

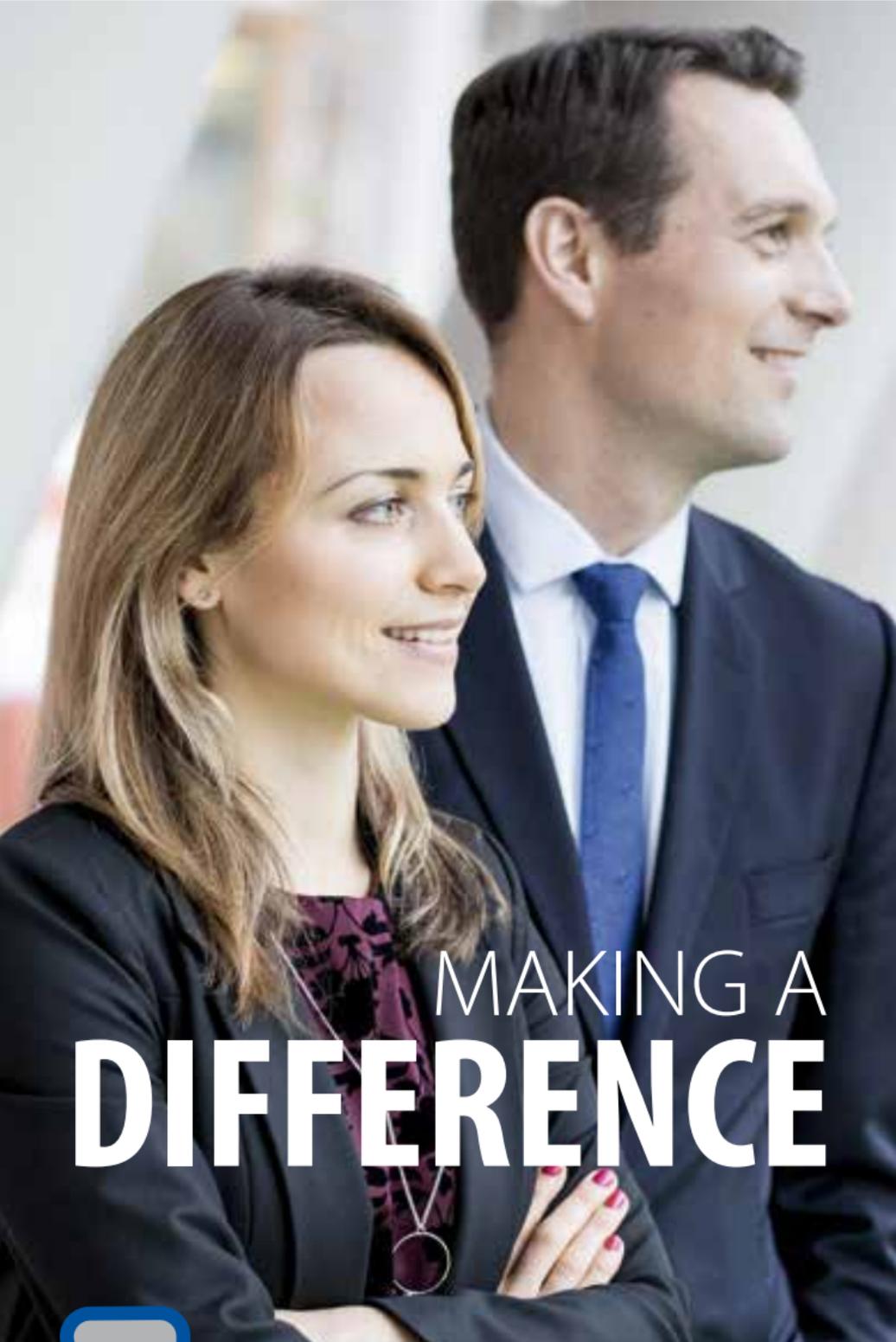


European  
Investment  
Bank

*The EIB bank*



EUROPEAN  
INVESTMENT  
FUND



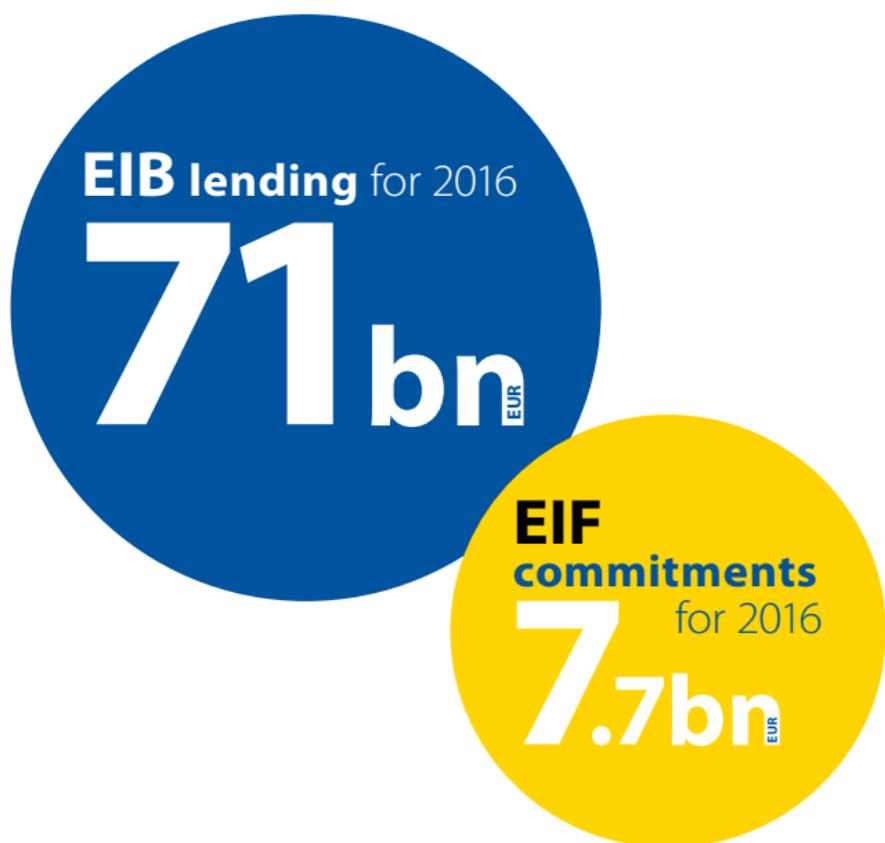
# MAKING A DIFFERENCE



What to look for at the  
European Investment Bank Group

## Europe is changing

The **European Investment Bank Group** is changing with it



**will support** Recovery... Employment...  
Infrastructure... Competitiveness in the global economy

## How we will get the job done

In the next three years the EIB Group will meet its high targets for traditional financing to promote cohesion, employment, entrepreneurship and innovation. **And** invest in projects with higher risk which find it harder to get financing

## WHO we are & WHY we do what we DO

The EIB is the EU bank. Its shareholders are the EU Member States. It responds to economic conditions in the EU

“ We’re a public-policy bank. We fill gaps in the market where there’s a need that isn’t met by private finance. That way, we help Europe’s economy perform efficiently. ”

Christopher Hurst,  
director-general, Projects

**The EIB stimulates** Research and development... Education... Energy supply and efficiency... Transport... Telecoms... Environmental projects

## How?

“ We assess, finance and monitor projects and we report on their impact. It’s a role that gets more complex all the time, but still it’s the basis of what we do.”

Francois Trevoux,  
director, Energy

**The EIF supports** entrepreneurship and innovation... with equity, debt and microfinance delivered through financial intermediaries... from intellectual property development through later growth stages

“ We help transform ideas into business reality. This means continuously adapting to changing market needs.”

Maria Leander,  
EIF secretary general

## Our priorities

The EIB's lending is not just about billions of euros. It is all about impact. Making a difference to companies, to the climate, to people's lives through four Public Policy Goals

### 1. Fostering INNOVATION and human capital

Growth in Europe depends on refining skills, expanding knowledge and translating them into new products and services

The toughest stage of new technology projects comes when a prototype must be scaled up to full operational dimensions. The EIB's InnovFin First-of-a-Kind Demonstration Projects programme uses the Bank's loans to leverage an EU grant

For projects like the WindFloat Atlantic floating wind turbine off the coast of Portugal. The EIB is considering a contribution of EUR 25 million, a third of the debt financing for the EUR 125 million project. With that, the company will build a floating wind farm generating power for 20,000 Portuguese homes

**“The EIB finances the stage from prototype to commercialisation. We take that development risk.”**

**Milena Messori,**  
head of unit, Product Development & Special Transactions



Innovation improves the **quality** of life. It can also **save lives**. The EIB's InnovFin Infectious Diseases Finance Facility funds the early, risky stages of the development of vaccines, treatments and medical devices

Its first loan of EUR 10 million was to Caviidi, a Swedish biotech firm developing a device to monitor AIDS patients in case they become resistant to their medication

