Investment Plan for Europe

Policies and Financial Instruments for SME Growth in Greece
EU FINANCIAL INSTRUMENTS FOR SMEs

27 April 2017

EUROPEAN INVESTMENT FUND

We are a value-driven institution with over 400 staff, committed to **EU** policy **objectives** and financial **sustainability**

Shareholders
59.8% European Investment Bank (EIB), 28.1% European Commission (EC), 12.1% by 31 public & private financial institutions (FIs)

Strong capital base
of EUR 4.5bn

AAA-rated
by the three major rating agencies

Over 20 years
of market expertise

EUROPEAN INVESTMENT FUND

"We are the prime provider of SME financing in Europe"

Overall commitments*

- EUR 3.3bn (2014)
- EUR 7 bn (2015)
- EUR 9.4bn (2016)

Leveraged volumes

- EUR 13.9bn (2014)
- EUR 26.9bn (2015)
- EUR 42.7bn (2016)

SMEs supported

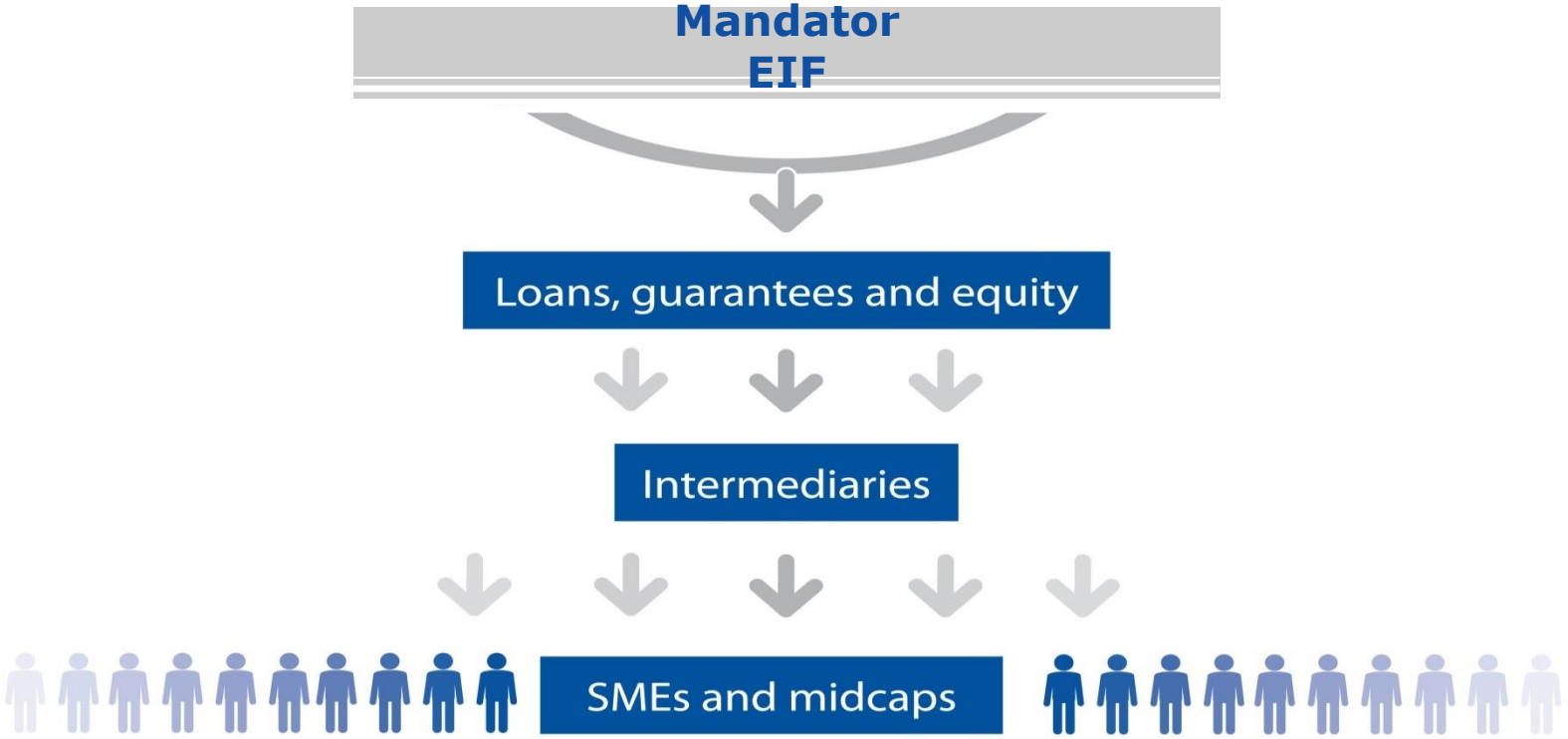
- over 1.8 million since 1994
- 175,000 in 2016
- 1,000,000 jobs sustained in 2016

