

EIF Operational Plan 2026-2028

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EIF Operational Plan 2026–2028

1 Executive summary

The European Investment Fund's (EIF) Corporate Operational Plan (COP) sets out the operational and financial targets for 2026 and provides strategic orientations for 2027 and 2028, outlining how the EIF will address evolving market needs, deliver on European Investment Bank Group (EIBG) strategic priorities, and advance key European Union (EU) policy objectives.

Strategic Vision

In the period 2026-2028, the EIF will consolidate its efforts to support small and medium-sized enterprises (SMEs), small mid-caps (SMCs), and infrastructure projects across Europe, across a wide range of sectors.

EIF's contribution to EIBG's strategic priorities including primarily climate, digitalisation, innovation, cohesion, security and defence, and the Capital Markets Union (CMU), will be embedded in an annual deployment targeting approximately EUR 15 billion. EIF's activity is designed to foster innovation, competitiveness, and sustainability, while also addressing the EU's most pressing policy challenges like security and defence. EIF's approach emphasises operational efficiency, disciplined product innovation, and close collaboration with the European Investment Bank (EIB), the European Commission (EC), Member States (MS) of the European Union, and institutional investors. The COP is firmly anchored in the European Commission's main policy initiatives, including the Competitiveness Compass and the Savings and Investment Union. Through its implementation, the EIF will directly contribute to these flagship actions, reinforcing Europe's competitiveness and capacity to respond to emerging challenges and opportunities.

By focusing resources on high-impact areas and leveraging both public and private capital, the EIF will continue to play a pivotal role in unlocking finance for Europe's growth, resilience, and strategic autonomy. The EIF will support European companies throughout their entire investment journey, from early-stage innovation to growth, internationalisation and scale-up, ensuring that Europe's businesses can thrive in a rapidly evolving global landscape.

In particular, the EIB Group Climate Bank Roadmap stands as a cornerstone in embedding climate and environmental sustainability at the very heart of EIF's mission and operations. The first phase was pivotal in positioning these priorities as one of the drivers of investment decisions, ensuring that sustainability is not just an objective but a strategic imperative across all activities and products. Building on this foundation, the second phase will not only reinforce climate as a central strategic driver but will also amplify its impact through targeted initiatives—such as the Energy Efficiency for small and medium-sized enterprises (SMEs) Initiative and the cleantech growth engine of TechEU. These efforts are designed to consolidate EIF's leadership in sustainable finance, ensuring that climate investing remains at the core of its long-term strategy and value creation.

Furthermore, key initiatives such as TechEU Programme, the European Tech Champions Initiative (ETCI), and InvestEU will be instrumental in mobilising resources, catalysing private and public investment, and supporting the EU's most ambitious policy goals. By leveraging these flagship programmes, the EIF will ensure that its operational plan delivers tangible results for Europe's innovative ecosystem, competitiveness, and strategic resilience. EIF's business activity in 2026 is expected to contribute 39% to TechEU and at least 35%% of the volumes are expected to be in

line with the Group Green Finance criteria, contributing to the climate and broader environmental sustainability ambitions set in the Group Climate Bank Roadmap phase 2.

Resources To Be Deployed

Flagship mandates such as InvestEU alongside a number of Member State Compartments (MS-C), the Risk Capital Resource (RCR), the Infrastructure mandate from the EIB and certain selected bilateral mandates from Member States such as the European Recovery Programme (ERP) or the Three Seas Innovation Fund, provide a solid basis for 2026.

Further resources are necessary to complement EIF's ability to achieve its objectives and pursue relevant European policies. The so called Optimisation Measures of InvestEU, the second phase of ETCI as well as the Cybersecurity & Defence fund-of-funds initiative all of which are aligned with the vision of EIF's stakeholders are crucial to allow EIF to deploy its full potential. The EIF expects higher volatility on the annual COP volumes in the upcoming corporate cycle on account of a number of factors, particularly: (i) the potential revision of the deployment contribution of the InvestEU Optimisation Measures and (ii) the outcome of the fundraising exercise with Member States, both under the Guarantee MS-Compartment and the pan-European equity programmes, so to catalyse meaningful contributions from institutional investors

2 Economic outlook

2.1 General economic outlook

Uncertainty continues to characterise the current global economic outlook and global growth is expected to decelerate. At 3.2% in 2025 and 3.1% in 2026, the **latest International Monetary Fund growth forecasts**¹ are lower than both the 2024 outcome and the forecasts made a year ago (before the major policy shifts), but marginally above earlier predictions (from spring and summer 2025). It comes on the back of strong front-loading in international trade in anticipation of higher tariffs, an improvement in global financial conditions, and fiscal expansion in some major jurisdictions. At the same time, risks to the outlook are still tilted to the downside, reflecting headwinds from uncertainty and protectionism, even though the tariff shock is smaller than originally announced.

In the EU, real GDP is expected to grow by 1.4% in 2025 and 2026, edging up to 1.5% in 2027. The moderate upward revision relative to the spring forecast (by 0.3 pp for the full-year 2025) reflects a better-than-expected economic growth, driven partly by a surge in exports ahead of anticipated tariff increases.² More broadly though, the steady – albeit modest – growth observed so far highlights the resilience of the EU economy.

Headline inflation in the EU is expected to continue its decline and stabilise slightly above the European Central Bank's (ECB) 2% medium-term target (averaging 2.5% in 2025, before edging down to 2.1% in 2026 and 2.2% in 2027). This “soft-landing” scenario is also reflected in the ECB's decision to hold interest rates steady for the third consecutive time in its latest (October) meeting, citing a resilient domestic economy, solid labour market and more balanced risks.

2.2 EIF markets

2.2.1 Debt

The monetary policy easing cycle continues to drive down the bank interest rates charged to firms, according to the latest ECB SAFE Survey.³ In fact, ECB's series of rate cuts, which began in June last year, has pushed borrowing costs to the lowest level since December 2022. However, firms continue to perceive a tightening of other financing conditions imposed by banks and compared to larger firms, SMEs still face higher interest rates and stricter collateral requirements. Banks reported a small increase in the share of rejected loan applications for SMEs in Q2 2025, with the tightening felt most acutely by microenterprises:⁴ Higher average credit risk or changes in banks' lending policies for this segment are behind this trend.

New loans to small firms have increased only marginally, according to ECB data, suggesting that any improvement in credit supply conditions is rather slow.

