

# European Investment Bank

*The EIB bank*

**Augusta, 02 Ottobre 2015**



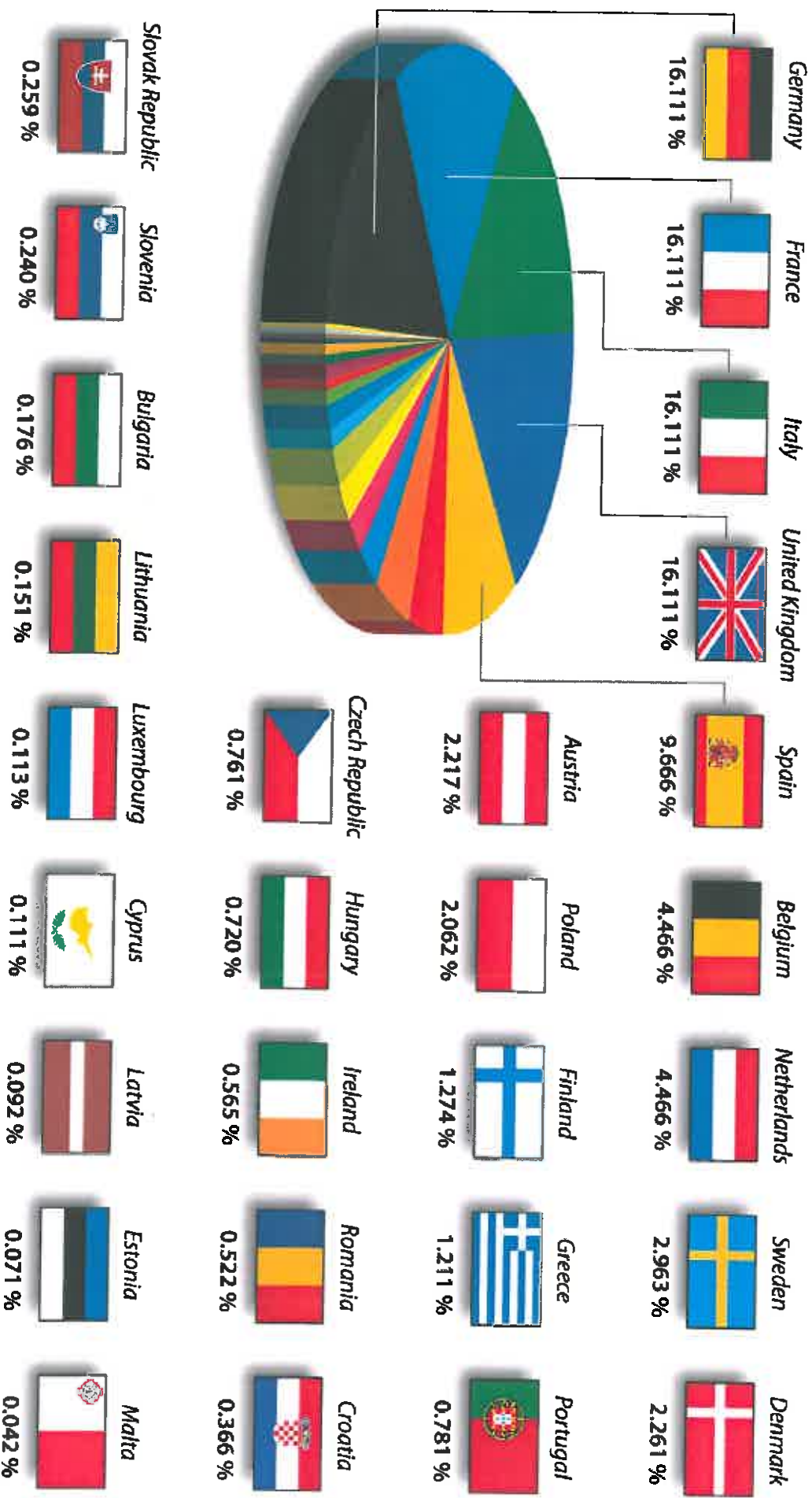
# The EU bank



- Natural financing partner for the EU institutions since 1958
- Around 90% of lending is within the EU
- Shareholders: 28 EU Member States