Partners

- 600 private equity funds
- 400 banks, guarantee and promotional institutions

*in equity, guarantees, securitisation and microfinance

Supporting SMEs financing



Supporting SMEs financing GREECE

EIF supported fund	Vintage year	Fund size (EURm)	Product type	Source
NBG Technology LP (Fund)	2001	42	Start-Up/ Early Stage	RCR
Elikonos JEREMIE Fund I	2012	17.1	Start-Up/ Early Stage	JEREMIE
Piraeus JEREMIE Technology Catalyst Fund	2012	15	Seed	JEREMIE
Odyssey JEREMIE Venture Partners	2013	25.8	Start-Up/ Early Stage	JEREMIE
JEREMIE Openfund II	2012	15.1	Seed	JEREMIE
SouthBridge Europe Mezzanine Fund	2014	49.2	Growth / Replacement Capital	OWN FUNDS/RCR
Diorama Investments SICAR	2016	135	Growth	COSME/OWN FUNDS
TOTAL		299.2		

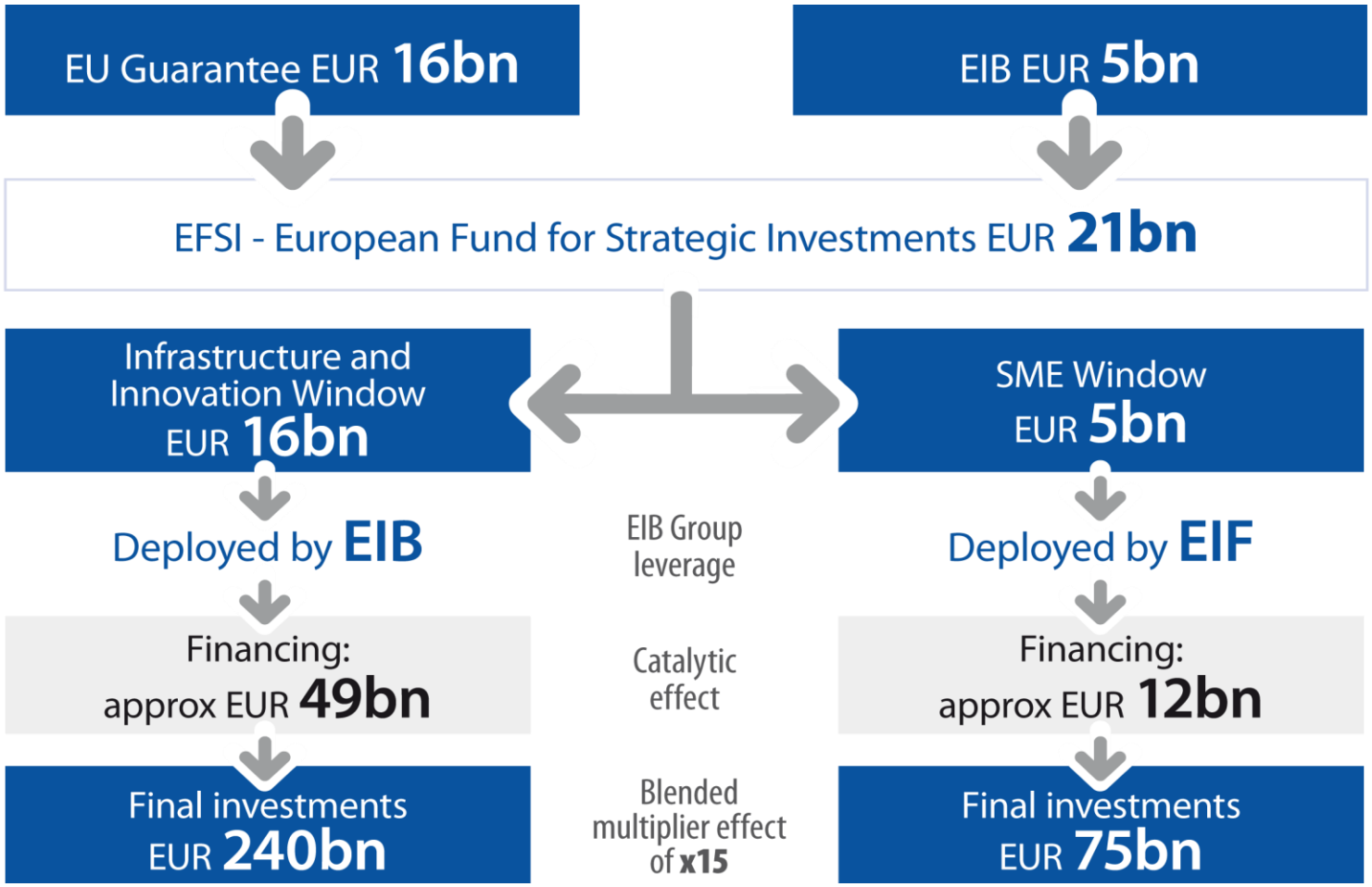
Supporting SMEs financing GREECE

EIF counterparty	Signature year	Loan portfolio (EURm)	Product type	Source
Piraeus Greece	2017	170.0	Guarantee	COSME (EFSI)
Alpha Bank	2017	50.0	Guarantee	COSME (EFSI)
Piraeus Greece	2017	100.0	Guarantee	InnovFin (EFSI)
