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Ministry of Economy OP conference  
Bratislava – 1 December 2009

**EIF and JEREMIE**  
in support of  
Slovak SMEs

# EIF at a Glance

**EU specialised institution for SMEs, risk financing**

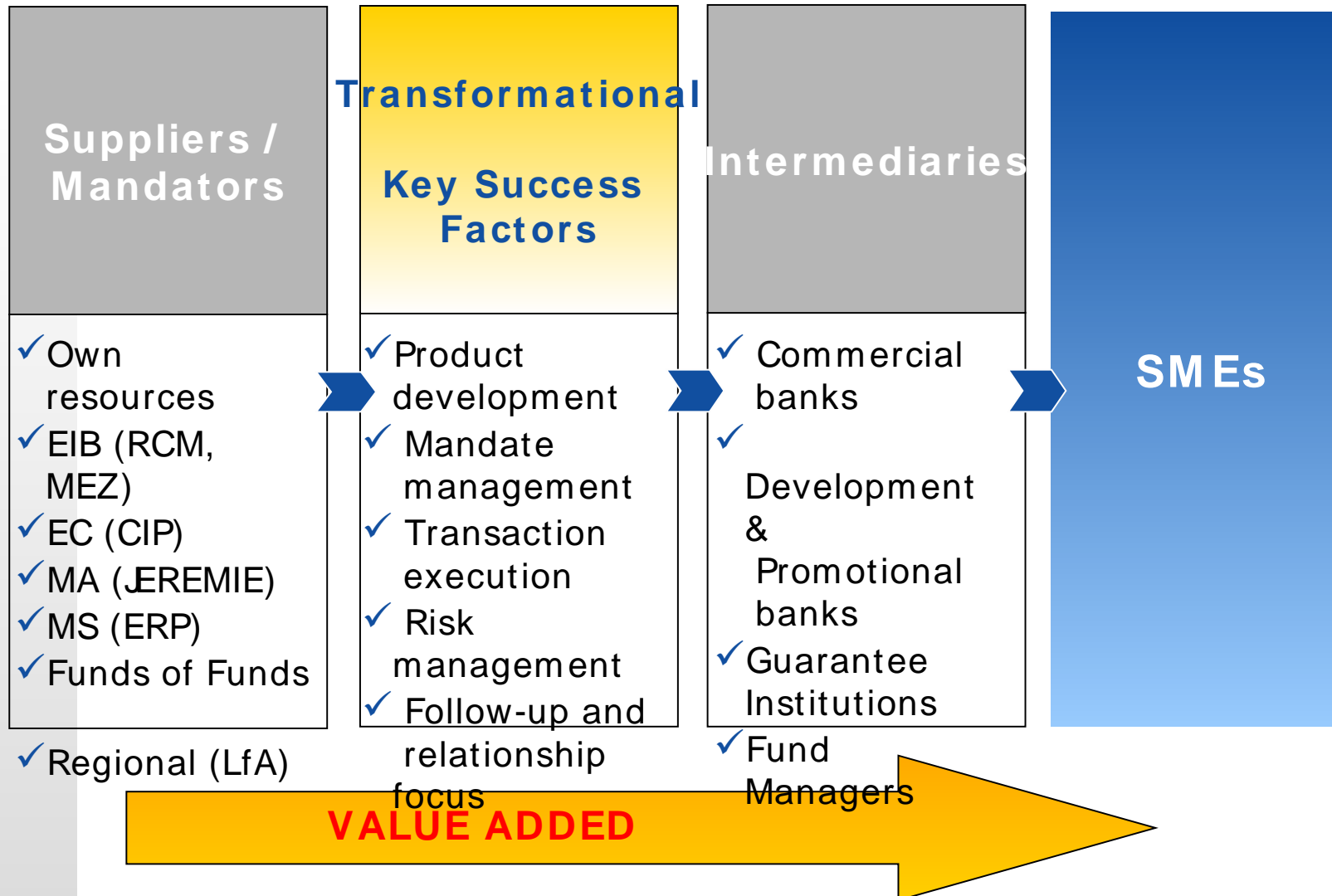
**Venture Capital and Mezzanine** (fund of funds)