In this context, secured lending – whether backed by collateral or guarantees – continues to play a critical role in easing financial constraints for SMEs and microenterprises. Secured lending statistics by the European Association of Guarantee Institutions (AECM)⁵ show that compared to their Covid-peak, guarantee programmes are in lower supply now: total outstanding guarantee volume among AECM member organisations stood at around EUR 217 billion by end-2024, an uptick of 5% relative to the year before, but reduced by more than one-third relative to the

¹ International Monetary Fund, “World Economic Outlook: Global Economy in flux, prospects remain dim”, October 2025.

² European Commission, “European Economic Forecast – Autumn 2025”.

³ ECB SAFE (Survey on the Access to Finance of Enterprises), 2025 Q2.

⁴ ECB Bank Lending Survey, 2025 Q2.

⁵ AECM Statistical Yearbook 2024.

crisis record-high. At the same time though, according to the results of the latest AECM guarantee activity survey,⁶ guarantee institutions expect increased volumes going forward, including increased demand for EIF counter-guarantees. At the same time, microfinance continues to expand rapidly across Europe, with rising portfolios and larger average loan sizes signaling both growing demand from vulnerable entrepreneurs and increased lending capacity among Microfinance Institutions (MFIs).⁷

Across Europe, non-bank/fintech channels are also increasingly relevant for SMEs.⁸ The fintech sector continues to normalise from the 2021 peak, adjusting to more sustainable levels of capital deployment and valuations. In terms of investment trends, investors continue to favour Business-to-Business (B2B) over Business-to-Customer (B2C) fintech models, and later-stage companies with proven track record. Sectors that have seen the highest funding levels include alternative lending & credit,⁹ payments, and the so-called “CFO stack”.¹⁰ Turning to private debt more broadly, the market has been steadily growing in Europe. From 2019 to 2024, the European private credit market grew at a compound annual growth rate (CAGR) of around 14%. The market in Europe is expected to continue growing possibly doubling to USD 800-900 billion by 2028.¹¹ Capital is shifting towards Europe as the region’s appeal is supported by lower interest rates, a more predictable policy environment, higher yields, more attractive valuations, and opportunities in infrastructure, renewables, Artificial Intelligence, and data centres.

The European securitisation market continued its gradual recovery in 2024 and into 2025. In 2024, total issuance reached EUR 244.9 billion (+14.8% compared to 2023), of which around 60% was placed with investors.¹² In Q1 2025, placement of European issuance further increased, suggesting improved investor confidence.¹³ Nevertheless, market activity remains well below pre-crisis highs and still substantially under the United States (US) market. SME securitisation issuance, while still limited, rebounded markedly, from EUR 4 billion in 2023 to EUR 9.8 billion in 2024 and EUR 10 billion in Q1 2025, while the share of SME securitisations reached the highest level in a decade, at 16.2% of total volumes.

Securitisation is one of the key tools under the Savings and Investment Union agenda and efforts are currently being made to revitalise this market through a set of regulatory reforms. The main purpose is to deepen the market and broaden the investor base by making the regulatory framework simpler, more proportionate, more risk-sensitive, while maintaining robust safeguards for financial stability and investor protection. While the adopted packages and proposals are a welcome step to making the securitisation framework simpler and more fit for purpose, the EIF notes that further developments would be required to support a true scale up of institutional investors in the asset class. For example, the EIF observes that capital requirements for securitisation exposures held by (re-)insurance undertakings in Europe will remain substantially higher than those in the US (between 4 to 17 times higher charges). This regulatory divergence contributes to the significant difference in holdings: US insurers currently hold approximately USD 1.23 trillion in securitisation assets, whereas their European counterparts hold around

⁶ AECM “Guarantee Activity Survey 2024/2025”, March 2025.

⁷ EMN-MFC Microfinance in Europe, Survey report 2024.

⁸ See KPMG’s “Pulse of Fintech H1 2025”; Pitchbook’s “Fintech: State of the Industry 2025”; World Economic Forum, “The future of global fintech: from rapid expansion to sustainable growth”, 2nd ed., June 2025.

⁹ According to Pitchbook data, alternative lending & credit VC deal value stood at USD 8.1bn at the end of 2024 (a 5% increase year-on-year, but only approximately one-third of the record-high value observed in 2021).

¹⁰ The term refers to the integrated set of digital tools and software platforms that finance teams use to manage accounting, financial planning, compliance, reporting, and strategic decision-making efficiently.

¹¹ Moody’s Ratings “Private Credit – Europe: Private credit fundraising accelerates, positioning Europe for faster growth”, November 2025.

¹² AFME (Association for Financial Markets in Europe), “Securitisation Data Report: Q4 2024 & 2024 FY”.

¹³ AFME (Association for Financial Markets in Europe), “Securitisation Data Report: Q1 2025”.

EUR 12.5 billion, indicating that US insurers maintain exposures that are nearly 100 times larger.

The EIF plays a central role in strengthening the SME securitisation market in Europe. In 2024, securitisation activity backed largely by the EIB resulted in EUR 4.4 billion worth of transactions signed, expected to generate EUR 8.6 billion in new financing. Notably, nearly 60% of the invested volume was directed towards green financing, demonstrating the dual objective of supporting both SME competitiveness and Europe's climate goals. Green securitisation has indeed gained policy traction, supported by the new European Green Bond Standard and ongoing discussions on a dedicated EU issuance platform aimed at scaling sustainable securitisation and channeling proceeds towards the ecological transition.¹⁴ Additionally, 30% of the investments were directed towards small or first time issuers and 40% towards countries with less developed capital markets thereby solidifying the role that the EIF and the EIB play in the context of EU's Capital Markets Union.

2.2.2 Private Equity (PE) / Venture Capital (VC)

In 2024, venture fundraising in Europe reached EUR 22 billion (+43% relative to 2023) and investments EUR 18 billion (+25%).¹⁵ However, in H1 2025, heightened uncertainty and market volatility triggered by the US policy shifts challenged the resilience of the VC/PE markets, with fundraising and exits hit the hardest. It was greatly thanks to the substantial amount of the so-called dry powder, that is the capital which had been raised to fund deals in past years, but was not yet deployed, that VC/PE firms managed to navigate market turmoil and proceed with planned deals despite the fundraising challenges.