Alpha Bank	2017	100.0	Guarantee	InnovFin (EFSI)
Eurobank Ergasias	2016	100.0	Guarantee	InnovFin (EFSI)
Eurobank Ergasias	2016	1.1	Micro	EaSI
Eurobank Ergasias	2016	130.0	Guarantee	COSME (EFSI)
National Bank of Greece	2016	70.0	Guarantee	Own Resources
Pancretan Cooperative Bank	2016	15.0	Micro	EaSI
National Bank of Greece	2016	100.0	Guarantee	COSME (EFSI)
ProCredit Bank	2016	20.0	Guarantee	InnovFin (EFSI)
Cooperative Bank of Karditsa	2016	5.0	Micro	EaSI
Alpha Bank	2015	19.5	Funded	JEREMIE- FRSP 2015
National Bank of Greece	2014	32.3	Funded	JEREMIE- FRSP
Piraeus Greece	2014	50.0	Funded	JEREMIE- FRSP 2014
Eurobank Ergasias	2012	110.0	Funded	JEREMIE- FRSP
Pancretan Cooperative Bank	2011	2.5	Funded	PROGRESS FMA- EPMF
National Bank of Greece	2011	1.3	Funded	JEREMIE- FRSP ICT
Alpha Bank	2011	2.2	Funded	JEREMIE- FRSP ICT
Alpha Bank	2011	3.3	Funded	JEREMIE- FRSP Micro
National Bank of Greece	2011	60.0	Funded	JEREMIE- FRSP SME
Alpha Bank	2011	33.0	Micro	JEREMIE- FRSP SME
TEMPME - LGF (SMEG 2001)	2004	45.0	Counter-Guarantee	MAP
TOTAL		1220.2		

