



New opportunities for ESIF FIs under the Omnibus Regulation

Frank Lee,
Head of Financial Instrument Advisory Division, European Investment Bank



 #ficompass



European Fund for Strategic Investments



EUR 26bn

EUR 7.5bn



EFSI - European Fund for Strategic Investments
EUR 33.5bn



Financing: EUR 100bn



Final investments:
EUR 500bn

#ficompass



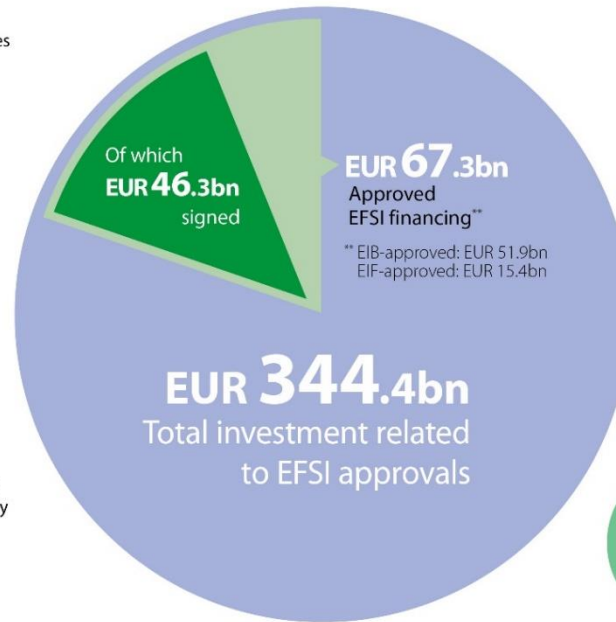
European Fund for Strategic Investments



EIB Group figures As of 09/10/2018

EFSI investment by sector*

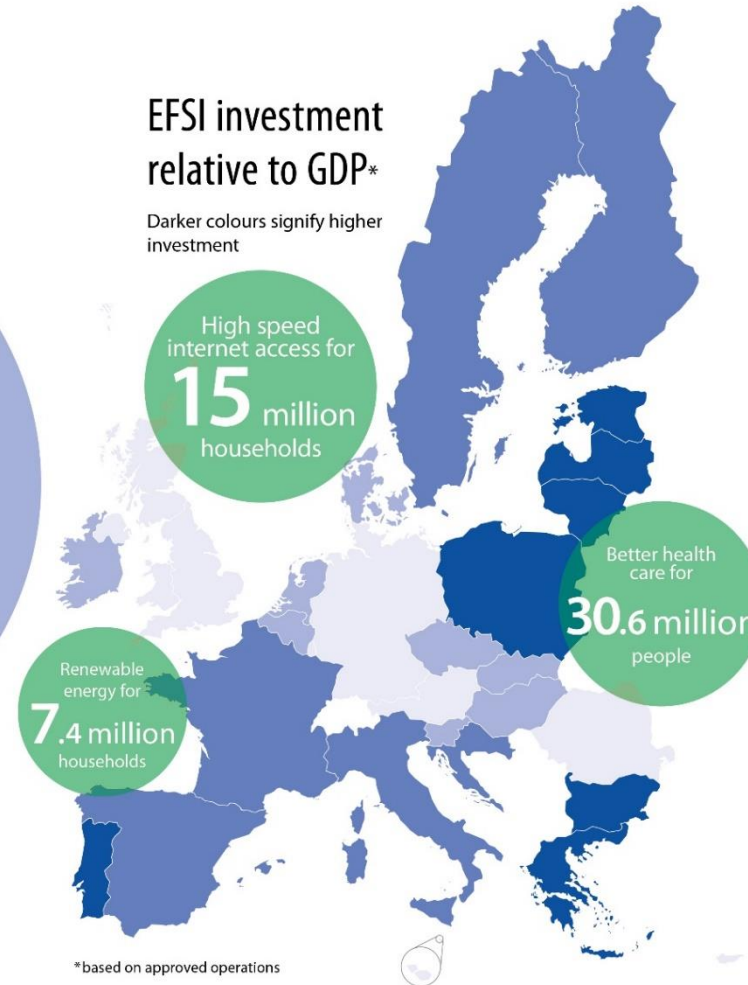
- Smaller companies 32%
- RDI 21%
- Energy 20%
- Digital 11%
- Transport 8%
- Social Infrastructure 4%
- Environment and resource efficiency 4%



Target by 2020 **EUR 500bn**

EFSI investment relative to GDP*

Darker colours signify higher investment



*based on approved operations



EFSI Investment Platforms



- Dedicated financing structures, co-financing or risk-sharing arrangements, **channeling public and private financing from entities, to finance a number of investment projects**
- Flexible concept
- With a **defined** geographical or sectoral/thematic **scope**
- Potential **tool to use EU funds**, financial instruments or national support together with EFSI to support specific policy objective
- Or to facilitate/organise co-financing with **NPBs** and other parties
- But they are **not magic tools** that would transform non-bankable projects into bankable projects
- The EIB needs to rely on sponsors and promoters that would set up such structure