**Structuring and Guaranteeing** portfolios of SME and microfinance loans/le



# Operating Model of EIF

## Transformational Role of EIF

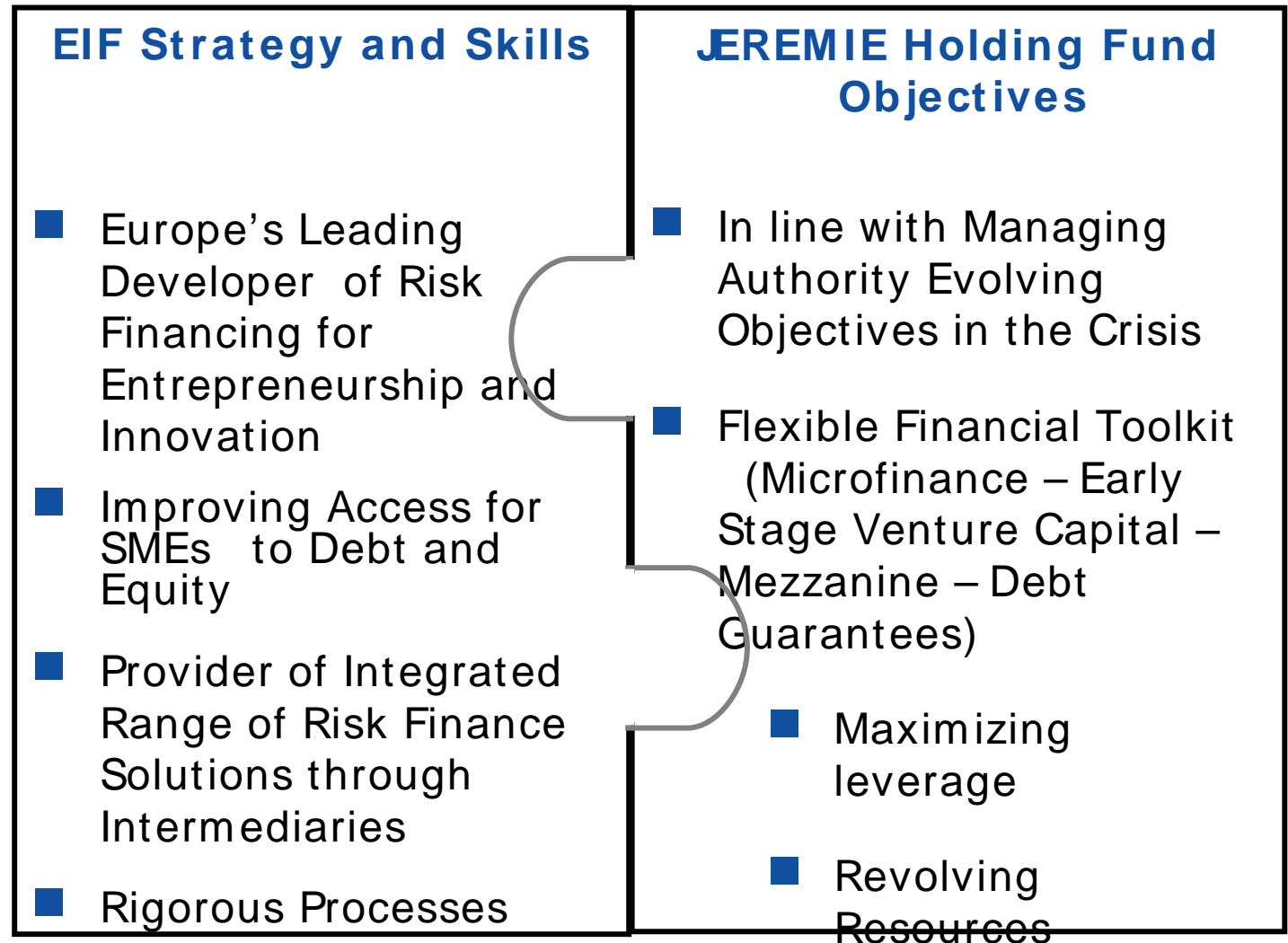


# JEREMIE: Increasing the Deployment of Self-Sustaining Financial Instruments for SMEs

## The Joint European Resources for Micro to Medium Enterprises

- Joint initiative of the EU (DG Regio & EIB Group) launched in October 2005
- **Joint** also because it potentially combines resources from the EU, National Public Authorities, EIF, EIB and/or other financial institutions
- Participation in JEREMIE **optional** for each country – Holding Fund Management or Technical Assistance
- Uses European Regional Development Funds for enhancing SME access to finance in New Member States and in Regional Development areas through sustainable and “revolving” financial instruments
- Creates leverage
- Encourages move away from grant dependency

