Investment and investment finance – the Austrian case
OeNB – EIB workshop in Vienna, 20.03.2017

Road ahead – how to enhance investment in Austria

The EIB in Austria

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Central and South East Europe Department
The EIB in Austria

1. General overview of the EIB Group
2. Recent EIB lending activity in Austria
3. Project highlights 2016
4. EIB lending outlook in Austria for 2017
1. General overview of the EIB group – The EIB

The EIB: the EU bank

- Natural financing partner for the EU institutions since 1958
- Around 90% of lending is within the EU
- Shareholders: 28 EU Member States
1. General overview of the EIB Group – The EIF

- **Shareholders:**
  - European Investment Bank (59.9%)
  - European Commission (28.1%)
  - 30 public & private financial institutions (12%)
- **Strong capital base** (EUR 4.5bn)
- **AAA-rated** by the three major rating agencies
- **Over 20 years** of market experience in SME financing
- **Over 400 staff**
1. General overview of the EIB Group – our key priorities

Environment

Infrastructure

Innovation

SMEs

EUR 16.9bn
EUR 19.7bn
EUR 13.5bn
EUR 33.6bn

EUR 83.7bn Group financing in 2016
# 1. General overview of the EIB Group – our products

We help catalyse investment

<table>
<thead>
<tr>
<th>LENDING</th>
<th>BLENDING</th>
<th>ADVISING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>But also:</td>
<td>Combining EIB finance with EU budgetary guarantees to support higher risk investment (InnovFin, EFSI)</td>
<td>Prepare, evaluate and support the implementation of projects (JASPERS)</td>
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<tr>
<td>Guarantees</td>
<td></td>
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<tr>
<td>Equity participation</td>
<td></td>
<td>Support for public/private partnerships (EPEC)</td>
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</tbody>
</table>

Attracting FUNDING for long-term growth
1. General overview of the EIB Group – The investment plan for Europe

WHY? ➔ Investment gap and persisting low growth in Europe

- Investment & competitiveness gap
- High liquidity in the market
- Public budget constraints
- Financial and non-financial barriers to investment

EU Investment Plan
- EU and Member State policy action
- EU budget guarantee
- EIB capacity to mobilise additional investment

AIM ➔ to mobilise at least EUR 315bn in investment across the EU
2. Recent lending activity in Austria - EIB

EIB’s activity by sector - Austria

<table>
<thead>
<tr>
<th>Sector</th>
<th>AT</th>
<th>EU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exposure (EUR bn)</td>
<td>15.3</td>
<td>508.3</td>
</tr>
<tr>
<td>Exposure (% of GDP)</td>
<td>4.4</td>
<td>3.4</td>
</tr>
</tbody>
</table>

Signature flow

<table>
<thead>
<tr>
<th>Year</th>
<th>SMEs &amp; intermediated</th>
<th>Manufacturing, mining and agriculture</th>
<th>Services</th>
<th>Social sector</th>
<th>Telecommunications</th>
<th>Urban infrastructure</th>
<th>Transport</th>
<th>Energy</th>
<th>EU Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
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<td>2009</td>
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<tr>
<td>2010</td>
<td>1318.33</td>
<td>12751478.5</td>
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<tr>
<td>2011</td>
<td>1049.63</td>
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<tr>
<td>2012</td>
<td>2020</td>
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<tr>
<td>2013</td>
<td>2416.6</td>
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<tr>
<td>2014</td>
<td>1794.59</td>
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<tr>
<td>2015</td>
<td>1495.87</td>
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<tr>
<td>2016</td>
<td>1447.16</td>
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</tr>
</tbody>
</table>

N° Counterparties (by total exposure): AT 79, EU 2,503
N° Counterparties (by signatures in 2016): AT 13, EU 396
Average exposure to counterparty (EUR m): AT 194, EU 203
2. Recent lending activity in Austria - EIF

From 2012 to 2016, EIF committed a total amount of EUR 663m, financing activity aimed at raising EUR 1.9bn in risk financing for SMEs.

<table>
<thead>
<tr>
<th>Year</th>
<th>Equity Commitment (mEUR)</th>
<th>Guarantee Commitment (mEUR)</th>
<th>Micro Commitment (mEUR)</th>
<th>Total Commitment (mEUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>-</td>
<td>66.3</td>
<td>0.5</td>
<td>66.8</td>
</tr>
<tr>
<td>2013</td>
<td>2</td>
<td>32.0</td>
<td>-</td>
<td>63.5</td>
</tr>
<tr>
<td>2014</td>
<td>2</td>
<td>31.5</td>
<td>-</td>
<td>67.9</td>
</tr>
<tr>
<td>2015</td>
<td>4</td>
<td>9.9</td>
<td>-</td>
<td>107.2</td>
</tr>
<tr>
<td>2016</td>
<td>5</td>
<td>7.4</td>
<td>0.3</td>
<td>418.0</td>
</tr>
<tr>
<td>Total</td>
<td>13</td>
<td>52.1</td>
<td>1.3</td>
<td>663.4</td>
</tr>
</tbody>
</table>
2. Recent lending activity – by sector

