Supporting innovation and private sector investment in Norway

Oslo, 11 December 2014
We provide risk financing to stimulate entrepreneurship and innovation in Europe in supporting over 1.5 Million SMEs over 20 years.

EU specialised institution for SMEs risk financing, offering a large array of targeted products to support SMES ranging from venture capital to guarantees and microfinance to SMEs

- **Geographic Focus:** EU 28, EFTA, Candidate Countries
- **Distribution through Banks and Funds** (Full delegation)

- **Founded in 1994**
- **Multilateral Development Bank (MDB) status**
- **Basel II 0% risk weighting**
- **AAA ratings** (Moody’s/S&P/Fitch)

- **Shareholding Structure:**
  - EIB: 63.7%, EIB shareholders: 28 EU Member States
  - EC: 24.3%
  - 24 European Financial Institutions: 12%
Our resources

"We manage resources on behalf of a variety of stakeholders"

<table>
<thead>
<tr>
<th>European Investment Bank</th>
<th>European Commission</th>
<th>National &amp; Regional Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Capital Resources (RCR)</td>
<td>COSME allocated to equity and guarantees</td>
<td>13 funds-of-funds including in the Balkans, Germany, Poland, Portugal, Spain, Turkey, UK</td>
</tr>
<tr>
<td>EIB Group Risk Enhancement Mandate (EREM)</td>
<td>Risk-Sharing Instrument (RSI)/InnovFin</td>
<td>14 Holding Funds supported by struct. funds</td>
</tr>
<tr>
<td>Progress Microfinance</td>
<td>Progress Microfinance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SME initiative</td>
<td></td>
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<tr>
<td></td>
<td>WB EDIF*</td>
<td></td>
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</tbody>
</table>

*WB EDIF: Western Balkans Enterprise Development & Innovation Facility
We are the prime provider of SME financing in Europe.

480 venture and growth funds
306 banks, guarantee and promotional institutions
27 funds of funds, regional and national initiatives and holding funds
Helping businesses at every stage:

**EIF standardized and customizable products**

- **PRE-SEED PHASE**
  - Business Angels, Technology Transfer, Accelerator and Seed Funds

- **SEED PHASE**
  - Microcredit & Portfolio Risk Sharing Loan

- **START-UP PHASE**
- **EMERGING GROWTH**
- **DEVELOPMENT**

- **Higher Risk**
- **Lower Risk**

**Public Stock Markets**

**Portfolio Guarantees & Securitization and Credit Enhancement**

**Formal VC Funds, Mezzanine Funds, Co-Investment Funds**
Debt Products
## Guarantee Instruments Development

<table>
<thead>
<tr>
<th>Product</th>
<th>Portfolio Tranche</th>
<th>Form</th>
<th>Leverage</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SME Guarantee Facility</td>
<td>First Loss</td>
<td>Direct guarantee</td>
<td>= 14</td>
<td></td>
</tr>
<tr>
<td>FLPG*</td>
<td>First Loss + Second Loss</td>
<td>Direct guarantee</td>
<td>= 5 to 7</td>
<td></td>
</tr>
<tr>
<td>Credit Enhancement</td>
<td>Second Loss (mezzanine)</td>
<td>Direct guarantee</td>
<td>= 6 to 8</td>
<td></td>
</tr>
<tr>
<td>RSI</td>
<td>Blended (uncapped)</td>
<td>Direct guarantee</td>
<td>= 5 (on EC FLPG)</td>
<td></td>
</tr>
<tr>
<td>ABS wrap</td>
<td>Funding</td>
<td>Direct guarantee</td>
<td>= 2 to 3</td>
<td></td>
</tr>
</tbody>
</table>

* First Loss Portfolio Guarantee

### Portfolio Tranche Diagrams

- **SME GF (First Loss)**
- **FLPG (First + 2\(^{nd}\) Loss)**
- **Credit Enhancement (Second Loss)**
- **InnovFin/RSI (uncapped/pari passu)**
- **ABS wrap (Senior)**

### Risk Tolerance
- Deal rationale
- Financial Institutions
- Pricing
- Leverage
- Self-sustainability
- Target Beneficiaries

### Expected Loss
- SME GF (First Loss)
- FLPG (First + 2\(^{nd}\) Loss)
- Credit Enhancement (Second Loss)
- InnovFin/RSI (uncapped/pari passu)
- ABS wrap (Senior)
Equity Investments
Equity: Involved throughout the business cycle

Technology Transfer Accelerator

Investing in VC funds

Investing in Growth Capital

Mezzanine

Technological Transfer
Proof of Concept
Business Angels
Seed Stage

Early Stage
Business Angels

Expansion/Development Capital

Lower Mid-Market

Strategy Challenges

Fill funding gap left by institutional investors

Support VC ecosystem and decrease dependency on public finance

Catalyse hybrid debt finance for growth

Provide instruments to stimulate innovation, competitiveness and cross-border investment

Business development

European Commission Resources
EIB / EIF Resources
Member States / Private Sector Resources
EIF in Norway
(looking to do more)

Guarantee Activities:

- Agreements under MAP/CIP with Innovation Norway and Cultura Sparebank

Equity Activities:

- Capricorn Cleantech Fund
- First tech transfer with SINTEF Ventures IV
Some of the high potentials powered by our funds / BAs