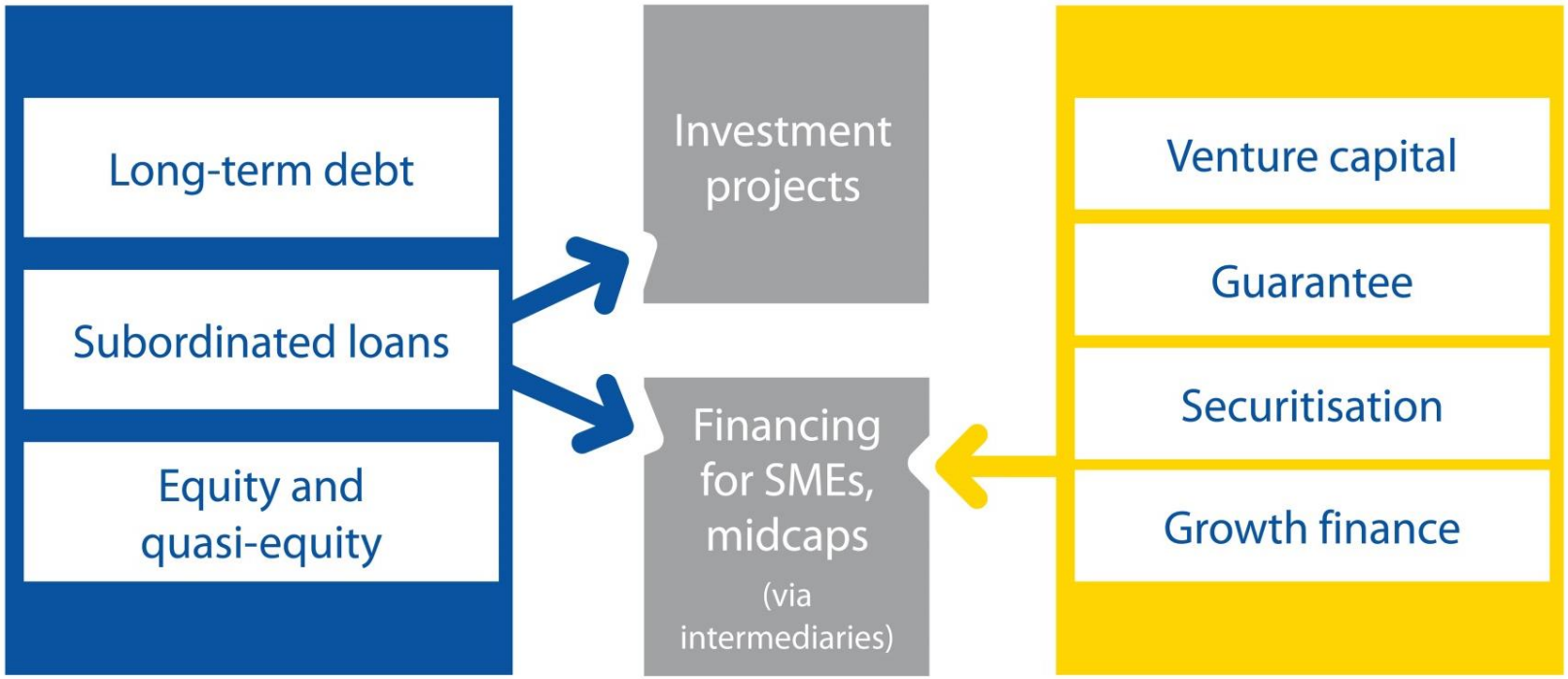
Supporting SMEs financing GREECE

Approx. EUR 500 million of commitments mobilising a portfolio of loans and equity investments in excess of EUR 1.5 billion.