The extremely challenging and highly uncertain market situation was reflected in Q2 market activity data, showing that the European VC/PE markets were under strain, that fundraising in Europe was on track for a record ten-year low, that deal activity had slowed, and that VC-backed IPOs were heading for their lowest count in a decade.¹⁶ The very negative sentiment was also illustrated in the EIF's Q1 VC/PE Barometer which documented growing concern among fund managers over both (then) current market conditions as well as expectations for the near term.

However, in the second half of 2025, as evidenced by the results of the EIF's recent 2025 Equity Survey – reflecting insights by more than 1,200 VC/PE fund managers, market sentiment has gradually started to improve. While liquidity continues to be a critical concern across the market and fundraising as well as exit-related challenges persist, the current market sentiment – particularly expectations, has significantly improved compared to the lows observed earlier in the year. Whether and when this optimism will be reflected in hard market activity data in the months ahead remains to be seen. In the case of the US, for example, the market correction and volatility, while sharp, was brief and contained. By late Q2 2025, US venture deal and exit activity already showed signs of recovery, particularly in sectors aligned with the new US administration's priorities.

Aside from this exceptional market volatility related to the geopolitical uncertainties, the European VC/PE market continues to be constrained by structural issues, such as Europe's struggle to scale fast-growing companies. VC General Partners perceive the lack of scale-up financing in Europe as a core challenge,¹⁷ particularly when compared to the US. Since 2013, only 14 VC funds over USD 1 billion have been launched in the EU, compared to 164 in the US, while in 2023, the EU-US later-stage VC financing gap was estimated to exceed USD 80 billion.¹⁸

¹⁴ Banque de France, "Green securitisation: a lever for financing the transition", March 2025.

¹⁵ Invest Europe "Investing in Europe: Private Equity Activity 2024".

¹⁶ Pitchbook "European Venture Report Q2 2025"; Pitchbook "European PE Breakdown Q2 2025".

¹⁷ "EIF Venture Capital Survey 2024: Market sentiment".

¹⁸ Draghi Report on The Future of European Competitiveness.

European scale-ups raise 50% less capital on average than their US counterparts after 10 years of operations, regardless of sector. This pushes many European Union (EU) companies to seek foreign funding and exit abroad.¹⁹ As a result, only 8% of global scale-ups are based in the EU, compared to 60% in North America.²⁰

Countering this, various initiatives undertaken in recent years by public sectors players, such as ETCl launched by the Group and six EU Member States, have clearly started to bear fruit. Latest data²¹ suggests that the market of large VC funds in Europe is growing, and much faster than the rest of the VC market – especially in terms of fund sizes. In the past two years, a significant increase in the average large fund size occurred – to slightly above EUR 1 billion over 2023-2024 compared to less than EUR 800 million in 2021-2022, representing a remarkable increase of 35%.

This proves that strong presence of public players such as the EIF is crucial in providing stability and confidence to the market and catalysing private sector investors into under-invested segments of the market. Under the EIBG's TechEU Programme, particularly through the launch of European Tech Champions Initiative 2.0 (ETCI 2.0) and similar initiatives, the EIF aims to strengthen the European scale-up landscape by mobilising greater volumes of private capital, especially from institutional investors such as pension funds and insurance companies, in line with the objectives of the Savings and Investment Union. Accompanying initiatives, such as the launch of the TrackVC platform by the EIF in cooperation with BlackRock to increase market transparency and “de-risk” limited partners’ perception of the asset class, and regulatory reforms proposed by the European Commission to lower capital charges related to equity investment, should further support these efforts. By leveraging its suite of VC and PE instruments, the EIF seeks to bridge key financing gaps in the innovation lifecycle, from start-ups through scale-ups all the way to exits.

Against the above-mentioned effort to channel larger investments from institutional investors, the EIF welcomes regulatory proposals developed by the EC, in particular the concept of legislative programmes across both the banking and (re-)insurance prudential regulations which aim at supporting investments in VC and PE initiatives meeting certain conditions, via reduced capital charges. The Group is ready to continue the positive dialogue with the EC on further proposals, i.e., with respect to other institutional investors, such as pension funds.

Finally, the heightened geopolitical tensions could also translate into certain opportunities in the market. Against this backdrop, leading to increasing calls for European strategic autonomy, Defence, Security and Resilience has seen the strongest growth among VC sectors in Europe in the last two years; while VC funding in European DeepTech Defence, Security and Resilience start-ups reached an all-time high USD 5.2 billion in 2024.²² The EIBG will ramp up its efforts in supporting EU defence and the EIF has a key role to play in driving innovation through investments in dual-use and defence technologies. Furthermore, the possible rollback of US government funding for CleanTech could make US climate funds point to Europe. Cleantech, alongside AI, is perceived to be among the most prevalent themes for current and future investments.²³

¹⁹ EIB report “The scaleup gap: Financial market constraints holding back innovative firms in the European Union”.

²⁰ European Commission “Startups and Scaleups in Europe”.

²¹ Source: Pitchbook.

²² Nato Innovation Fund and Dealroom “Defence, Security and Resilience in Europe: The state of startups and venture capital”.

²³ “EIF Venture Capital Survey 2024: Market sentiment”.

3 EIF's strategy update

In 2026 the EIF will continue contributing to the pursual of EIBG strategic priorities set in the Group Strategic Roadmap. Particular important are those flagships that are close to EIF's core mandate, aimed at promoting innovation and competitiveness in Europe, while advancing clean, low carbon and resilient solutions and supporting European SMEs, start-ups and scale-ups, for example TechEU. Priority will be given to the launch of new, pan-European mandates of key importance such as ETCI 2.0 and Cybersecurity and Defence Platform.

On the deployment side, the EIF will continue implementation of its core mandates such as InvestEU and RCR, continuously contributing to the achievement of EU strategic policy priorities in various areas, such as the Clean Industrial Deal. Working hand in hand with the EIB, the EIF will focus on the implementation of the Group's Climate Bank Roadmap Phase 2, with the objective increasing Europe's strategic autonomy and support the climate and broader environmental sustainability ambitions. Fundraising work will continue focusing on attracting new types of mandators, especially institutional private sector investors for equity mandates, while cooperating closely with the Commission and regulators to facilitate these efforts through targeted regulatory reforms.

Negotiations around the 2028-2034 Multiannual Financial Framework (the new MFF) and the role that the Group will play in the delivery of the new European Competitiveness Fund will guide the long-term planning and product development side, especially towards the end of the planning horizon. EIF expects to be able to count on a continued support by its stakeholders and maintain the capacity under the current InvestEU for the next MFF.