**“Our role is to provide attractive funding to sustainable projects in the interests of the citizens of Europe.”**

John Davis,  
head of division, Life Sciences & Health

## 2. Building efficient INFRASTRUCTURE

**For transport...**The economic crisis dented **transport** infrastructure investment. To foster trade and growth, the EIB will support the development of transport networks across Europe

**“It’s a global economy - and transport infrastructure is essential to success.”**

Maj Theander,  
director, Mobility

**For cities...** The EIB will focus lending on making cities

**Smart:** investment which enables cities to better apply innovative technologies...

**Green:** environmentally sustainable projects that help deal with climate change...

**Inclusive:** helping cities to be living, caring places for the range of generations

**“The urban agenda will be a hot topic. We will make sure our contribution has real impact through projects that make a big difference on the ground.”**

Werner Schmidt,  
director, Environment & Sustainable Territorial Development



### 3. Small and medium-sized ENTERPRISES

The **EIB Group** supports small and medium-sized enterprises through financial intermediaries – such as venture, growth and mezzanine capital funds, banks, guarantee institutions and microfinance providers... The Bank supports mid-cap companies investing in research and product development with small loans and guarantees

**“Our main job in life is to get as much money to small and mid-sized companies as we can. Our impact there is truly formidable.”**

John Holloway,  
EIF director of equity investments

**The EIF increases access to finance with...** its own resources... funding from the EIB, the Commission, national governments and other third parties

**“We encourage our partners to increase their risk appetite and lending volumes by guaranteeing part of the risk.”**

Alessandro Tappi,  
EIF director of guarantees, securitisation and microfinance

### 4. Protecting the ENVIRONMENT

Focus on projects that benefit the environment, biodiversity, and human living conditions... Increase recycling of bio-waste and other materials and energy recovery from **waste**. This may require new lending products and financial instruments to support smaller projects and promoters with different risk profiles than the ones the Bank usually considers...

Sustainable urban **mobility** is a core issue. Total cost of congestion in European towns and cities: EUR 80 billion per year. The EIB promotes sustainable urban growth with alternative transport, fuels and engines

Support adaptation to climate change... **Bring climate action into all the Bank's activities**... Minimum target: 25% of all loans are climate action finance...

# The right PLACE at the right TIME

## EU growth and employment

Support for investment to boost cohesion and convergence...  
Restore competitiveness to sustain employment and productivity across all Member States

**Priority areas:** research and innovation, transport, environment, education, information and communications technology, entrepreneurship, small and medium-sized enterprises

Building a network of offices to increase visibility and improve access to clients... Responding to specific country needs

*“A special situation like Greece requires extraordinary measures. A big part of it will be support for the private sector, in particular small and mid-sized companies.”*

Flavia Palanza,  
director, Central and South East Europe

**Outside the EU** we aim for more social impact investment and support for microfinance operations

*“It’s not just about money. We transfer the best knowledge in the EU to governments and businesses outside the EU.”*

Heinz Olbers,  
director, Neighbouring Countries

## Advisory services

Companies or public authorities will have a single point of entry to call on our financial and technical expertise. **The European Investment Advisory Hub** will enhance access to finance... and optimize the use of EU funds

The Hub’s web platform will share expertise and ensure better knowledge-sharing and synergies between advisory programmes

# The Investment Plan for Europe and EFSI

## How do we plan to create economic impact?

Use our stamp of approval to help projects find private investment... Finance customers who've never before had access to EIB funding... Fund innovative companies with investments in research and development... New financial instruments with the **European Commission**... Strengthen advisory services, so companies and public authorities can call on our financial and technical expertise...

The **European Fund for Strategic Investments (EFSI)** is a joint initiative with the Commission and the European Parliament using the EU budget as part of the Investment Plan for Europe. EFSI aims to unlock often higher-risk investments we might not have financed without it

That doesn't mean the EIB will now only invest in high-risk projects. It **does** mean the Bank can take on more risky projects per year. Those higher risks will be offset by a EUR 16 billion **guarantee** from the Commission and EUR 5 billion in EIB resources

**EFSI allows the EIF to support small and medium-sized enterprises more quickly**... With the EUR 5 billion SME Window boosting jobs and growth in Europe... Launching new products

## EFSI priority areas:

Research and innovation, transport, environment and climate, education, information and communications technology, small and mid-sized enterprises...