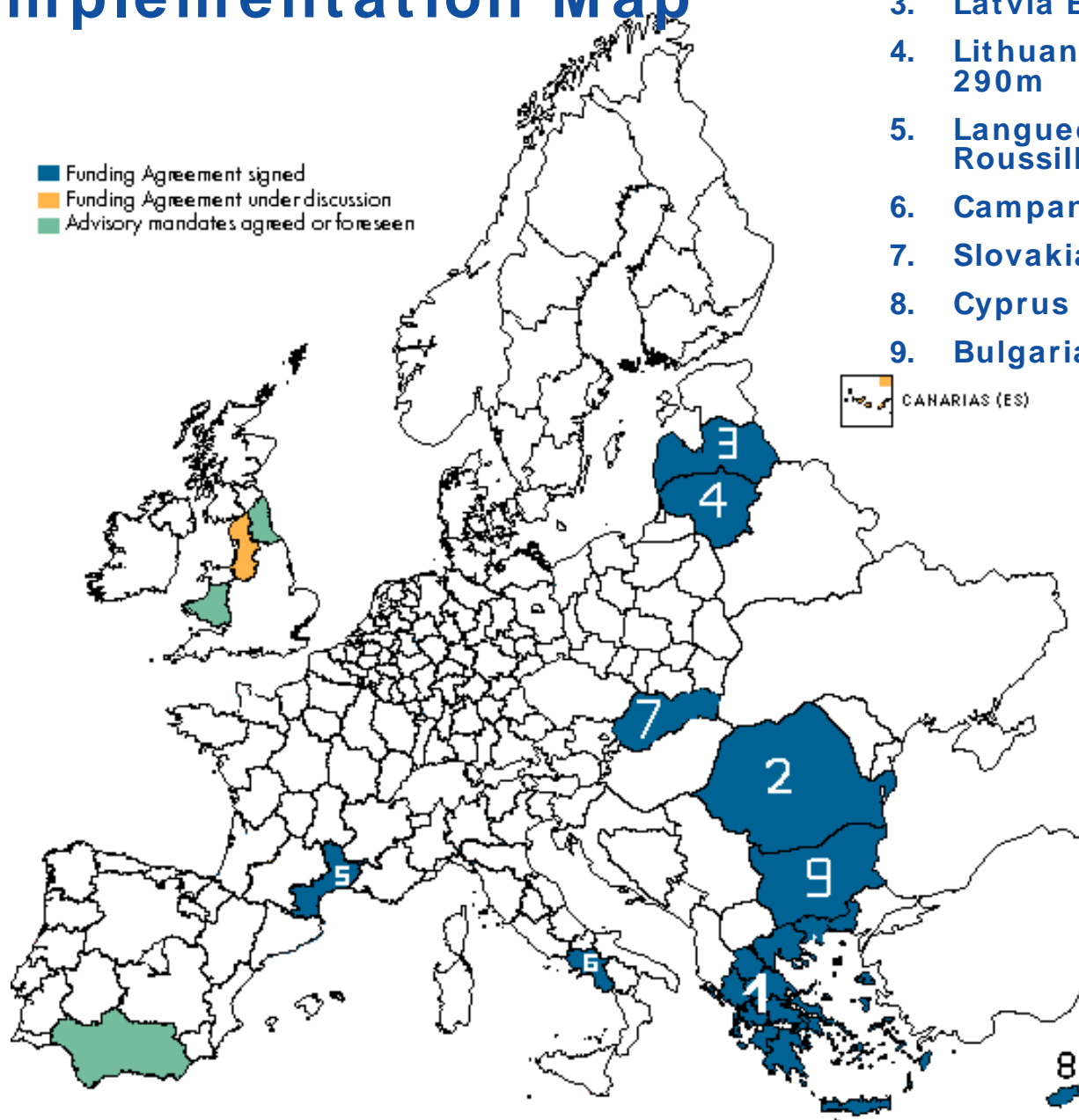
# EIF and JEREMIE – A Perfect Fit



- Independent and AAA

# Implementation Map

- Funding Agreement signed
- Funding Agreement under discussion
- Advisory mandates agreed or foreseen