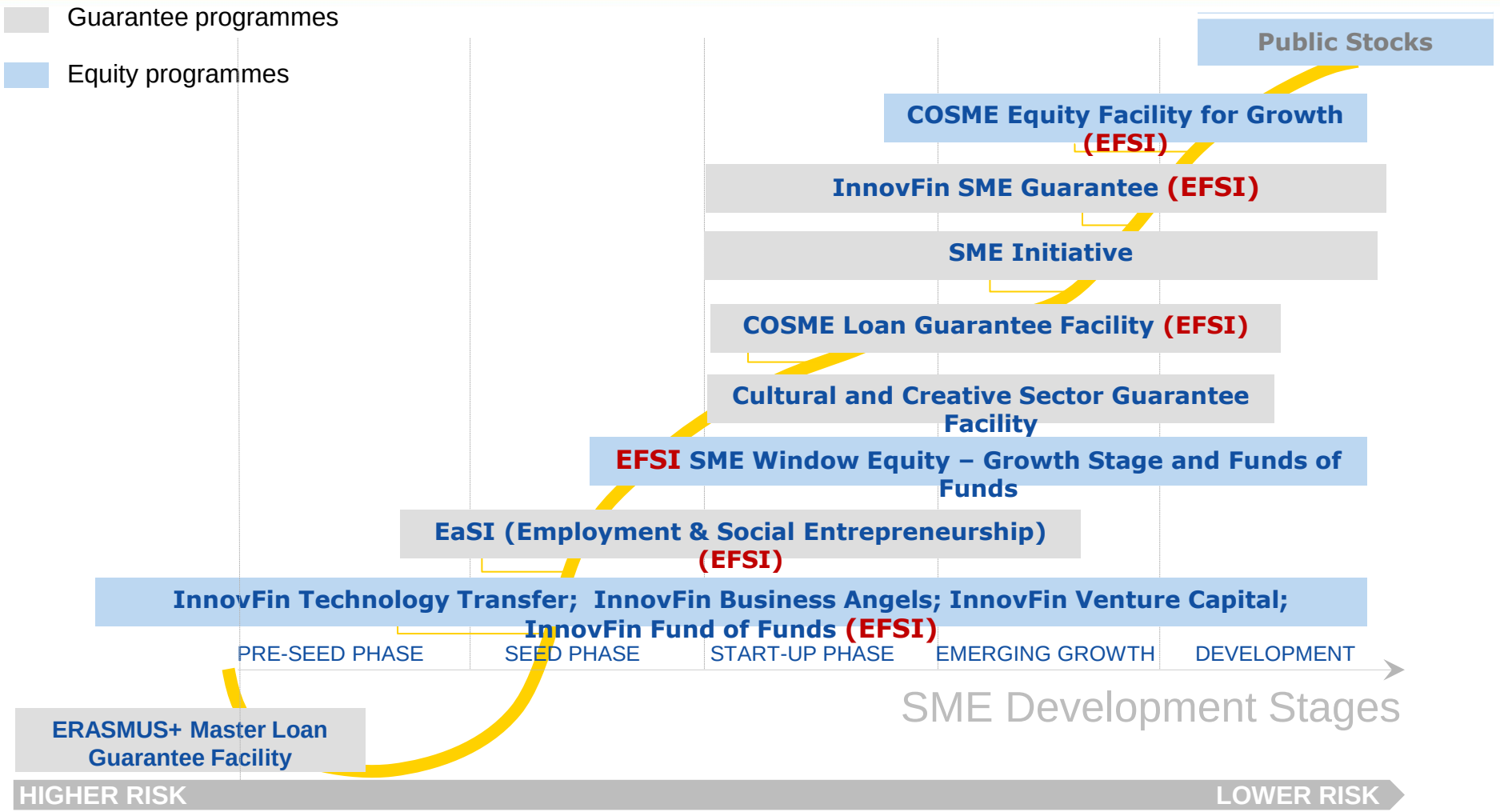
EFSI SME Window



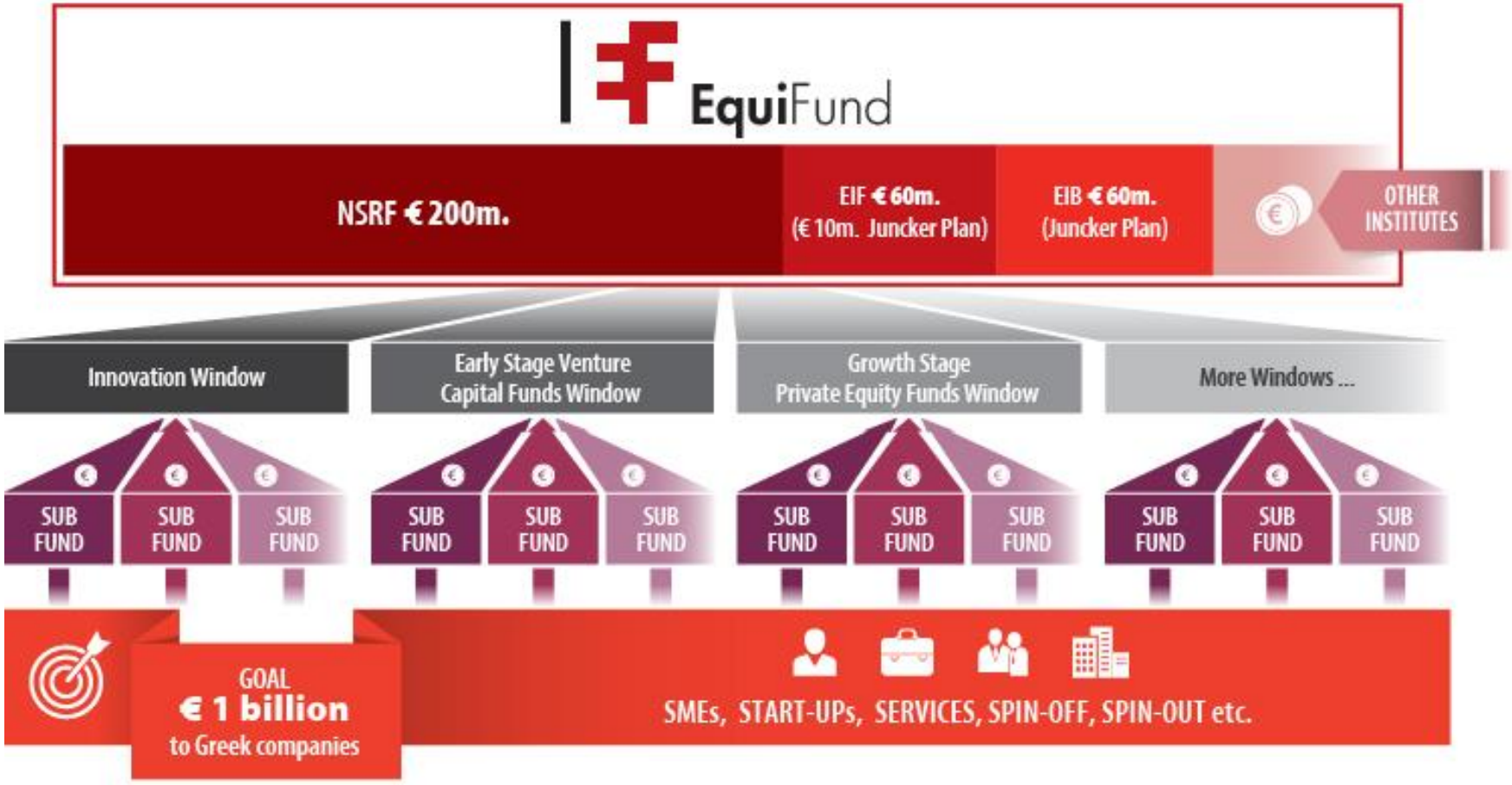