Business development will be supported and facilitated by ongoing efforts aimed at internal transformation. Efficiency and client focus will be at the centre with a Time to Market exercise focused on optimising core processes and identifying automation opportunities, the Group Client Portal go live at EIF with the first use cases for both front and middle office activities, OMEGA full roll-out and the new Client Satisfaction Monitoring Tool as core deliverables.

Dimension 1: Impact and Catalytic Effect

- **The EIF will continue its efforts to ensure that its resources are deployed efficiently and in high impact areas.** EIF's contribution to the EIBG policy priorities will be closely monitored and efforts will be continuously made to strengthen the support to the European competitiveness and innovation notably through TechEU programme and EIF's contribution to the Savings and Investment Union. Next to innovation, support to competitiveness, climate and environmental sustainability, cohesion as well as security and defence will complement the list of key priorities. Within the scope of its existing mandates, EIF will strive to support also other Group strategic priorities such as agriculture, food security or social housing.
- **Impact of our activity will be at the core.** One of the objectives for 2030 is to ensure that the EIF has a robust ex-ante and ex-post impact measurement framework. Such methodology was approved and piloted in 2025 and will now be rolled out in the EIF throughout 2026 to progressively cover all EIF's mandates and operations.

Dimension 2: Mandates and Funding

- **The EIF will focus on acquisition of new mandates that will support Group strategic policy priorities and covering areas of key strategic importance, such as climate and environmental sustainability, new technologies, security and defence.** Efforts will continue to attract new types of mandators with a key focus, on the equity side, on private

institutional investors, such as insurance companies and pensions funds to tap into these resources in benefit of European growth.

- **To this effect, a specific effort will be pursued with regulatory entities to further improve the prudential frameworks for banks and insurers to invest in private equity**, particularly in EIBG-promoted schemes.
- **Simplification and reduction of complexity are core principles for mandate acquisition.** They will also guide the Group negotiations of the new mandates under the Multiannual Financial Framework 2028-2034 that are expected to accelerate throughout 2026. The EIF will strive for EU-budget based mandates that are simple, efficient and effective frameworks for EIF's support to EU priorities.
- **Reduction of the number of active mandates** will become a core principle for the EIF. This will contribute to the simplification, standardisation and support EIF financial sustainability. The EIF is in the process of establishing a framework for the termination of tail-end mandates and underlying transactions.

Dimension 3: Client Focus

- **In 2026, the EIF will focus on enhancing a client-centric approach and further improving business delivery.** The time to market exercise will be accelerated with the ambition to further shorten the time it currently takes to analyse and sign equity and guarantees operations. Clients' satisfaction will become one of the key strategic indicators and monitored on the back of a new client satisfaction tool. The network of Senior Regional Representatives will continue to facilitate close contacts with the local markets and build stronger relationships with clients and other stakeholders.

Dimension 4: Institutional Effectiveness

- **The goal of the EIF is to achieve an integrated and dynamic approach to the internal control management ecosystem and operational excellence.** To that end, the EIF compliance risk assessment and compliance monitoring program methodologies will be further aligned with the Group.
- Building on these efforts, EIF will also work to **improve the efficiency** of its controls and internal processes, supported by enhanced digitalisation. This may include focusing efforts on areas of greatest strategic relevance or risk exposure, while carefully reviewing or streamlining less critical activities to ensure optimal resource allocation.

Dimension 5: Financial Sustainability

- **Financial Sustainability Policy, will be implemented throughout 2026 with an aim of ensuring EIF's long-term health to support its business ambitions.**
- **Overall, priorities will centre on reinforcing longer-term revenue resilience, enhancing operational efficiency, and ensuring the best possible use of capital.** Costs control efforts will include specific focus on effective procurement processes to secure competitive rates while maintaining high standard of value for money. Strategic attention will also be given to maintaining financial agility in a changing economic context, enabling the EIF to respond effectively to evolving policy priorities and market needs while safeguarding its financial robustness.

Dimension 6: Employee Focus

- EIF continues on track regarding the **implementation of the Human Resources (HR) Strategy**, in the sense that the planned digitalisation is taking shape and more upskilling opportunities are becoming available.
- Targeted wellbeing measures will also continue to be a focus, to further build an optimal

working environment.

Dimension 7: Digitalisation

- **Digitalisation will continue to play a fundamental role during the planning horizon 2026-2028 in the natural transition of the EIF into a modern, efficient and data-driven organisation.** Automation and process optimisation will be further enhanced with a targeted use of Artificial Intelligence (AI), aligned with the Group strategy and with Group synergies in mind, moving also to common Group core solutions where relevant.
- Process optimisation initiatives will place greater emphasis on improving **time to market** and **enhancing operational efficiency**, directly supporting business responsiveness. Through the broader deployment of automation solutions (i.e., Robotic Process Automation), the digital transformation is expected to reduce manual workload, increase efficiency and accuracy and reduce errors, improve collaboration enabling teams to focus on higher-value tasks and leading ultimately to improve staff wellbeing.
- Another key priority will be to further **empower people** to embrace and actively contribute to the digitalisation journey, through targeted awareness, training and change management efforts.

4 EIF's Operational Plan

As detailed in Section 3 above, the EIF's activities for the next three years will center around the successful execution of the EIBG Strategic Roadmap and the advancement of key policy goals set by the European Commission.

Strategic autonomy now guides Europe's policy agenda, aiming to strengthen self-reliance in vital sectors such as energy, green technologies, digital innovation, and defence. Against the backdrop of a complex geopolitical environment, EIF investments are more significant than ever, not only supporting businesses and innovation but also contributing to Europe's overarching goal of greater strategic independence.

The 2026 funding plan prioritizes major initiatives and thematic areas, including InvestEU Member State Compartments (MS-C) for guarantees and pan-European equity initiatives under TechEU. Building on the 2025 funding plan and the 2026 funding proposals, the deployment forecast for 2026-2028 projects an annual deployment of approximately EUR 15 billion.

4.1 Fundraising Plan

4.1.1 Funding Plan and Framework Principles implementation

The EIF is working towards further scaling up its guarantee and equity product offering in support of SMEs, small mid-caps and infrastructure projects to meet the strong demand for its products in the market and support a steady annual deployment volume of approximately EUR 15 billion.