EFSI Investment Platforms

as at June 2018



41 Investment Platforms

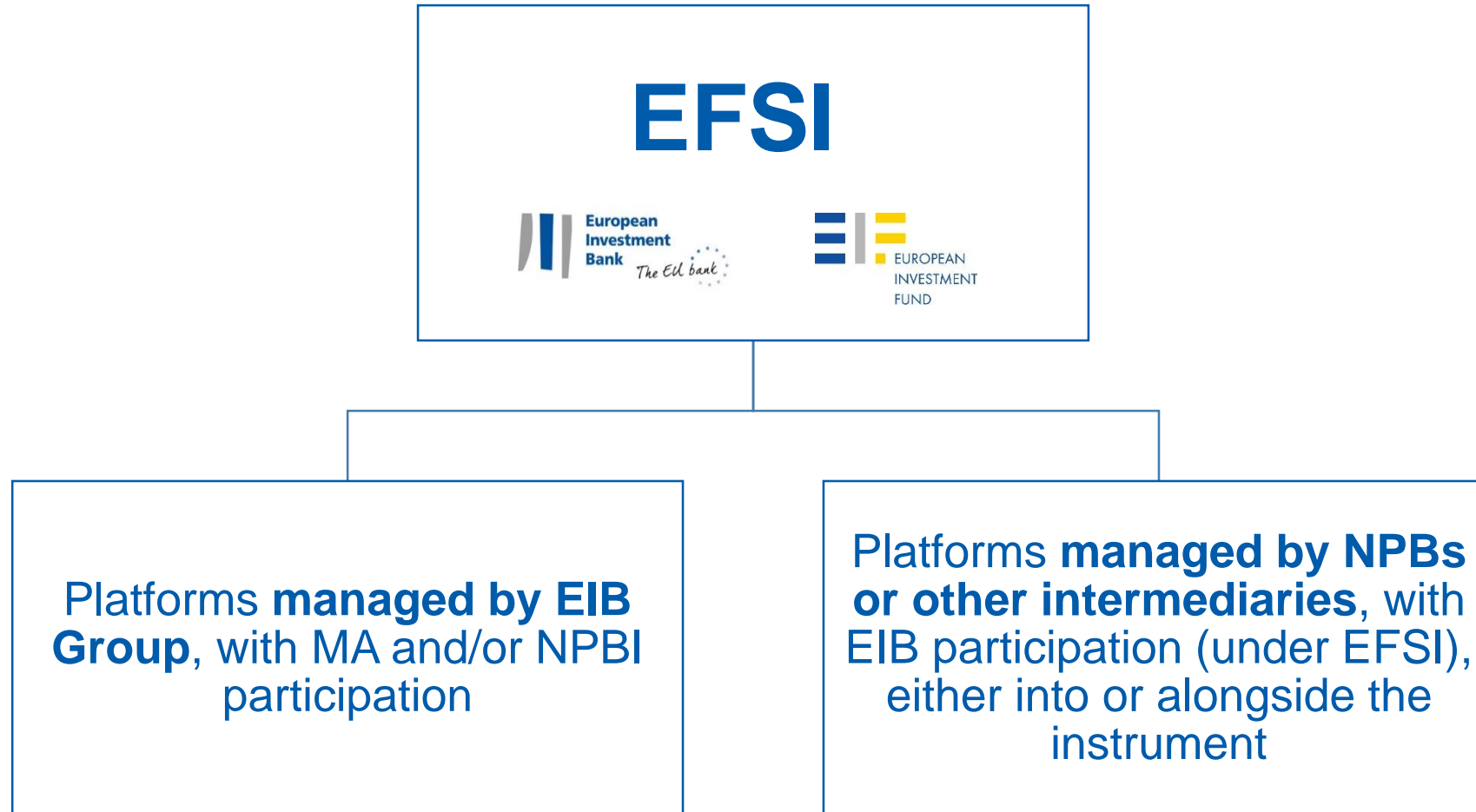
€34.8 billion Investment volume

11 Member States

3 Pan-European Platforms



EFSI/ESIF combination options



#ficompass



A combined ESIF/EFSI Instrument (capped guarantee)

- creates significant increase in market impact
- made possible by Omnibus changes



Indicative example without EFSI :

Portfolio of new loans worth EUR 62.5m

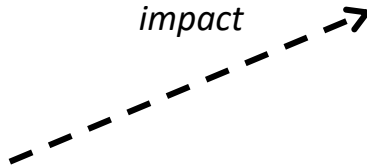
Capped Portfolio Guarantee Product creates 6.25 leverage factor on allocated ESIF

