



# European Investment Fund instruments in Slovakia

# What is the EIF?

“ We provide risk financing to stimulate entrepreneurship and innovation in Europe ”



**Making**  
finance more  
**accessible** and  
helping SMEs to  
innovate and  
grow

**Offering**  
a large array of  
**targeted products**  
to support **SMES**  
ranging from venture  
capital to guarantees  
and microfinance to  
SMEs

**Working**  
with financial  
intermediaries  
across the **EU-28**  
**EFTA countries,**  
**candidate &**  
**potential candidate**  
countries

**Supporting**  
the market in a  
countercyclical  
way

# A few facts about us

“We pursue **EU policy objectives** and **financial sustainability**”



## Shareholders

unique tripartite structure: 62.1% EIB, 30% EC, 25 public and private financial institutions holding the remaining 7.9%

## Assets under management

of over **EUR 13bn**, mobilising EUR 79bn with other market players

## AAA-rated

by all major rating agencies

## Capital increase to EUR 4.5bn

ensuring strong capital base

# Our history

“ We have designed and implemented financial solutions for SMEs for **20 years** and so far supported more than **1.5 million SMEs** ”



## 1994

Founded and started by providing **guarantees** to financial intermediaries ; in 1997 offer expands to **venture capital**

## 2000

EIB becomes majority shareholder and makes EIF the “SME risk finance specialist”

## 2004

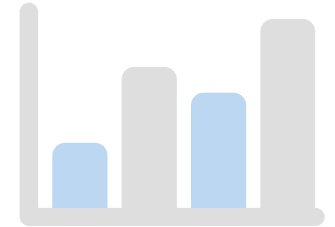
EIF starts to manage the **first SME focussed fund-of-funds** on behalf of an EU Member State

## 2014

EIF’s role strengthened with **increased capacity** allocated by its shareholders for the benefit of European SMEs

# Our objectives

“ To support **smart, sustainable and inclusive** growth for the benefit of European SMEs ”



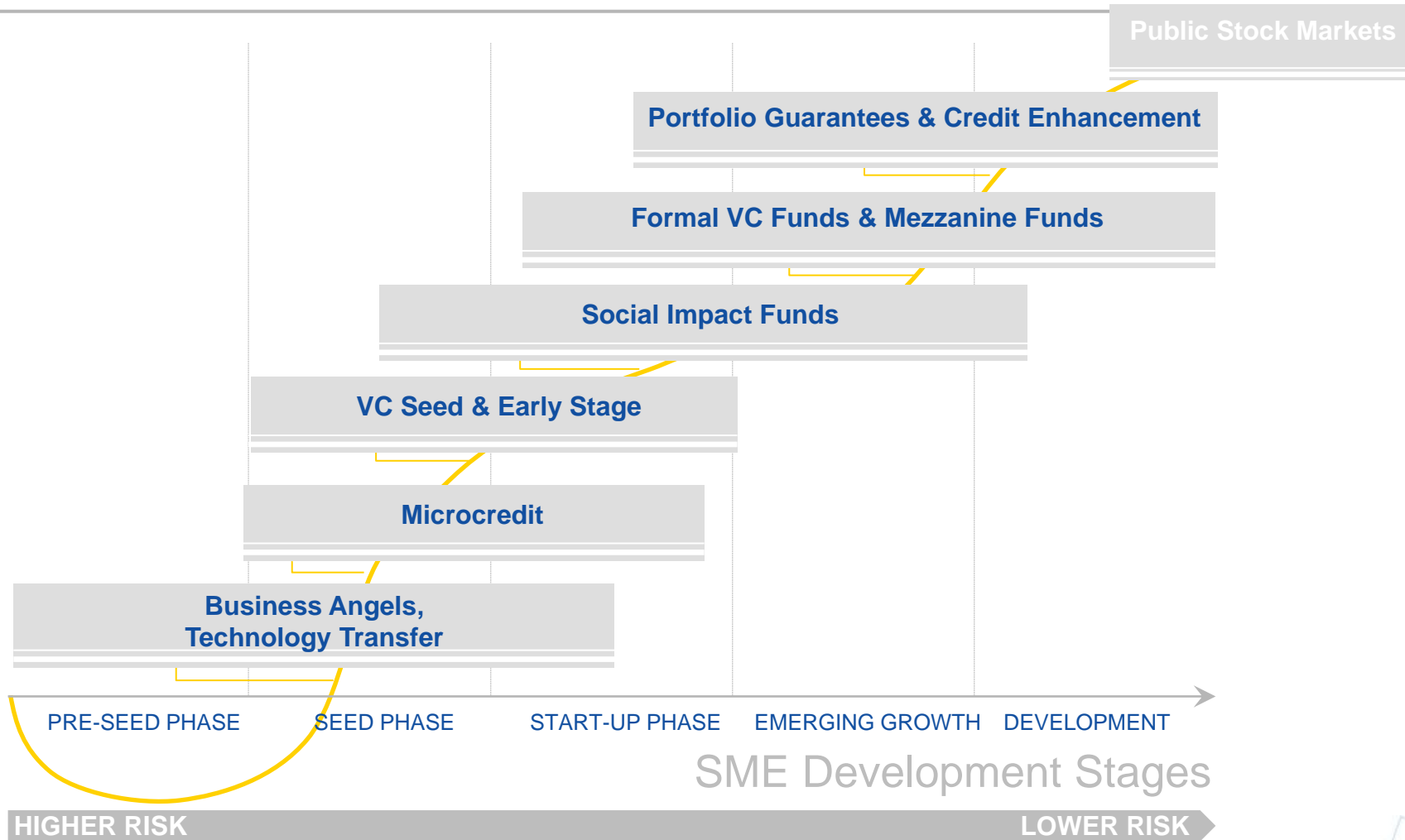
**Be**  
Europe's leading **investor** in venture and growth capital & a **catalyst** to promote **SME lending & microfinance**