EIF's mandate acquisition is guided by the following four key principles:

- **Maximise focus on policy priorities and the EIBG Strategic Priorities:** in alignment with the EIBG Strategic Priorities and the key EU policy objectives, the EIF is leveraging historical experience to focus mainly on four of the eight strategic priority areas: (i) Consolidate the Group as the Climate Bank, (ii) Contribute to a modern Cohesion policy, (iii) Pioneer the Capital Markets Union, and (iv) Accelerate Digitalisation and Technical Innovation.
- **Ensure financial sustainability of the EIF:** The EIF is striving to develop a financially sustainable portfolio of mandates that meets EIF's financial targets, by reducing the number of implemented structures and more effectively leveraging resources of mandators.
- **Enhance operational efficiency:** Improve efficiency in structuring, deploying, and managing products and mandates, by furthering standardisation of product and mandate terms across the portfolio and limiting deviations from the core product palette.
- **Support disciplined product innovation:** wherever necessary improve existing products, scale up existing pilots and launch new products to support market developments and key EIBG Strategic Priorities.

To maximise its policy impact within the constraints of human and financial resources, the EIF is focusing the fundraising activity on:

1. **Core mandates:** EC and EIB mandates will play a cornerstone role in EIF's delivery. The EIBG and the EC are seeking to successfully implement the InvestEU Optimisation Measures which should provide material firepower in the next two years and represent a bridge to the new MFF. The mandates with the EIB will be pivotal in supporting the activities of the EIF both in equity and securitisation business lines, including supporting the development of Pan-European initiatives.

2. **Top-ups of core mandates deploying core products:** typical example is the InvestEU MS-C, which allows for interventions funded by European Union Member States to address specific national thematic investment needs, while benefiting from a well-tested and effective financial and eligibility framework via flagship guarantee products. A similar concept applies to certain equity interventions. For instance, the Three Seas Innovation and Three Seas Infrastructure mandates are designed to complement and build upon transactions executed in Central and Eastern Europe under EIF's core mandates with EIB and EC resources. By doing so, it enables the EIF to underwrite increasingly larger cornerstone commitments, thereby strengthening fundraising and enhancing market impact. These regional initiatives are conducive to the support of the EIBG Strategic Priorities, the key EU policy objectives and the achievement of the EIF KPIs.
3. **Pan-European initiatives:** consistent with its role as a supra national institution and with a view to fostering the single market, the EIF is seeking to mobilise Member States and institutional investors resources to launch initiatives such as ETCI 2.0 and Cybersecurity & Defence fund-of-funds initiative. Pan-European initiatives offer distinct advantages for both Member States and institutional investors. For Member States, these initiatives provide access to large-scale, cross-border investment platforms that enable the pooling of resources, risk diversification, and the achievement of strategic policy objectives - such as innovation, digitalisation, and decarbonization - on a European scale. Institutional investors benefit from access to well-structured, professionally managed vehicles with robust governance, enhanced deal flow, and the opportunity to participate in high-impact projects that align with Environmental, Social and Governance (ESG) and sustainability mandates. These initiatives also foster knowledge sharing, market integration, and the mobilisation of additional private capital, amplifying the overall impact of public investment.

Further, the EIF will maintain capacity (of both human and financial resources) to develop pilot initiatives and propose innovative solutions. Pilots are essential to address certain new unserved market needs or geographies, as well to test new products aligned with EIBG's Strategic Priorities in existing or new geographies. Particularly, the EIF will seek to enhance and scale up the export credit guarantee, currently being tested in support of the Ukrainian economy, across Europe. In specific, building on the success of the Ukraine Export Credit Facility pilot, the EIF, in close collaboration with EIB Global (EIB GLO), will seek to develop a successor of the Export Credit Facility. This next-generation facility should incorporate lessons learned from the pilot phase and extend coverage to additional geographies and beneficiary groups, further support EU exporters, strengthen economic ties with partner countries, and contribute to the EU's broader trade and development objectives.

4.1.2 InvestEU

InvestEU will remain one of the driving forces behind EIF financing deployment in the planning period. As of June 2025, the EIF has signed 70% of available resources under InvestEU and supported more than EUR 18 billion of financing to more than 150,000 final recipients.

To serve the strong demand across all thematics for both equity and guarantee products, and sustain EIF operational plan targets for the coming three years, the Group and the EC are seeking to operationalise the **Investment Simplification Omnibus** (Omnibus II) which aims to address a range of optimisation measures in the use of the existing EU guarantee currently locked in legacy Union Programmes, as well as simplify EU mandates.

In September 2025, the European Parliament and the Council reached a provisional agreement on the Omnibus II Regulation. The formal adoption of the agreed text is expected by the end of 2025.

As outlined in the EIF Operational Plan 2025 - mid-year review, the measures to optimise the EU resources include two components expected to be agreed by EU's budgetary authority, i.e., the European Council and the Parliament:

- **An increase of the InvestEU guarantee by EUR 2.9 billion**, of which 75% would be allocated to the EIBG. The EIF is planning to channel EUR 1.3 billion of the increased InvestEU guarantee to unlock additional equity financing.
- **Combinations of legacy instruments backed by EFSI** (InnovFin SME guarantee, COSME guarantee, and EaSI guarantee) **with InvestEU** to provide additional guarantee capacity for the benefit of new InvestEU operations. This, combined with a re-tranching of the corresponding portfolios, is expected to add circa EUR 4.7 billion in new EIF financing capacity for guarantee products under the InvestEU over the planning period.

The **transfer of additional EUR 500 million** of EU guarantee under InvestEU from the EIB to the EIF, enabling additional EUR 1.5 billion of EIF financing capacity for guarantee and equity climate & infrastructure products, which is essential to achieving the ambitions set by EIF under the EIB Group's Energy Efficiency for SMEs initiative. Overall, on account of the above-described measures, the EIF would be in a position to increase its financing capacity by circa EUR 7.5 billion. Particularly with regards to combination of legacy instruments, the deployment will be enabled through gradual release of European Fund for Strategic Investments (EFSI) resources from legacy portfolios. Incremental releases will be assessed annually, in order to maximise the overall financing capacity, and potentially increase the deployment capacity above the current estimate of EUR 7.5 billion.