1. Greece EUR 100m
2. Romania EUR 100m
3. Latvia EUR 91.5m
4. Lithuania EUR 290m
5. Languedoc Roussillon EUR 30m
6. Campania EUR 90m
7. Slovakia EUR 100m
8. Cyprus EUR 20m
9. Bulgaria EUR 200m

# JEREMIE Slovakia: EUR 100m Holding Fund

- Slovak Republic opted for separate legal entity “SPV” option under article 44 of Reg. 1083/2006
- Framework Agreement signed in December 2008
- SPV incorporated in March 2009
- Funding Agreements signed 28<sup>th</sup> October 2009, with:
  - Min. of Economy - EUR 35m
  - Min. of Education - EUR 29m
  - Min. of Construction and Regional Development - EUR 4m
  - Ministry of Environment – EUR 32m (still to be signed)
- Investment Strategy to be drafted and approved Q409/Q110

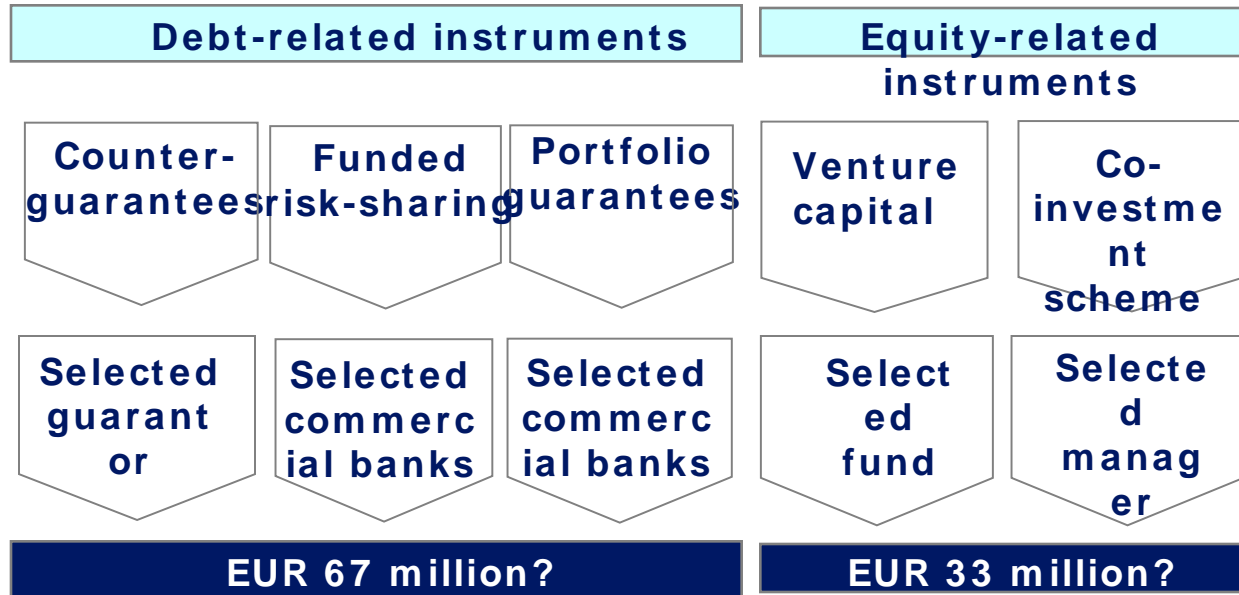
# Slovensky Zarucny a Rozvojovy Fond (“SZRF”)

- Incorporated on 21<sup>st</sup> March 2009
- Limited liability company (“s.r.o”) under Slovak law
- EIF nominee as executive director
- Supervisory Board (doubling as “Investment Board”), including representative of each managing authority
- Full subsidiary of SZRB, which will retain majority shareholding
- EIF to enter SZRF as shareholder upon receipt of funds
- EIF to appraise, select and sign **independently** with financial intermediaries under Holding Fund Agreement between SZRF and EIF
- EIF to exit by transferring SZRF shares back to Slovak authorities