**Support**  
innovation & entrepreneurship and bring together **public and private** partners

**Fill**  
**the SME financing gap**  
and leverage public funds by attracting **private capital**

**Achieve**  
policy objectives and **return on capital**

# Helping businesses at every stage of their development



# A few key figures

“ We are the prime provider of SME financing in Europe ”



## Equity

**2013** commitments:  
**EUR 1.4bn**  
which mobilised  
**EUR 7.1bn**

## Guarantees & securitisation

**2013** commitments:  
**EUR 1.8bn**  
which mobilised  
**EUR 8.6bn**

## Microfinance

**2013** commitments  
**EUR 53.8m**  
which mobilised  
**EUR 201m**

**480** venture and growth funds

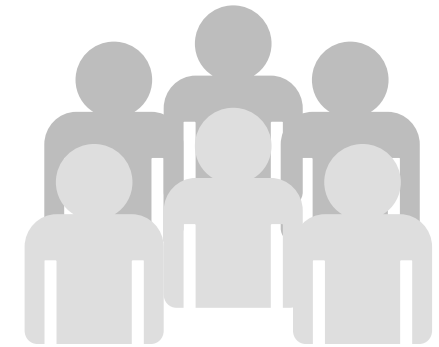
**306** banks, guarantee and promotional institutions

**27** funds-of-funds and holding funds

**EUR 13.5bn** in total outstanding commitments mobilise **EUR 79bn**

# Our counterparts

“ We work with a wide range of counterparts to support SMEs ”



## Resources and Mandators

- European Investment Bank
- EIF own resources
- European Commission
- Member States/regions
- Managing Authorities
- Corporates/private
- Public institutions
- Other third parties



## Intermediaries and counterparts

- Fund Managers
- Commercial Banks
- Development & Promotional Banks
- Guarantee Institutions
- Leasing Companies
- Corporates
- Business Angels
- Microfinance Institutions



micro-  
enterprises,  
SMEs  
and small  
mid-caps



“ We manage resources on behalf of a variety of stakeholders ”

## European Investment Bank

- Risk Capital Resources (RCR)
- EIB Group Risk Enhancement Mandate (EREM)
- Progress Microfinance

## European Commission

- CIP programme allocated to equity and guarantees
- Risk-Sharing Instrument (RSI)/InnovFin
- Progress Microfinance
- SME initiative
- WB EDIF

## National & Regional Funds

- **13** funds-of-funds including in the Balkans, Germany, Poland, Portugal, Spain, Turkey, UK
- **14** Holding Funds supported by struct. funds

# Guarantees: Encouraging SME lending by sharing risk

“ We provide a wide range of products to increase our intermediaries’ lending capacity to SMEs ”

## We protect

our financial intermediaries’ capital by sharing the risk they take when lending to SMEs

## We make it easier

for financial institutions to transfer credit risk to capital markets

## We provide

“First loss” guarantees, risk sharing instruments and credit enhancement

- SMEs benefit from reduced collateral requirements
- Guarantees are often provided free of charge, which benefits SMEs

# Microfinance: Micro-enterprises are key to European economy

“ By supporting micro-enterprises we promote job creation, entrepreneurship and social inclusion ”



## Improving

the availability of finance for micro-entrepreneurs, the self-employed and vulnerable social groups who often lack access to the commercial credit market