4.1.3 Next MFF

Building on the successful implementation of InvestEU, the features expected to be implemented with the optimisation measures, and the cooperation with the EC, the EIBG wishes to reinforce this partnership in the **new MFF**, to maximise impact and minimise red tape, around three main building blocks:

- **Sufficiency and Speed:** To maintain the existing product portfolio and pace of deployment, at least EUR 30 billion in EU guarantees should be allocated to the Group under the future InvestEU Instrument. The current 75% share of InvestEU allocated to the EIBG should be maintained in the next programming period, on account of the fact that the InvestEU Instrument relies on a coherent EU wide deployment, for which the EIBG can demonstrate a track record.
- **Predictability and Flexibility:** The long-term nature of EU's budget provides essential stability for planning multi-year investments, which is vital for private investors and institutions like the Group to plan ahead. To better respond to changing needs, the governance framework should be more agile, with a simpler mechanism to allocate or re-allocated the EU guarantee.
- **Simplicity and Efficiency:** Streamlining operations into three main mandates - within the EU, outside the EU, and advisory - will eventually reduce administration and increase impact. Future mandates should fully cover the implementation costs for the EIBG. The improvements obtained with the simplification Omnibus should be carried forward in the next MFF. Mandates should rely more on the Group's existing policies and procedures to reduce time to market. Performance and reporting requirements should align with market standards. The EU guarantee should remain flexible and maintain high risk-taking capacity to ensure its effectiveness.

4.1.4 Cooperation with EIB

Core equity mandates with the EIB will continue to play a key role in funding EIBG Strategic Priorities: during the 2026-28 period, the Risk Capital Resources and the Infrastructure and Climate Funds mandates are expected to contribute circa EUR 5 billion of EIB equity capital. These resources are key in delivering on the targets of the Climate Bank Roadmap phase 2, with over 35% of the resources under Risk Capital Resources and respectively over 80% of the Infrastructure and Climate Funds resources under the being allocated to Group Green Finance. Further, EIB resources will be instrumental in supporting the EIF's fundraising efforts of third-party mandates under important initiatives under TechEU such as ETCI 2.0 and Cybersecurity & Defence fund-of-funds initiative, therefore playing a critical role not only in funding new investments but crowding-in public and private capital to European Venture Capital and Private Equity markets.

In addition to the core EIB mandates, the EIF will also implement new thematic co-investments mandates for the EIB, to accompany EIF's main investments activity in funds and to support the development of high priority sectors like cleantech, scale ups, defence, etc. The implementation of the EIBG Co-investment Service Level Agreement (SLA) is expected to streamline the implementation and increase the efficiency in deploying those assets. On the debt side, the EIB Securitisation SLA is expected to contribute a minimum of EUR 3.4 billion per year for the period 2026-2028 of which c. EUR 1.4 billion of fronted transactions and c. EUR 2 billion of direct Asset Backed Securities (ABS) purchases. All fronted transactions are relevant for EIF COP while the EIB's direct ABS purchases only account for EIB COP.

4.1.5 Partnerships with Member States and institutional investors fundraising

Equity Initiatives

The successful deployment of ETCI²⁴ enlarged since 2023 the palette of financial instruments offered by the Group with a fund of funds focused on the scale up phase of innovative startups.

Building on this successful experience, the EIF is currently shaping up **ETCI 2.0**, expected to be supported by meaningful own capital contribution by EIBG, and represent a cornerstone programme within the TechEU initiative, which targets to mobilise at least EUR 250 billion of financing for innovation in the 2025-2027 period.

To enlarge geographical coverage and foster financing the complete cycle of growth and scale-up, on top of supporting Pan-European mega funds (targeting EUR 1 billion+ in size) ETCI 2.0 will also invest in mid-sized funds (targeting EUR 300 million+ in size). This flexible approach will promote the availability of growth finance for a broad population of European technology scale-ups.

Furthermore, as part of the TechEU programme, **the EIF is also developing a Pan-European fund-of-funds dedicated to cybersecurity and defence**. Building on the successful implementation of the Defence Equity Facility, it aims at enhancing Group efforts on this strategic priority.

Europe faces unprecedented security threats, from conventional warfare to cyberattacks, infrastructure sabotage, disinformation, and industrial espionage. Yet, Europe could be better prepared – decades of underinvestment and reliance on the US security umbrella resulted in critical capability gaps and a fragmented defence industry across the continent. European defence and cybersecurity companies, particularly small and medium-sized businesses, struggle to find capital to innovate and/or scale, hindering their ability to compete globally. This leaves Europe

²⁴ ETCI has committed EUR 2.6 billion to 12 funds, 9 of which have already reached a first closing, thus leveraging EUR 8.6 billion of investment firepower at fund level. In fact, ETCI supported funds have already invested EUR 2.5 billion in 35 EU companies across 7 Member States. This includes 9 European "unicorns" companies, achieving above USD 1 billion in valuations. The first generation of ETCI will be fully invested by the beginning of 2026.

dependent on non-EU suppliers for key technologies, which undermines its strategic autonomy. In the first phase, the initiative will seek commitments from EU Member States, to be combined with support from EIBG own funds. As a second step and following the first closing with commitments from public investors, the EIF will seek to also extend the fundraising efforts to institutional private investors and corporates, aiming to establish a Pan-European public-private initiative with a target size of up to EUR 1.75 billion aggregate commitments, for investments into 40-45 funds in the coming years.

Alongside these new pan-European initiatives, the EIF will continue stepping up its existing activities, such as intermediated VC financing targeting highly innovative European start-ups and early-stage companies as well supporting infrastructure funds that finance European projects in the fields of sustainable energy, digital and critical infrastructure, as material funding gaps remain all along the value chain of the innovation ecosystem.

The Asset Management Umbrella Fund (AMUF) continues to serve as a flexible platform for pooling and deploying resources across multiple asset classes and strategies from institutional investors. Through AMUF, the EIF can efficiently manage diversified portfolios, respond to evolving market needs, and accelerate the deployment of policy-driven investments. The continuation programmes of AMUF's product suite in European Private Equity and more recent European Green Private Credit will further strengthen the EIF's ability to address market gaps and support high-impact sectors. Selectively, continuation of pilot mandates such as separate managed accounts are also foreseen.

Debt Initiatives

Additionally, the EIF is continuing fund raising efforts across the Member States via the MS-C under InvestEU. Several new MS-C are planned as well as increase of existing ones, currently expected to enable additional circa EUR 3.0 billion of guarantee capacity over the planning cycle.

Considering the approaching end of the current programming period and as a number of Member States are expressing interest in the MS-C, the COP volumes presented in this document may therefore require a review in the context of the mid-year discussions.