ESIF backed guarantee of EUR 10m

Guarantee rate of 80%

Cap of 20%

60% increase in market impact



Indicative example with EFSI :

Portfolio of new loans worth EUR 100m

EFSI-enhanced Guarantee Product creates 10 leverage factor on allocated ESIF

EFSI backed guarantee of EUR 6m

ESIF backed guarantee of EUR 10m

Guarantee rate of 80%

Cap of 20%



#ficompass

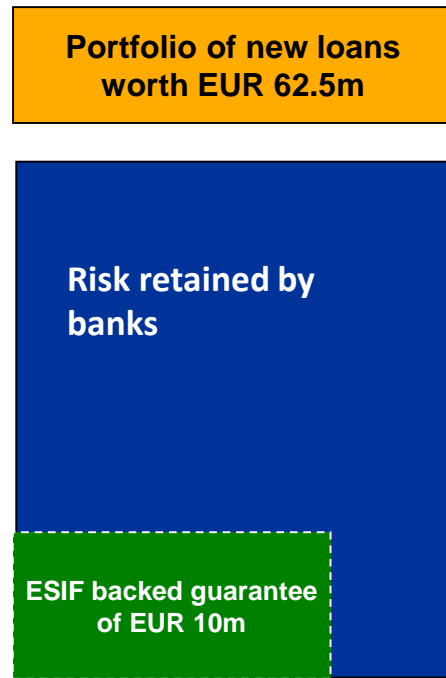


A combined ESIF/EFSI Instrument (uncapped guarantee)

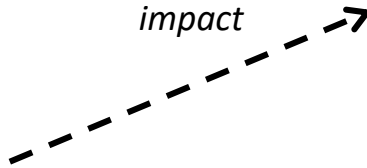
- creates significant increase in market impact
- made possible by Omnibus changes



*Indicative example
without EFSI :*



60% increase
in market
impact



*Indicative example
with EFSI :*



#ficompass

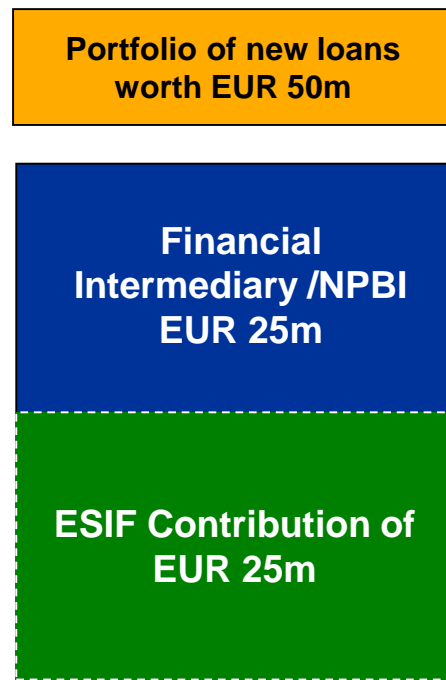


A combined ESIF/EFSI Instrument (funded)

- creates significant increase in market impact
- made possible by Omnibus changes

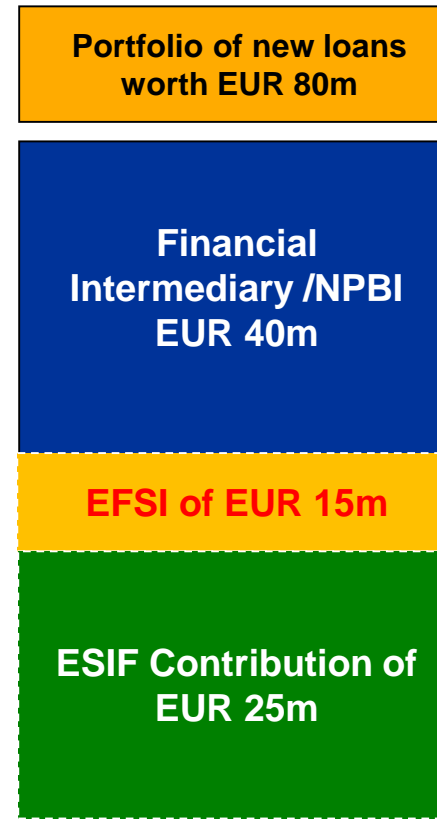


Indicative example without EFSI :

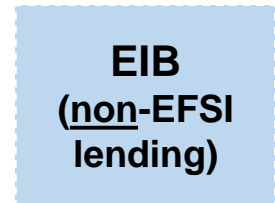


60% increase in market impact

Indicative example with EFSI tranche :



Optional



Senior tranche

Senior tranche

Equity tranche

Mezzanine tranche

Equity tranche