SMEs and mid-cap window



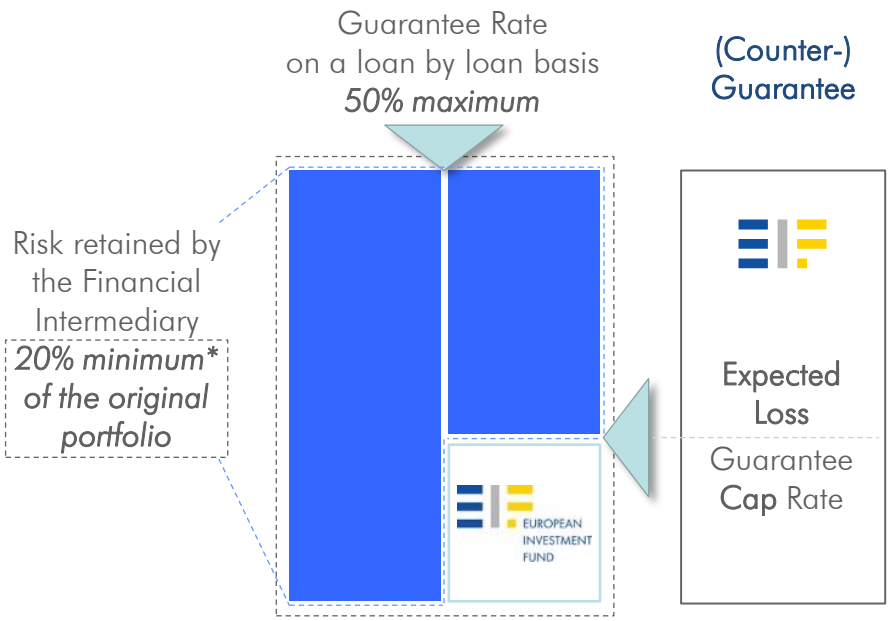
Helping businesses at every stage of their development