**“The Group has more flexibility to fine-tune its operations to new market needs.”**

Debora Revoltella,  
director, Economics

## What's SPECIAL about EFSI?

**Special Activities:** Where the risk is entirely borne by the EIB... Or where the risk is shared with a third party, notably the Commission using the EU budget

**Includes** debt financing... guarantees... equity... quasi-equity... venture capital

**Special Activities** will rise to about 30% of total loans from about 9%

## Why more Special Activities?

With more Special Activities, the EIB can diversify its customer and loan portfolio... and have a bigger impact on Europe's innovation, competitiveness, economic recovery and long-term growth

EFSI represents a **big change** in where and how we operate...

*“The storyline of the bank is going to be EFSI. Accelerating investment that wouldn't have happened before. Creating different financial structures.”*

Anita Fürstenberg,  
director, Western Europe

Operations for **EFSI** require... more staff resources, because there will be more projects, smaller projects, more complicated deals... projects that wouldn't have been done without the EFSI guarantee... **new activities**, new clients, new products... We expect the number of operations signed annually to increase by 50%

Whatever happens, the EIB will evaluate new lending opportunities **and** stay focused on the Bank's financial and credit strength

## EFSI's overall objective

**EUR 240 billion** of additional investment in innovation and infrastructure

+ **EUR 75 billion** to small and medium-sized enterprises

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= **EUR 315 billion** of additional investment by mid-2018

## On the radar: Europe's refugee crisis

Crisis response focuses initially on shelter and housing. The Bank anticipates a significant pipeline of related housing and urban infrastructure projects within the EU, in the western Balkans, Turkey and neighbourhood countries

### Neighbouring countries...Jordan water pipeline

A response to the refugee crisis in the place to which many of them first flee. The Wadi al-Arab Water System II, a EUR 51 million EIB loan to a EUR 102 million project... to bring 30 million cubic metres of water to northern Jordan, where locals already under pressure from climate change face additional shortages due to the massive influx of Syrian refugees

**“The project will really have a social impact. Reliable and improved access to water benefits economic development and social stability in an area hosting a large number of refugees.”**

Cathérine Barberis,  
loan officer, Neighbouring Countries



## On the radar: Energy efficiency

**EU target for climate and energy by 2030** includes 27% energy savings... This requires **EUR 100 billion of investments per year**... Four-fifths of that is for renovating buildings... EIB supports this sector through advisory services, new instruments like Private Finance for Energy Efficiency, and EFSI... Energy efficient transport will contribute strongly to these goals as transport accounts for 32% of European energy consumption... EIB aims to develop new financial instruments to support electric/alternative fuel engines

With Climate Awareness “Green “ Bonds the EIB continues to lead the way to a market similar to mainstream bond markets... The Bank’s role is key to standardising and setting policy for the market

**“We put a lot of passion into what we do. We deliver practical results that help capital markets support UN climate change plans.”**

**Aldo Romani,**  
managerial adviser, Capital Markets





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**EUROPE IS CHANGING.** The European Investment Bank Group is changing with it.



**Sustain employment...  
Improve infrastructure...  
Build innovation in the  
European economy...  
Strengthen partnerships**



**WE'RE RESPONDING TO**

- the Investment Plan for Europe
- climate change
- Europe's innovation gap
- refugee flows into Europe

**MAKING A  
DIFFERENCE**

**What to look for at the European Investment Bank Group**

**WHO we are  
& WHY we do what we DO**

The European Investment Bank is the EU bank. Together with the European Investment Fund we respond to economic conditions in the EU

Economic recovery across Europe is fragile  
In many countries unemployment is high

The EIB Group stimulates Research and development... Education... Environmental projects... Energy supply and efficiency... Transport... Telecoms... Innovation... Small and medium-sized enterprises

**How?**

Lending to modernize and expand public infrastructure... Supporting innovation... Early stage capital and guarantees to let enterprises grow... Lending and guarantees to the smallest companies and the biggest corporations

**Our OBJECTIVES,  
and CHALLENGES**

Support growth and employment... Build innovation... Make Europe competitive

Annual lending to four Public Policy Goals of around

- **EUR 15 billion** Innovation
- **EUR 19 billion** Infrastructure
- **EUR 19 billion** Small and Medium-sized Enterprises and larger companies
- **EUR 18 billion** Environment

From all this, at least **EUR 18 billion** will support climate action

**More ways to get things DONE**

The European Fund for Strategic Investments is part of the Investment Plan for Europe. We have a EUR 16 billion guarantee from the Commission and EUR 5 billion from our own resources that enables us to take on more risk

The European Fund for Strategic Investments means... more projects, smaller projects, more complicated deals... projects that wouldn't have been done in the same way without it...

European Fund for Strategic Investments' three-year objective

Loan and guarantee support for EUR 315 billion of additional investment in innovation, infrastructure, and SMEs