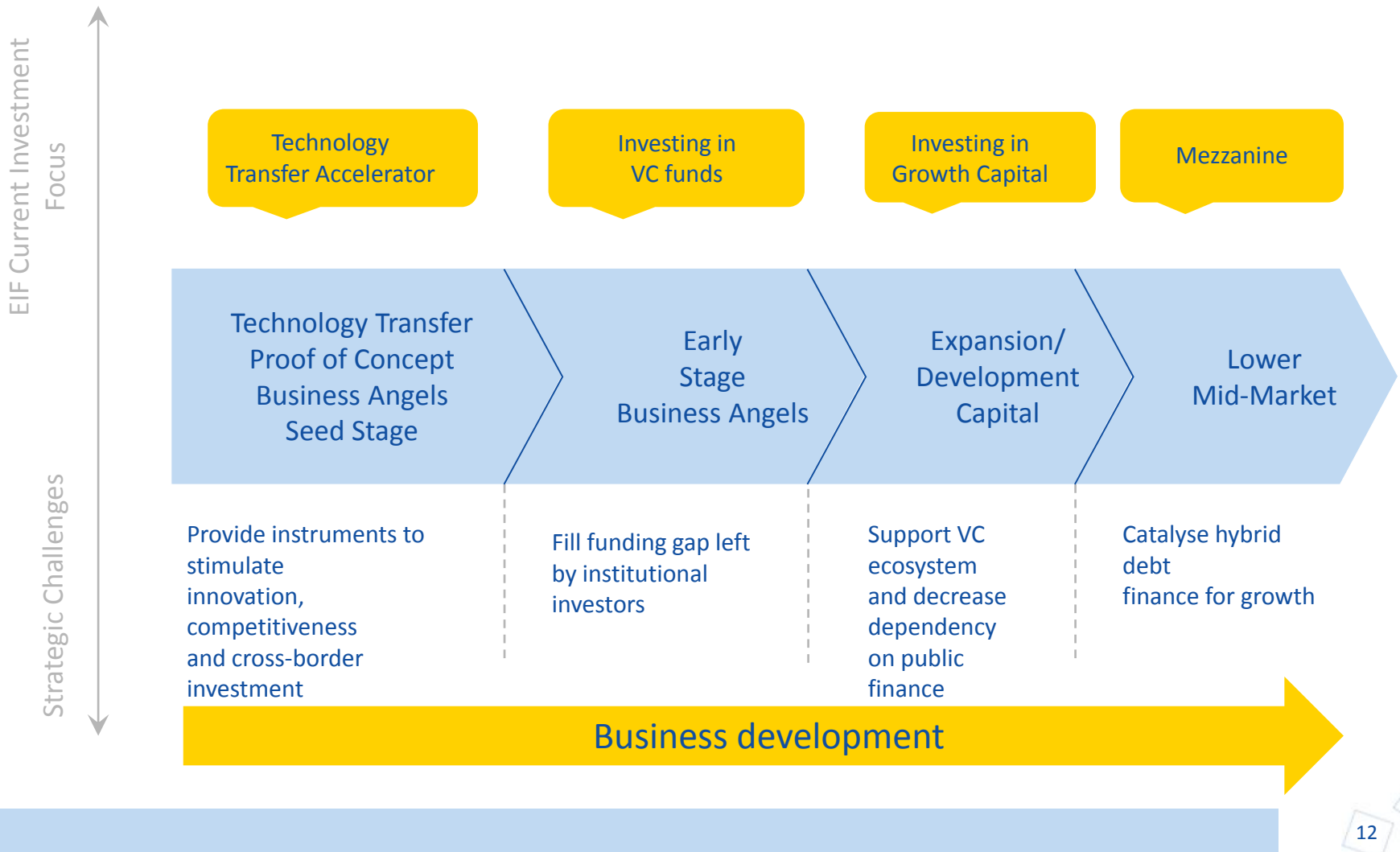
## Providing

financial (equity and guarantees)  
and non financial (Technical Assistance) instruments  
to increase microfinance institutions' funding capacity & sustainability