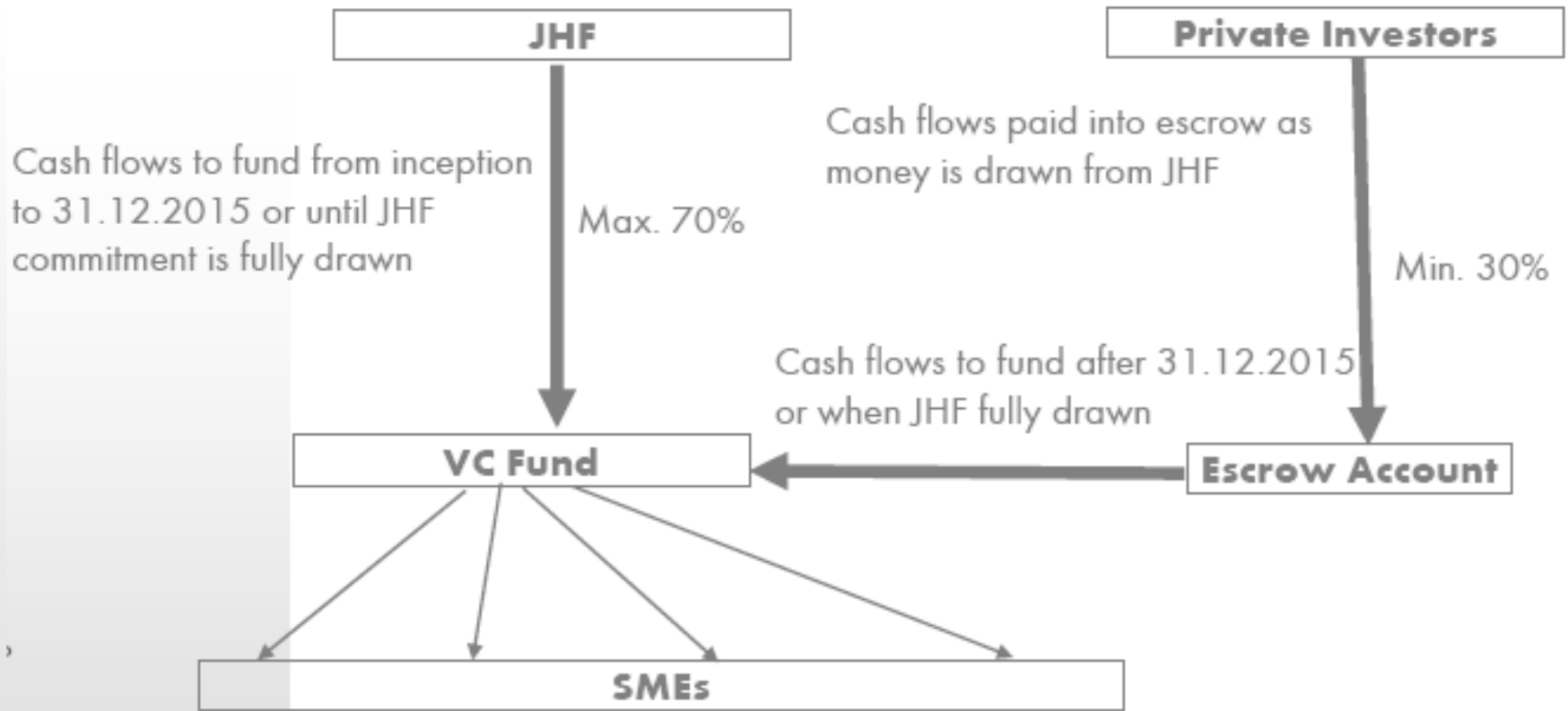


# Holding Fund and Possible