

## **EIB Group's support for SMEs**

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The EIB Group (EIB and EIF) can provide both traditional debt financing through standard global loans and equity through risk capital financing, thus covering the full range of short to medium-long term and equity needs of SMEs.

At the end of 2001, the EIF signed the Multi-annual Programme (MAP) with the European Commission, further widening the field of cooperation between the two institutions, notably in the area of guarantees for micro-credit.

**The EIB Group's action for SMEs in the last 5 years can be summarized in 3 figures, each of them associated to a specific mode of intervention:**

- **15 bln EUR of global loans advanced to 150 financial institutions of the EU for on-lending to SMEs across Europe;**
- **2 bln EUR of equity participations in more than 150 capital risk funds;**
- **3.3 bln EUR of portfolio guarantees for SMEs in 86 transactions.**

In total, it can be estimated that EIB long-term finance benefited some 125,000 SMEs, and EIF operations backed about 120,000 SME investment projects.

### **EIB'S GLOBAL LOANS: ACTIVITY IN 2001**

Global loan activity for SME and small-sized infrastructure financing totalled EUR 10.5 billion. SME financing through traditional global loans totalled about EUR 5.2 billion for investment by some 22 000 SMEs. Over 50% of lending went to assisted areas.

In the course of 2001 the development of dedicated global loans was enhanced. Most global loans are region specific (Italy, UK, eastern Länder of Germany) or dedicated to specific policy areas (e.g. environment, energy saving, audiovisual sector).

### **EIF'S SME PORTFOLIO GUARANTEES**

The EIF guarantee activity in support of SMEs has developed around three main product lines, namely credit insurance, credit enhancement and structured finance operations. Guarantees are issued both on the EIF's own balance sheet and from the EU budget (for the SME Guarantee Facility). Total commitments for SME guarantees at the end of the year 2001 stood at around Euro 3.4 billion (86 operations signed.) In 2001, 39 operations were signed for a total of Euro 958 million.

### **RISK CAPITAL ACTIVITIES**

The EIB Group, via its affiliate the EIF, is the largest source of hi-tech and early stage venture capital finance in Europe. EIF venture capital activities consist of equity investments in VC funds supporting SMEs particularly those that are early stage and technology-oriented. For its VC investments the EIF uses either its own funds or those available within the framework of mandates entrusted to it by the EIB or the European Union. At the end of Dec. 2001, total equity or quasi-equity commitments exceed EUR 2 billion, for a total of around 153 operations. In 2001 alone, an amount of Euro 800 million was invested in 57 funds.