The EquiFund initiative



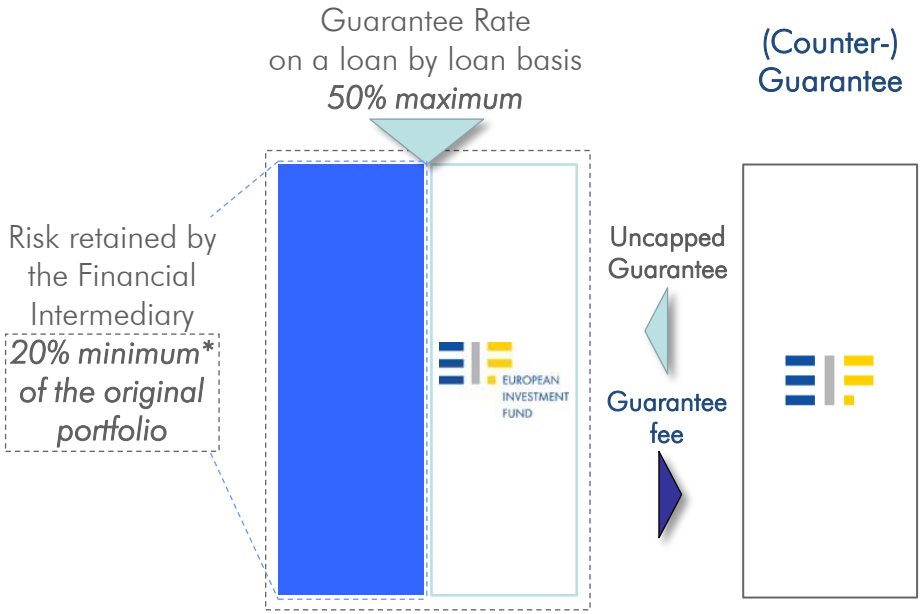
COSME SME Guarantee



- Free of charge guarantee
- Guarantee rate: max 50% (pari passu)
- Cap rate: fixed at the level of the expected loss of the portfolio to be (counter-)guaranteed (max 20%)
- Guarantee maturity: 10 years
- Minimum loan maturity: 12 months
- Maximum loan amount: EUR 150,000
  larger loans can only be covered if the Final Recipient does not meet any of the 12 InnovFin criteria
- Additionality:
  - Launch of a new, more risky product (e.g. lower collateral requirements, start-ups);

  OR
  - Substantial increase of lending volumes to more risky SMEs, to be compared to a pre-set "Reference Volume"

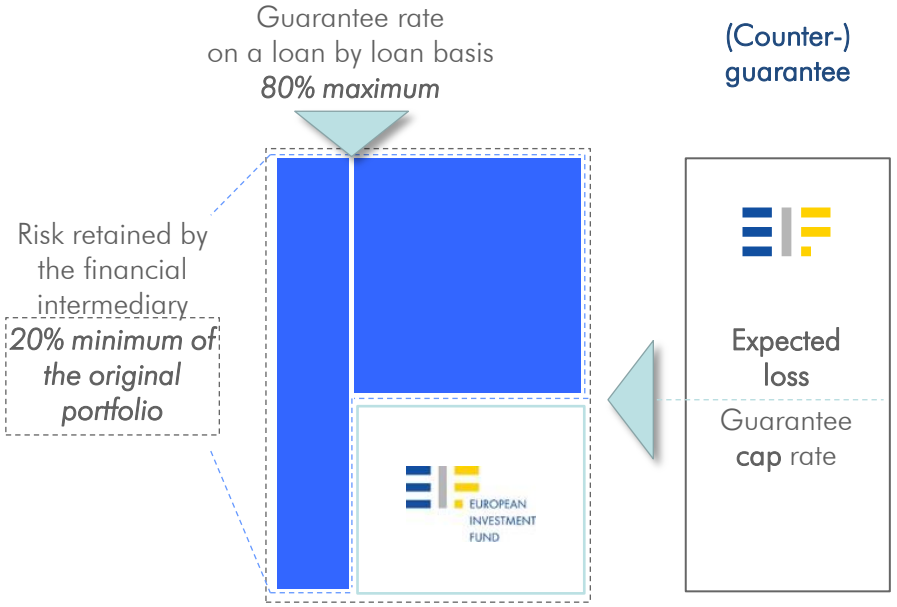
InnovFin SME Guarantee



- Final Beneficiaries:
  - SMEs (EC definition) and Small Mid-caps (< 500 FTEs);
  - Operating in EU-28 and H2020 Associated Countries;
  - Innovative:
    - invest in producing or developing innovative products, processes and/or services and where there is a risk of technological or industrial failure; or
    - "innovative" SMEs/Small Mid-caps, i.e. satisfying at least one of a list of pre-defined criteria;
    - "fast growing enterprises", measured by employment or by turnover: annual increase > 20%
- Loan amount: min EUR 25k – max EUR 7.5 m
- Maturity: min 12 months – max 10 years
- Guarantee rate: max 50% on a loan by loan basis (pari passu)
- Guarantee fee: 50/80 bps p.a. (for SMEs/Midcaps) of the guaranteed amount
- Transfer of Benefit

EaSI SME Guarantee and Debt Funding

EaSI (counter-) guarantee



- Guarantees facility
  - Free of charge
  - Guarantee rate: max 80%
  - Cap rate: max 30%
  - Min. leverage of 4.2x
  - Final beneficiaries: micro-enterprises (loans up to EUR 25k) and social enterprises (loans up to EUR 500k)

EaSI (counter-) guarantee

- EIB contribution
- Senior tranche (EREM)
- EIF contribution
- Mezzanine tranche
- EC contribution - first loss
- Equal to 1/2 or 1/3 of the structure FCP/SICAR/other
- Min. leverage of 4x to 6x

- Senior/subordinated loans and equity and quasi-equity investment for capacity building of non-bank MFIs
- Intermediaries: microfinance and social entrepreneurship institutions
- Final Beneficiaries: micro-enterprises (loans up to EUR 25k) and social enterprises (loans up to EUR 500k)
- New loans to final beneficiaries: at least 2x EaSI intervention
- Pricing broadly in line with market terms

EFSI and EIB

Operations must:

Meet EIB's usual criteria (financially sound, economically and technically viable)

Be mature enough for immediate finance

Involve asset creation

Be bankable - with pricing commensurate with the risk taken

EIB can finance up to 50% of total project cost with minimum EIB investment of EUR 7.5 million (EUR 15 million 'asset creation').

