covers Venture Capital / Guarantee / Micro-credit operations
- In cooperation with existing structures (Taneo, Tempme)
- In support of efficient public support to SME finance

Technology Transfer: funding gap



NEOTEC fund

- First closing February 2006 at EUR 176m (EIF sponsor with EUR 50m)
- Spanish technology fund (TMT, bio-tech and life sciences)
- EIF managed
- Madrid-based
- Deal flow to major tech and research centres in Spain
- Shared services centre in Luxembourg for risk management, IT (proprietary Fund of Funds system) and legal support

Tapping into future growth

Summary

- Leading pan-European venture investor
- Largest EU early-stage Fund-of-Funds
- Major SME securitisation actor
- Leading micro-finance guarantor
- Raising the availability of high risk capital in Europe
- Improving SMEs access to finance

Major Lisbon Agenda operator