## Committing

to the EU 2020 objectives of smart, sustainable and inclusive growth

# Equity: Involved throughout the business cycle



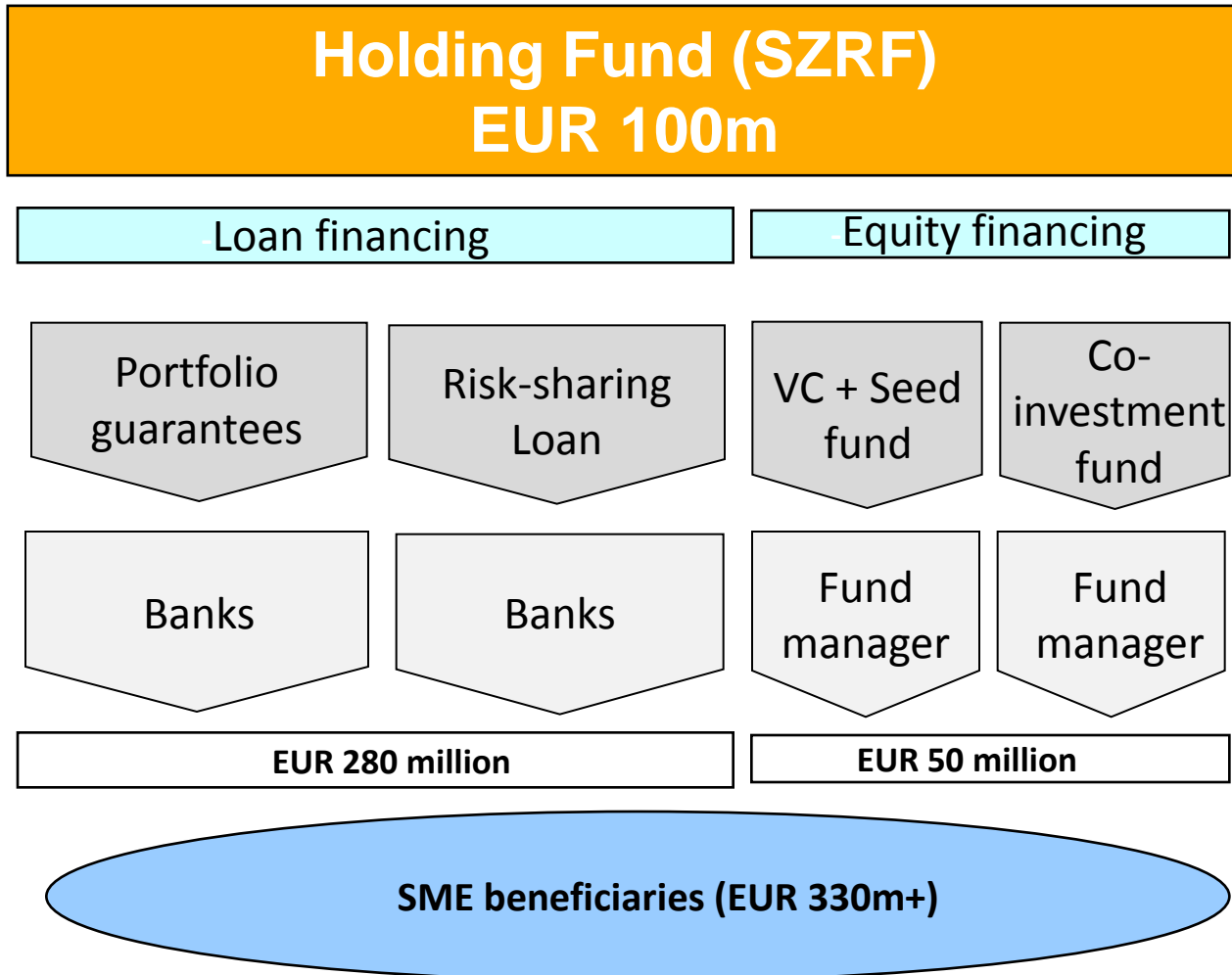
# EIF in Slovakia (7,500 SMEs?)



**<1000**

# Current intermediaries





# What is allowed?



SME “enterprise”

EU definition of SME

Established and operating in SK

Loans < EUR 2.14m / EUR 0.5m

Equity up to EUR 5.5m

Maturity from 1 – 10 years

Investment loans; working capital

Credit lines (incl. overdrafts)

New loans

Start-up capital



“Firms in difficulty”

Excluded sectors

Re-financing not possible

Covering expenses already  
incurred by SME

Combining with assistance from  
another Operational Programme

Pure financial activities

Real estate development as core  
activity

Bratislava region (JEREMIE loan)



# Excluded sectors

- Illegal Economic Activities
- Tobacco and Distilled Alcoholic Beverages
- Production of and Trade in Weapons and Ammunition
- Casinos
- IT Sector Restrictions (online gambling; pornography)
- Life Science Sector Restrictions (human cloning; GMOs)
- Fishery and aquaculture sectors
- Primary production of agricultural products

# Burden vs benefit

## Necessary audit trail

- EU funds expenditure needs to be documented and auditable

## Reduced to minimum

- EIF tries to find right balance

## Small price to pay...

- Benefits for SMEs include:
  - Reduced collateral requirement
  - Lower interest rates
  - Longer-term loans
  - Access to scarce start-up capital