Instruments

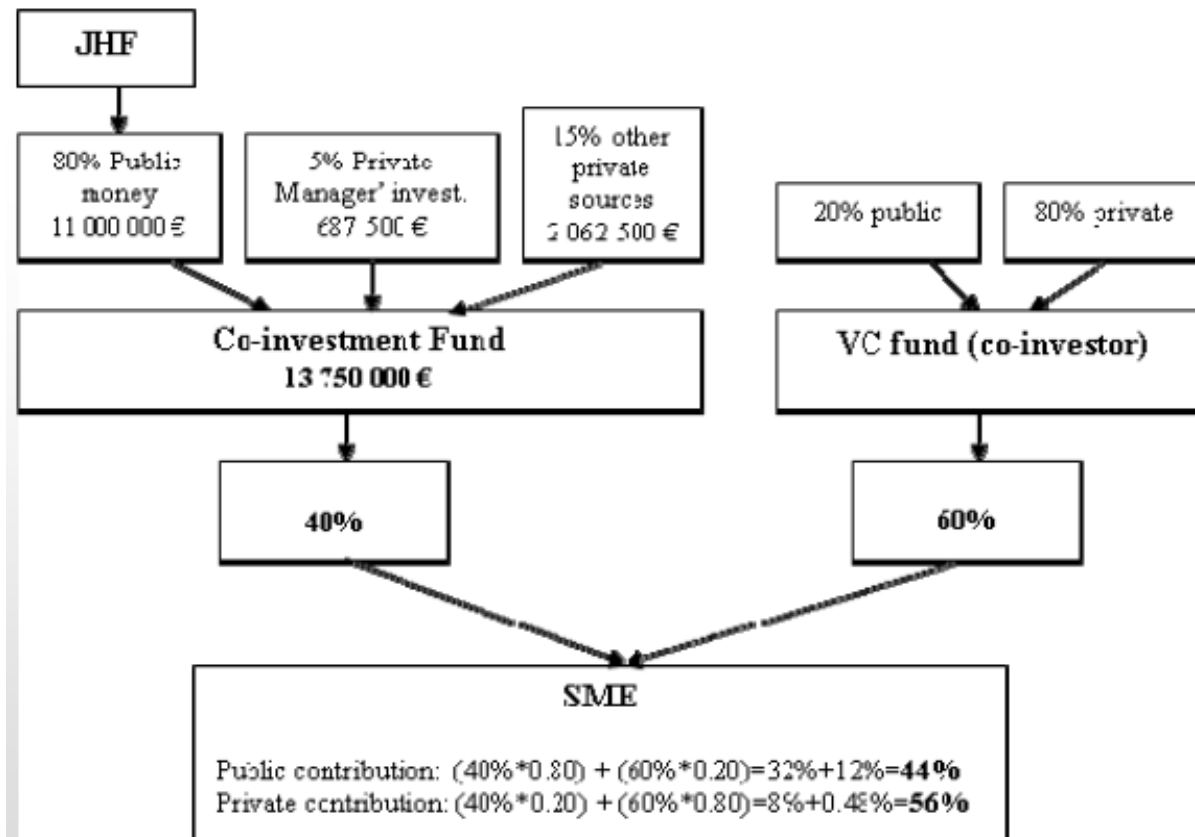
## Holding Fund (EUR 100m)