Investing in Europe's growth

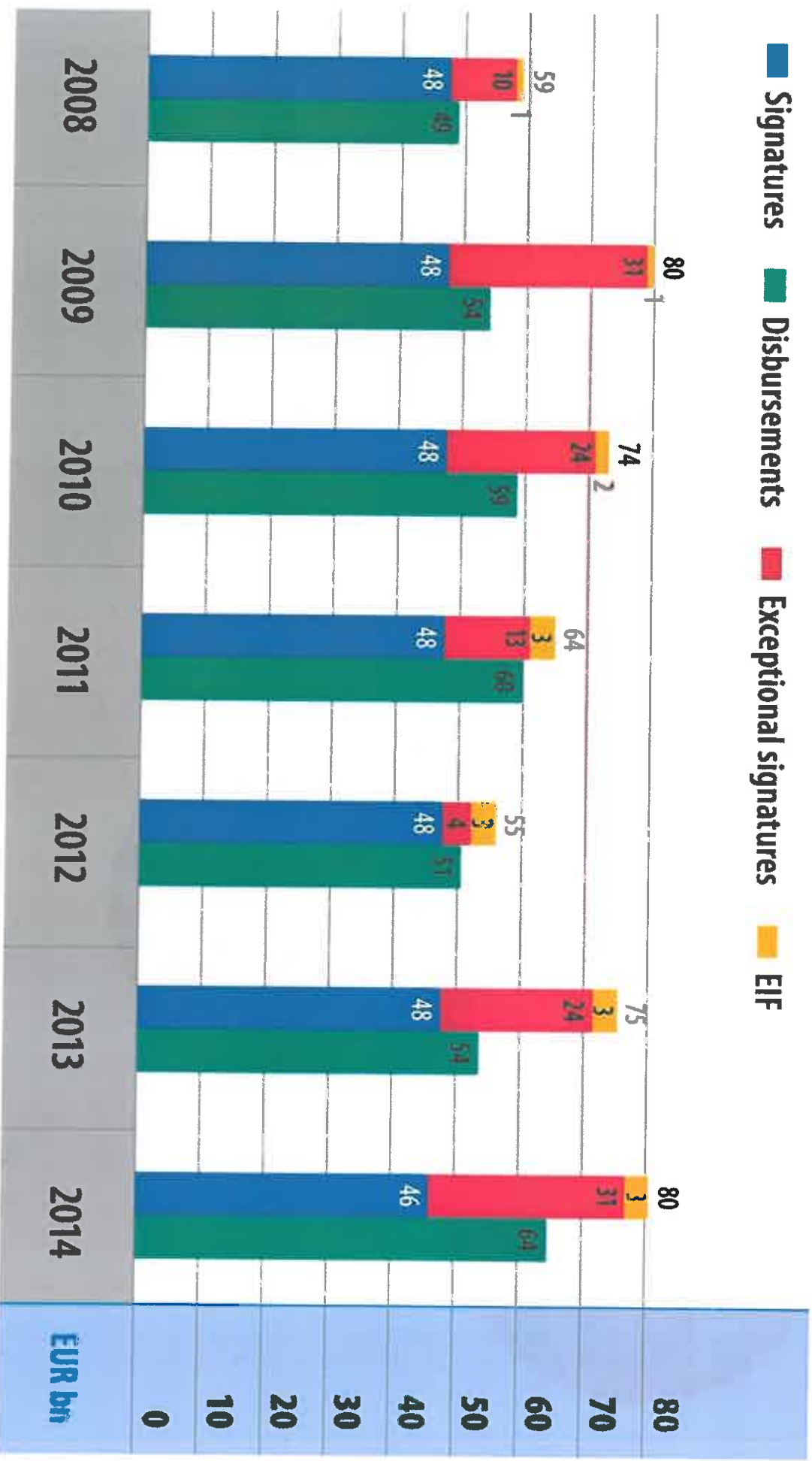
# The EIB: capital breakdown



# The EIB at a glance

- Largest multilateral lender and borrower in the world
  - Raise our funds on the international capital markets
  - Pass on favorable borrowing conditions to clients
- Some 440 projects each year in over 160 countries
- Headquartered in Luxembourg and 30 local offices
- Around 2 400 staff:
  - Not only finance professionals, but also engineers, sector economists and socio-environmental experts
  - More than 50 years of experience in financing projects