Recovery and Resilience Facility (RRF)

The EIF currently manages EUR 3.4 billion of RRF funds across equity and guarantee instruments, supporting the deployment of these resources in 7 countries.

The deployment of RRF mandates has demonstrated remarkable success, with swift allocation and satisfactory absorption rates across multiple Member States. For example, in Spain, under the EUR 1.8bn Sustainability, SME Competitiveness and Innovation and Digitalisation Guarantee instruments 73% are already signed with financial intermediaries as of September 2025. Similar momentum is observed in other RRF mandates (i.e., Bulgaria, Romania, Greece, Czechia and Cyprus), underscoring the commitment of the EIF to support investments in sustainable growth, climate and environmental sustainability, innovation, and European strategic autonomy.

Looking forward, the EIF, together with Member States, is actively exploring ways to further boost the utilisation of remaining RRF resources currently managed at the national level. While for guarantee products the MS-C is a fit-for-purpose instrument, for equity critical enablers are required to underpin the pan-European ambition to support critical priorities at European level and fundraising from institutional investors, namely:

- establishment of streamlined administrative processes that allow Member States to contribute unspent RRF resources to pan-European investment platforms, such as ETCI 2.0 and other cross-border equity fund-of-funds structures.
- August 2026 deadline to be deemed fulfilled where the Member State's commitment to the

EIF is signed by that date.

- Implementation of geographically balanced investment strategies, without national investment quotas for individual fund managers in order to facilitate multi-country investment strategies and support fund managers in fundraising from other investors.

By enabling Member States to pool RRF resources in these pan-European platforms, the EIF is positioned to catalyse large-scale investments in innovation, digital infrastructure, and other strategic sectors, thereby accelerating the commercialisation and scaling of innovative companies across the EU and reinforcing Europe's competitiveness and resilience.

Compared to the first reading, the fund-raising target has been increased from EUR 12 billion to EUR 20 billion, reflecting the transfer of EC optimisation measures' signature from 2025 to 2026.

Table 1: Fundraising by Public Policy Goal

PPGs Volumes	2026		2027		2028	
	Weight PPGs	Eur bn	Weight PPGs	Eur bn	Weight PPGs	Eur bn
Growth	31%	6.4bn	45%	4.1bn	49%	5.3bn
Equity	13%	2.7bn	20%	1.8bn	11%	1.2bn
Guarantees	18%	3.7bn	25%	2.3bn	38%	4.1bn
Innovation	30%	6.1bn	27%	2.4bn	25%	2.7bn
Equity	15%	3.0bn	25%	2.3bn	14%	1.5bn
Guarantees	15%	3.1bn	2%	0.2bn	11%	1.2bn
Social Impact, Skills and Human Capital	4%	0.8bn	1%	0.1bn	1%	0.1bn
Equity	1%	0.2bn	1%	0.1bn	1%	0.1bn
Guarantees	3%	0.6bn	0%	0.0bn	0%	0.0bn
Sustainability and Green Transformation	35%	7.2bn	27%	2.5bn	25%	2.7bn
Equity	14%	2.8bn	18%	1.7bn	11%	1.2bn
Guarantees	22%	4.4bn	9%	0.8bn	14%	1.5bn
TOTAL VOLUME	100%	20.4bn	100%	9.0bn	100%	10.7bn

4.2 Deployment Plan

Aligned with the EIBG Strategic Priorities, the EIF is intensifying its efforts to support the objectives of the Savings and Investment Union, while scaling up investments in security and defence, climate and environmental sustainability, and fostering the growth of the EU innovation ecosystem under the TechEU programme.

The funding plan described above reflects this ambition, prioritising large-scale, high-impact initiatives across these thematic areas.

Market demand remains robust, above the funding currently available, with projected annual deployment levels in the region of EUR 15 billion. The EIF is well-positioned to respond to such strong market demand across its business lines, with a strategic focus on maintaining flexibility, targeting a $\pm 10\%$ margin to adapt to evolving needs.

To meet these expectations, the EIF is committed to operating with speed, scalability, and simplicity, while maintaining transparency and reliability as a trusted partner to its stakeholders. Optimisation of delivery is expected by cautiously reducing the number of transactions expected to

be signed in 2026, while ensuring that its operations continue to deliver meaningful impact aligned with EU policy objectives. Internal measures to reduce time-to-market are being assessed and expected to be implemented in 2026.

Despite prioritising large-scale, EIF remains focused on developing nascent markets as part of its high-impact initiatives. EIF complements its financing activities with dedicated technical assistance and market-building initiatives, helping new or emerging intermediaries to develop sustainable and viable investment strategies. Through capacity-building programmes and knowledge-sharing platforms, the EIF works to strengthen ecosystems and crowd in private capital. In the social impact investing space, besides the current enhanced financing toolkit, the EIF is also testing a pilot with non-repayable support to facilitate the development and scaling-up of the social impact finance market.

In the guarantees space, the EIF will continue with a strong emphasis on climate and environmental sustainability, innovation, digitalisation and growth.

An important objective will be **scaling-up export credit guarantees in the context of the new MFF**.

Under InvestEU, the EIF offers guarantees to Export Credit Agencies (ECAs) to reduce financial risks and support businesses in EU Member States, as well as Norway and Iceland, that wish to export to Ukraine. While part of a wider EU effort to support Ukraine's economic recovery, the Ukraine Export Credit Facility pilot (EUR 300 million) is also a key example of how the EIBG promotes trade and economic exchanges. The EIF has already signed contracts with seven intermediaries for an amount of EUR 150 million and, given the high demand, expects up to five more agreements by year end, supporting trade by EU businesses and strengthening economic ties with Ukraine.

The pilot product could be scaled by expanding: (i) the geographical coverage to additional countries of operations outside EU, with a focus on riskier groups in accordance with the Organisation for Economic Co-operation and Development (OECD) country risk classification, as well as (ii) the eligibility of EU beneficiaries from SMEs and small mid-caps to include larger mid-caps and corporates.

An essential condition for the scale-up of the EIF's product is the ability to more closely align to the market standard re-insurance instruments deployed by ECAs by broadening the scope of risk coverage and aiming for a comprehensive guarantee with simplified documentation. This would facilitate efficiency and scalability of the origination. An expansion of these instruments is strongly linked to the ability to secure full risk protection through a dedicated envelope and in compliance with any applicable statutory and Best Banking Practices provisions.

As regards the securitisation business line, the EIF aims to maintain stable delivery in synergy with the EIB and support the development of green securitisations.