# Venture Capital Fund

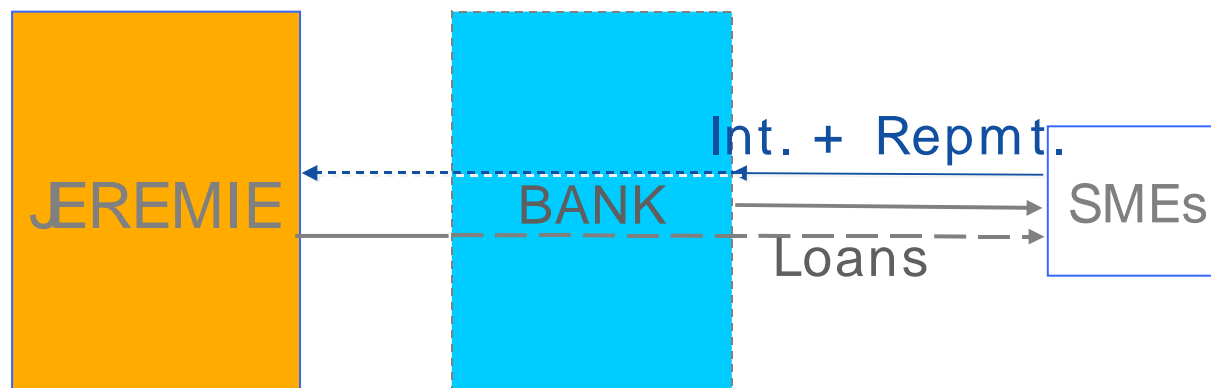


# Co-investment Vehicle

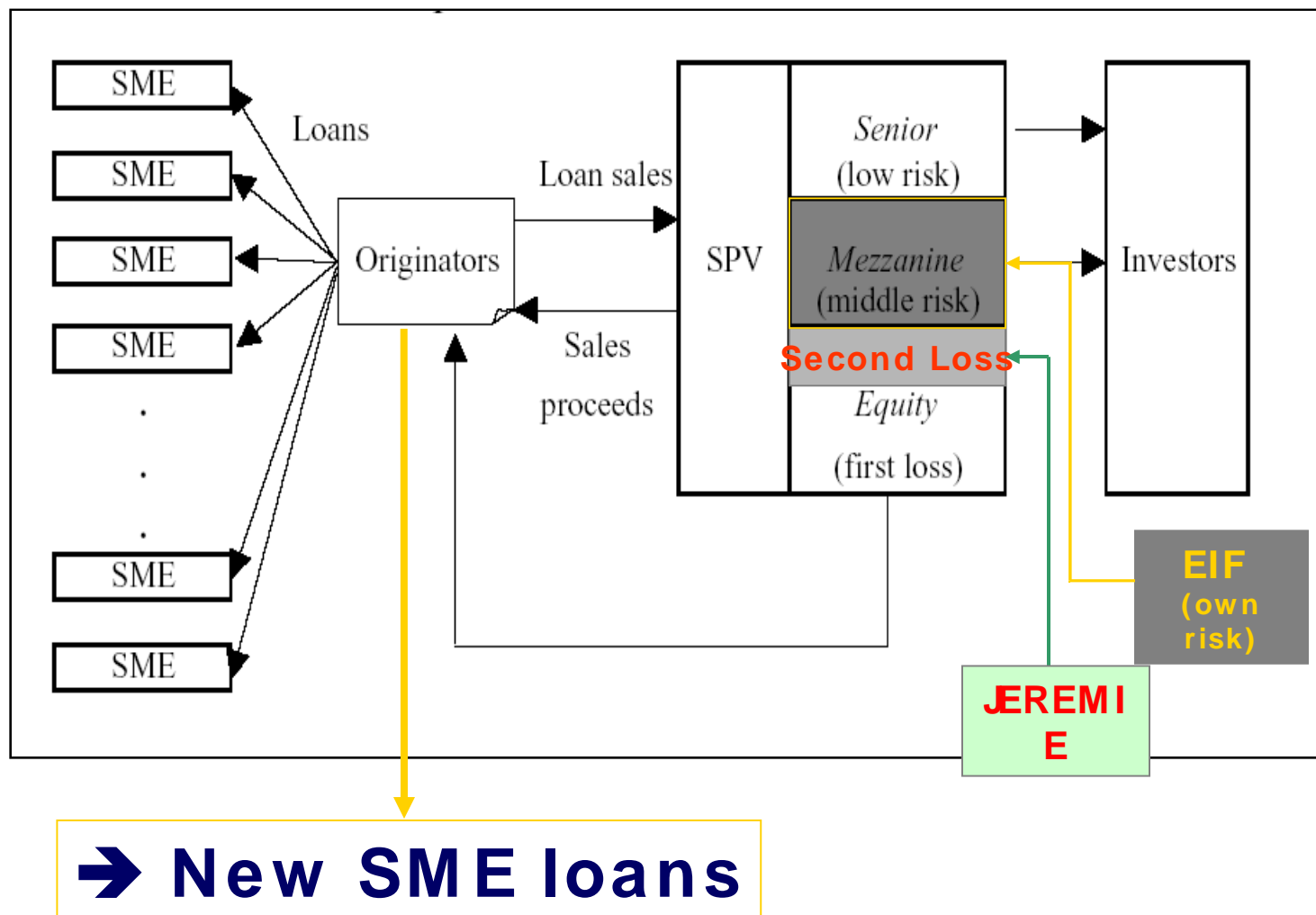


# Funded Risk Sharing Product: Objectives

- A co-financing instrument that provides interested banks with
  - Funding and
  - Risk-sharing on new SME loans
  - To create added-value product of interest to Financial Intermediaries (Banks)
- To stimulate the provision of additional lending to SMEs



# Portfolio Guarantees: Securitisation of SME Loans



# OP Competitiveness & Economic Growth

- Key objectives
  - To support innovation and improve competitiveness
  - To stimulate further economic growth
- JEREMIE contribution to the objectives
  - To improve discipline and efficiency, and encourage continued innovation through market-based support, thereby improving competitiveness and stimulating growth
  - To sustain or improve risk appetite of commercial banks through risk-sharing arrangements
  - To reach more SMEs through leverage
  - To support SMEs beyond 2015 through revolving funds

# Strategy and Implementation

- Holding Fund strategy must be in line with all OP objectives
- Debt/equity split still indicative
- Market analysis currently being updated
- Investment Strategy to be drafted by EIF and approved by IB
- Calls for expression of interest to be launched early 2010
- Promotion and marketing
- Operations to be signed 2010 with support reaching SMEs

# Contact

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