# EIB Group track record: almost EUR 500bn lent since 2008





# Lending priorities



# Skills and Jobs – Investing for Youth

**SMALLER  
ENTERPRISES**

**25.5bn**

**INNOVATION  
AND SKILLS**

**14.7bn**

**13bn**  
YOUTH  
EUR

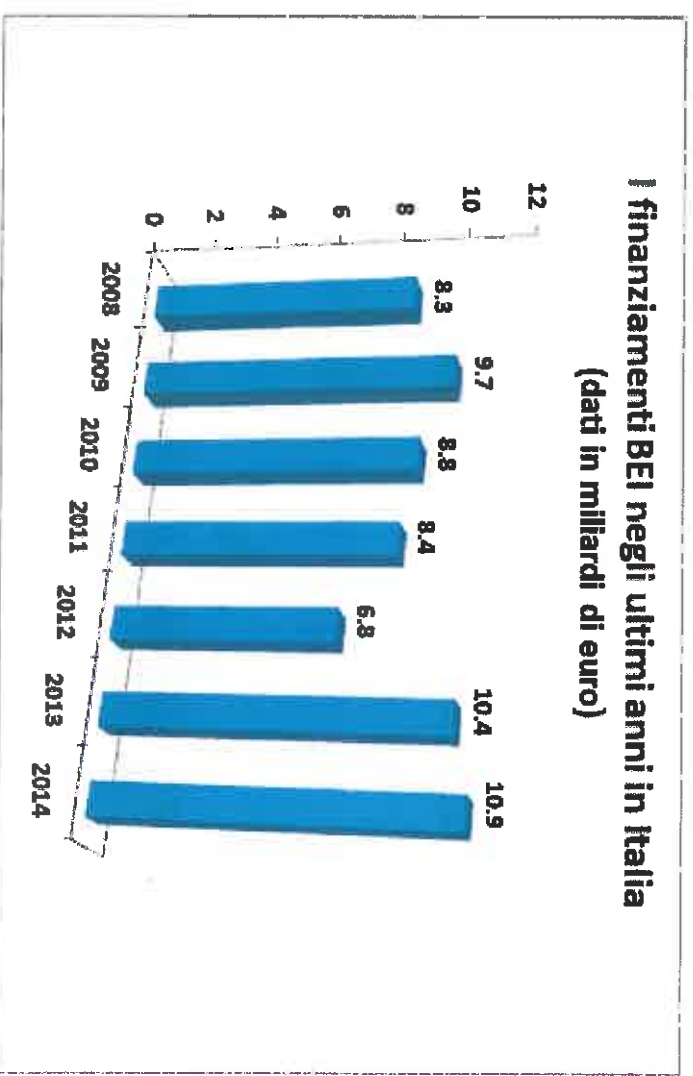
# EIB Group lending in 2014



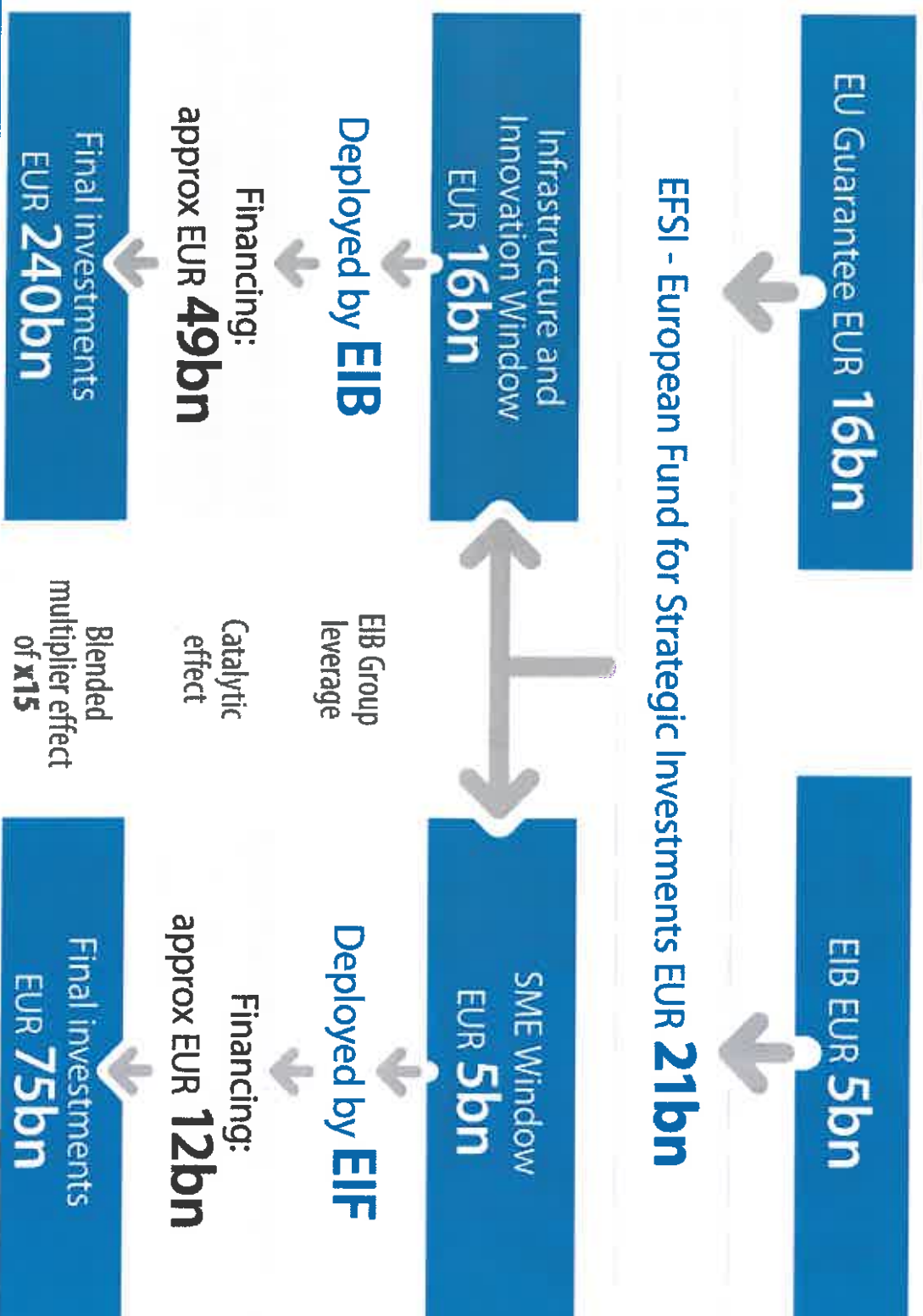


# Lending activity in Italy 2014

- EUR 11.4bn (10.9 EIB + 0.5 EIF). Record year for financing volumes (+4% versus 2013)
- Total value of projects financed in 2014: EUR 27bn
- Overall disbursement amount in Italy as of end 2014: EUR 67.3bn (+2,6% versus 2013)
- More than 6,700 SMEs financed in 2014; some 77,000 SMEs financed in the 2008-2014 period
- With some EUR 180bn Italy remains the largest beneficiary of EIB loans since inception of the Bank in 1958