EIB lending by sector in Austria from 2012 to 2016 (in EUR m)

- Energy: 16%
- Transport, telecommunications: 44%
- Water, sewerage, solid waste, urban development: 5%
- Industry, services, agriculture: 9%
- Education, health: 4%
- Small and medium-scale projects: 22%

Total: EUR 8 204 million
2. Recent lending activity – customer groups

EIB's activity by contract counterpart (borrower) for operations - Austria

**Exposure, Dec-2016**

<table>
<thead>
<tr>
<th>Type</th>
<th>EU</th>
<th>AT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial intermediaries</td>
<td>10%</td>
<td>20%</td>
</tr>
<tr>
<td>Corporate</td>
<td>20%</td>
<td>40%</td>
</tr>
<tr>
<td>Project finance</td>
<td>10%</td>
<td>20%</td>
</tr>
<tr>
<td>Public sector entity</td>
<td>10%</td>
<td>20%</td>
</tr>
<tr>
<td>Sub-sovereign</td>
<td>10%</td>
<td>20%</td>
</tr>
<tr>
<td>Sovereign</td>
<td>10%</td>
<td>20%</td>
</tr>
</tbody>
</table>

**Signature flow**

<table>
<thead>
<tr>
<th>Year</th>
<th>EU Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>0.3</td>
</tr>
<tr>
<td>2009</td>
<td>0.4</td>
</tr>
<tr>
<td>2010</td>
<td>0.5</td>
</tr>
<tr>
<td>2011</td>
<td>0.6</td>
</tr>
<tr>
<td>2012</td>
<td>0.7</td>
</tr>
<tr>
<td>2013</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Source: EIB
3. Project highlights in 2016 - EIB

In 2016 the EIB signed in total 16 contracts for 13 projects in Austria.

Two projects are highlighted, targeting EFSI and SME objectives:

- **Energiepark Bruck Onshore Wind EFSI**
  - The Hof/Seibersdorf wind farm project is the first Austrian initiative to secure finance from EFSI in total of EUR 40m. With the backing of its local financial partner Erste Bank, which is also providing EUR 20.4m, a total of 12 wind turbines, each with a capacity of 3 MW, are being installed on the two sites at an overall cost of EUR 70m. These wind power installations will generate sufficient climate-friendly electricity per year for 27,000 homes.

- **Raiffeisen Leasing ABS Loan for SMEs and Midcaps**
  - The EIB and EIF have supported a Raiffeisen-Leasing securitisation transaction of EUR 440m. EIB invested EUR 150m and ING Germany EUR 250m in the senior notes. The tranche by ING Germany is covered by an EIF guarantee.
  
  - This is the first public ABS transaction in which the EIB Group has participated in Austria. It will contribute to further opening up the securitisation market for financing SMEs in the country. With this operation, Raiffeisen-Leasing is developing additional sources of financing for its strategic business area of SMEs.
3. Project highlights in 2016 - EIF

- **First EFSI deal signed between Bank Austria and EIF**
  - The InnovFin agreement allows Bank Austria to provide loans to innovative companies in Austria.
  - The guarantee is provided by the EIF and backed under Horizon 2020, the EU Framework Programme for Research and Innovation.
  - The EU support for innovative Austrian companies is expected to generate a portfolio of EUR 200m loans.

- **Social Entrepreneurship agreement signed between Erste Bank and EIF**
  - Erste Bank will be able to provide a total loan amount of **EUR 10m** at an attractive interest rate.
  - **Over 500 micro and social entrepreneurs** who face difficulties in accessing credit from traditional banking sources will benefit from this agreement.
  - The beneficiaries do not have to provide collateral under the EU-supported programme.
4. Lending outlook in Austria - Strategy for 2017 and beyond

In Austria EIB’s contribution is aimed at:

- strengthen Austria’s ability to innovate by reallocating resources towards higher risk high-tech sectors and supporting innovative SMEs;
- TEN-T priority projects;
- re-orientation of the Austrian health sector;
- national priority areas such as energy efficiency;
- municipal infrastructure and education.
4. Lending outlook in Austria for 2017 - EIB

EFSI and Non-EFSI Signatures Pipeline in Austria 2017

2017 Signatures Pipeline (EUR 1,700m) in Austria by segments
4. Lending outlook in Austria for 2017 - EIF

- **The Central Europe Fund of Funds (CEFoF)**
  - Invest as a cornerstone investor, catalysing private investment
  - Is expected to be launched in Q1 2017 with a critical mass of at least EUR 100m
  - AWS is expected to participate in the launch of the Central Europe Fund of Funds

- **European Angels Fund (EAF)**
  - Funded by EIF and AWS
  - The EAF Austria facility is expected to be fully committed to business angels by 2018
  - EAF is expected to build a portfolio of more than 100 SMEs
Thank you!

Europäische Investitionsbank

Die Bank der EU