Smaller operations financed through intermediary banks or funds.

EFSI EIB Group Results

EIB Group figures

As 04/04/2017

Of which EUR 23.7bn signed

Approved EFSI financing*

EUR 33.9bn

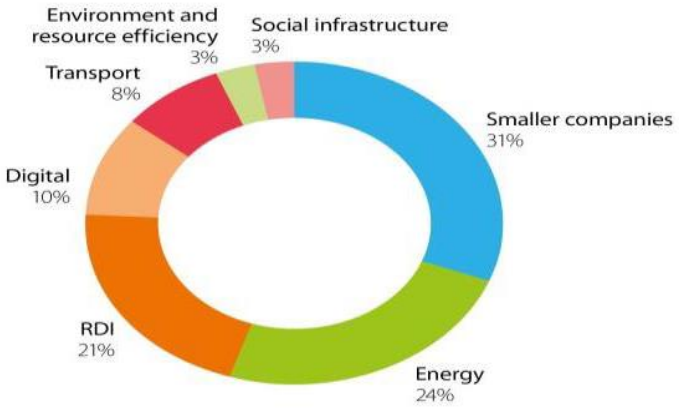
* EIB-approved: EUR 25.1bn
EIF-approved: EUR 8.8bn

Total investment related to EFSI approvals

EUR 183.5bn

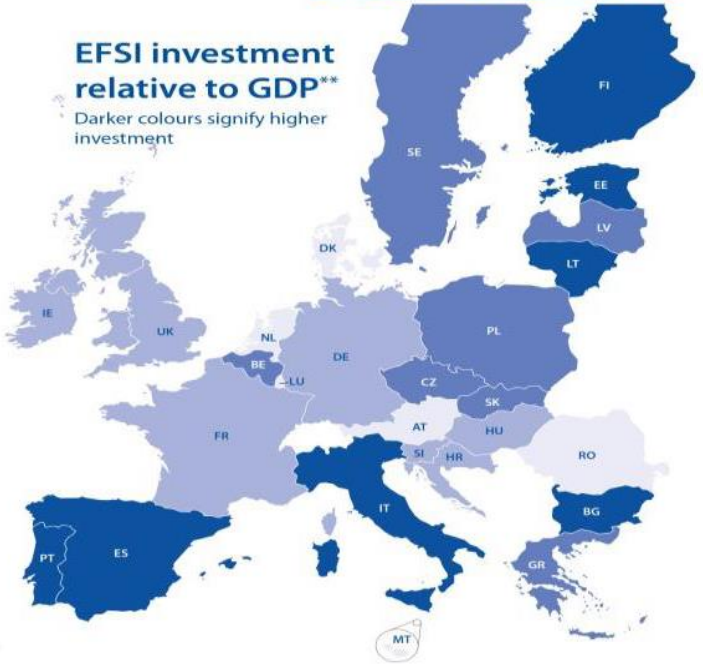
EIB + EIF 58% EUR 315bn

EFSI investment by sector**



EFSI investment relative to GDP**

Darker colours signify higher investment



**based on approved operations

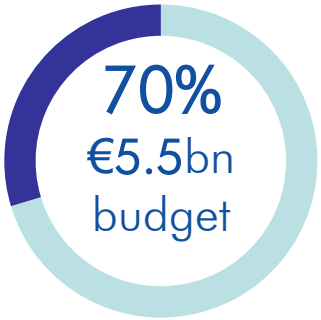
Investment Plan for Europe SMEW

Approvals at 31 January 2017

Total EFSI contribution of **EUR 3.87bn**

Expected mobilised investments of **EUR 69.7bn**

Expected to benefit more than **386,900** SMEs and mid-caps



Via **255** transactions

Leveraging
RCR
InnovFin
COSME
EaSI

Will reach SMEs across **28** countries

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EIF Greece: Partnerships for Development