# European Fund for Strategic Investments (EFSI)



# Our products

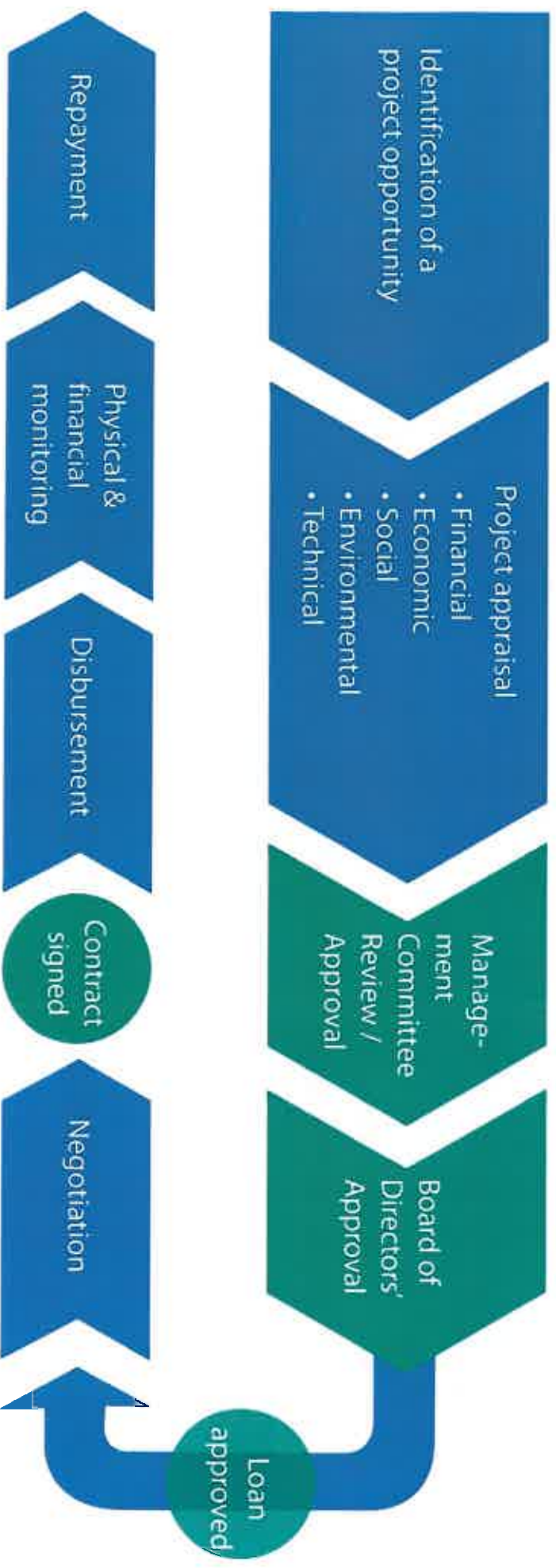
## We help catalyse investment

| LENDING   | BLENDING  | ADVISING  |
|---|---|---|
| <p>Loans</p> <p>But also:</p> <p>Guarantees<br/>(trade financing)</p> <p>Equity participation</p> | <p>Combining EIB finance with EU budget (Project Bond Initiative)</p> <p>Higher risk projects for innovation (InnovFin)</p> | <p>Prepare, evaluate and support the implementation of projects (JASPERS)</p> <p>Support for public/private partnerships (EPEC)</p> |

Attracting FUNDING for long-term growth

# EIB project cycle

We support sound and sustainable projects



# EIB project requirements

Projects must:

- Meet at least one of the EIB's objectives
- Be technically sound
- Be financially viable
- Show an acceptable economic return
- Comply with environmental protection and procurement regulations

# EIB and Shipping

- Maritime transport is an important component of international transport chains. International seaborne trade accounts for almost 90% of global trade in terms of volume (tonnes). Maritime transport is also crucial for the European Union's economic development, as 90% of EU international trade and 40% of EU-EU trade is carried by water (3% by inland waterways).
- The Bank's approach to shipping adheres closely to the European Union's focus on short sea shipping and intermodal transport, shifting heavy traffic loads from road to more sustainable transport modes. This policy places greater emphasis on environmental protection, energy efficiency and the research, development and innovation (RDI) aspects of the EU shipping industry
- Normally the investments concern the purchase of new vessels, or, more rarely, the reconstruction and renovation of ships. Most projects involve the purchase of cargo ships (mainly wheeled cargo and container vessels), passenger ferries and coastal protection vessels, thereby promoting sustainable transport and regional development.



# EIB and Shipping

## Eligibility (i)

- TENS (Motorways of the Sea):
  - Essential for the achievement of an efficient and cohesive Community-wide transport system
  - Often shipping provides the only vehicle for imports and exports to and from some European islands and peripheral maritime regions.
  - Specialised vessels, such as tugs and pilot vessels are essential for the operation of the Trans-European Ports Network under adequate safety conditions
- EU Regional Development:
  - Shipping ensures the security of supply of energy, food and commodities and is indispensable for passenger transport and tourism in many regions
  - Maritime industries are an important source of employment and income for the EU economy

# EIB and Shipping

## Eligibility (ii)

- Sustainable Transport:
  - Short sea shipping and inland waterway transport solutions constitute sustainable alternatives to road transport corridors and have the potential to solve road congestion problems
  - Focus on supporting the development of clean technology, and increased fuel efficiency as well as more concentrated effort in the safe and environmentally efficient methods of phasing out older and less fuel efficient vessels
- Investment in RDI:
  - For the reasons explained above, but also
  - To maintain the lead that EU has in world maritime equipment, components and specialist vessel industry

# EIB and Shipping

## Eligibility under EFSI

Shipping projects are potentially eligible under EFSI as well.

The EFSI operations shall be consistent with the Union policies and support any of the following general objectives (excerpt for shipping eligibility):

- **Development of transport infrastructures, equipment and innovative technologies for transport;**
- **Environment and resource efficiency, in particular through climate change actions.**

# EIB and Shipping

## Type of projects that the EIB can/do finance

- Motorways of the Sea projects (infrastructure and vessel components)
  - Vessels and port facilities on routes part of the Motorways of the Sea network
- New vessels
  - In the EU: vessels with EU flag to be operated on « eligible routes », originating or ending in an EU country, during the loan life.
  - Short sea shipping: vessels operating on routes aimed at modal shift from road to maritime transport.
  - Convergence: vessel operations solely aimed at development of convergence areas.
  - Remote community support where no viable alternative to shipping is available (EU island community support).
  - Replacement of older less energy efficient vessels.

**N.B. The Bank pays special attention that the ships it finances use best available technologies and that Borrowers use sound environmental management practices.**

# Financing Facilities

Two main facilities:

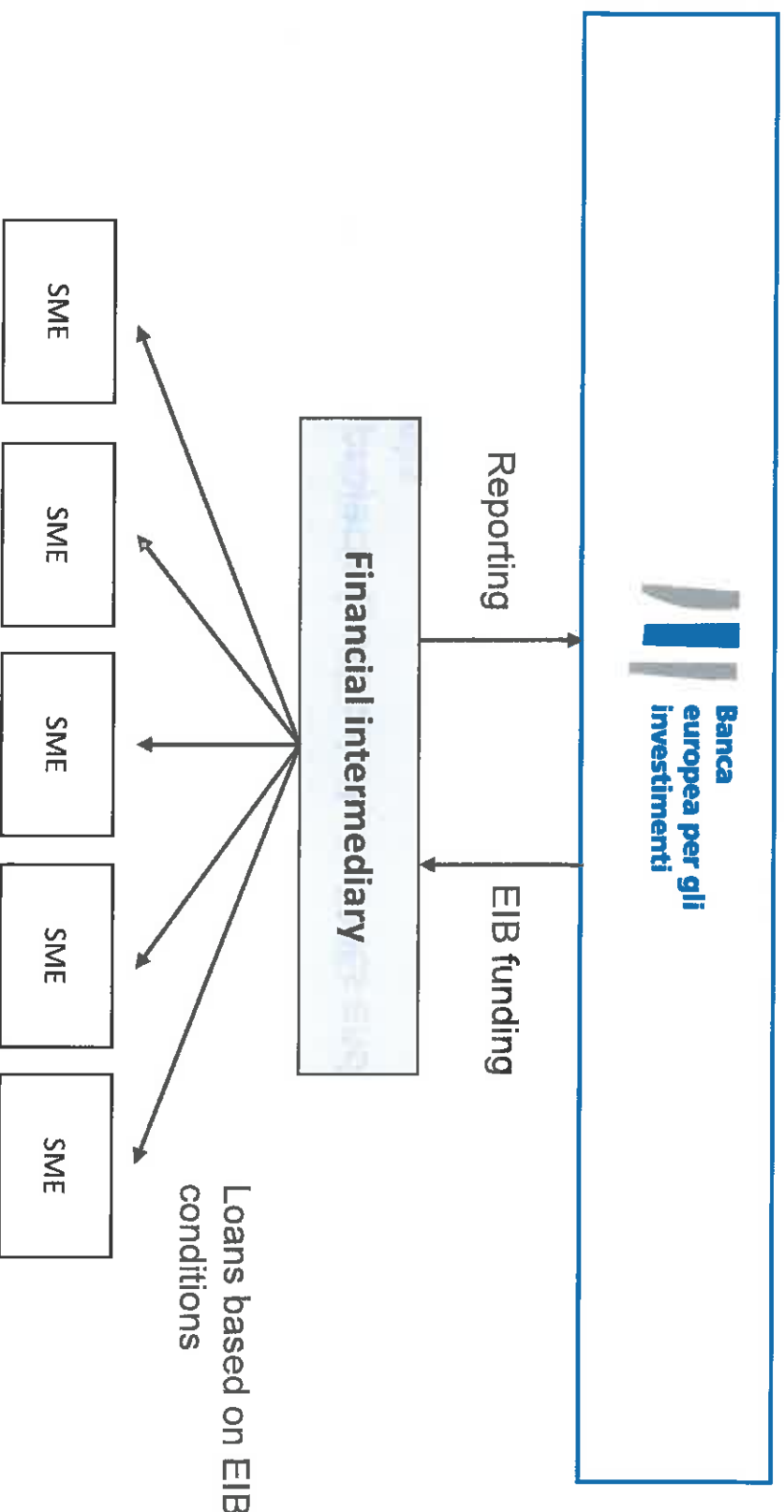
## Direct Loans

- Large-scale projects (more than EUR 25m)

## Intermediated Loans

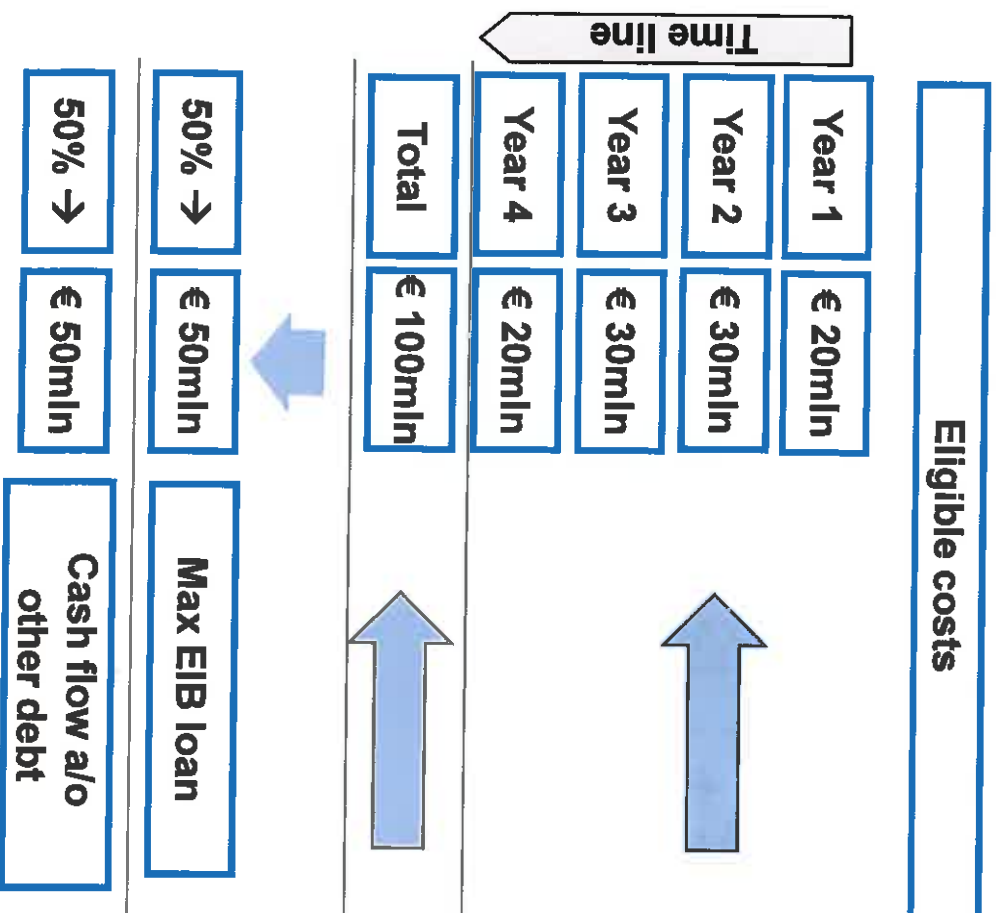
- Small and medium-scale projects (particularly to SMEs and MidCaps ) via national and regional intermediary banks
- Lending decision remains with the financial intermediary

# Intermediated Loan – financing scheme





# Individual loan – financing scheme



No subsidy elements, full risk pricing

Pricing advantage a function of favorable borrowing costs and non-for-profit maximization objective

Eligible costs are typically part of a three to four years capex plan

EIB financing cannot exceed 50% of the project costs

# Thank you!

More information at: [www.eib.org](http://www.eib.org)

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