On the equity side, the EIF will continue to play a central role in consolidating the European venture capital market, with a focus on growth, scaling-up, and supporting first-time and emerging teams with more targeted thematic investment strategies.

Across equity and guarantees, the successful cooperation with the Financial Institution Shareholder Group (FISG) will continue to support EIF's activities, both as financial intermediaries and through joint initiatives and co-investment structures, thereby amplifying the strategic and policy impact of the EIF.

4.2.1 Securitisation

The EIF has played a pivotal role in reviving the European securitisation market, acting as a key architect and driving force behind market revitalisation efforts. Through innovative product design,

regulatory engagement, and the deployment of innovative products, the EIF has in fact enabled a significant increase in private investor participation and the mobilisation of capital for SMEs and green investments. Within the EIB Group, the EIF serves as the principal fronting entity for securitisation transactions, leveraging its expertise to structure and execute high-impact deals on behalf of the EIB. This leadership has not only strengthened the market's resilience but also positioned the EIF at the forefront of sustainable finance and capital markets development in Europe. The nature of the securitisation instruments, enabling diversification of funding and capital sources, cross border sharing of risk, standardization of legal frameworks across jurisdictions, and unification of regulatory regimes, makes them pivotal to supporting the objectives of the Savings and Investment Union. Acknowledging the role of this financial technique, the EIF actively plays a fundamental role in the various initiatives for the revitalisation of the securitisation market by:

- 1) Consulting EC (Directorate-General for Financial Stability, Financial Services and Capital Markets Union) and other supervisors/regulators (European Banking Authority, European Securities and Markets Authority, European Central Bank) on future regulations as well as their appropriate methods for implementation.
- 2) Designing new products to address market gaps, i.e., embedded guarantees proved very successful in allowing private investors' participation in ABS transactions.
- 3) Sharing know-how with local regulators..

In parallel to this horizontal policy objective, the “use of proceeds” approach provides for vertical support to the other three EIBG Strategic Priorities: innovation, climate action and cohesion, but also to others. By requiring the financial intermediaries to direct the proceeds from securitisation towards specific policy objectives such as innovation, sustainable housing, green transportation, SME competitiveness, the EIF can ensure that the funds are used to support key areas of the economy. Specifically, securitisation transactions have proven to be quite effective in supporting green investments. In addition, the EIF is at the forefront of several fully green securitisations, mostly backed by InvestEU resources.

This flexibility allows the EIF to tailor its support to the specific needs of the economy, ensuring that the funds are used effectively to promote economic growth and stability.

The envisaged COP volume of EUR 2.9 billion will allow for stable business planning and execution with a balanced allocation of EIF and EIB resources, while supporting the further development of the securitisation market.

Building on the successful deployment of the embedded (wrap) and bilateral guarantees in 2025, and the observed high market demand, the EIF envisages to pursue a similarly ambitious origination plan in 2026 (i.e., EUR 1.3 billion) of such investments, intended for both investment grade as well as sub investment grade (ratings of BB or single B) exposures. This shift towards higher risk activity (non-investment grade assets) will be assessed and executed considering the EIF risk appetite limits, internal risk management guidelines and required target returns including adequate provisioning to ensure the efficient utilisation of the EIF resources. It is expected that c. EUR 200 million of direct ABS investments in cash format would complement the deployment of the unfunded instruments mentioned above.

The important role that EIB Group plays in the domain of synthetic securitisations in EU has allowed us to further calibrate our product palette in order to achieve an even higher impact. As a result, in 2026, the EIF plans to allocate more resources to mezzanine tranches as well as more subordinated exposures to complement EIB's credit appetite and achieve enhanced attractiveness of the Group's product offer. Over the last couple of years, the Group has witnessed an increasing number of transactions not materialising due to limitations in EIBG's credit appetite. It is expected that the dedicated envelope of EUR 150 million earmarked for low mezzanines in combination with

EIB supported upper mezzanines would solidify EIBG's position in EU SRT (Significant Risk Transfer) market.

In addition, the EIF estimates that another EUR 2.2 billion of true sale securitizations would be originated, structured, executed and subsequently monitored by the EIF on behalf of the EIB.

4.2.2 Portfolio Guarantees & Inclusive Finance

EIF portfolio guarantees continue to experience strong demand, consistently exceeding available funding capacity. Over the past year, the EIF has further expanded its network of financial intermediaries across all EU Member States, reinforcing its role in delivering both financial and policy objectives. This expansion has been instrumental in facilitating access to finance for SMEs (including farmers), small mid-caps and private individuals, while also channeling support towards the EU's and EIBG strategic priorities. Over the planning period, the EIF remains fully committed to the guarantee business, deploying the remaining and additional resources from the EC optimization measures, both capped and uncapped instruments, to support key EU policy areas and EIBG Strategic Priorities.

The EIF will continue pursuing a delivery linked to key EIBG Strategic Priorities such as enhancing the growth of the European SMEs and SMCs in cohesion regions, while strongly promoting innovation and digitalization under TechEU and sustainable and green finance. The latter aligns with the Energy Efficiency for SMEs initiative and the Climate Bank Roadmap Phase 2 targets. Thematic delivery remains central to EIF's guarantee products deployment strategy. By mitigating perceived risks in high-impact sectors, EIF guarantees have enabled financial intermediaries to support SMEs and other eligible entities in underexplored areas such as climate adaptation and broader environmental objectives such as circular economy, water and biodiversity. The flagship pan-EU product - the InvestEU Sustainability Guarantee, plays a pivotal role in advancing these objectives. Dedicated to supporting sustainable enterprises and a broad range of green investments, from renewable energy and energy efficiency to circularity and environmental protection, it is a key contributor to the EIB Group's Energy Efficiency for SMEs initiative. The deployment of the Sustainability Guarantee was significantly facilitated by extensive advisory support, including tools such as the Group Green Checker, which helped reduce administrative burden and accelerate implementation. Portfolio guarantees are deployed under both the EU and MS-Cs of InvestEU, with increasing emphasis on tailored national interventions. This dual structure continues to provide additional capacities in a robust and flexible platform for addressing the high demand to support diverse financing needs of SMEs, SMCs and private individuals, while maintaining a harmonized financial and eligibility framework.

EIF guarantee business is anchored around strong partnerships with a wide range of financial institutions, such as commercial banks, NPIs and Alternative lenders. These entities play a pivotal role in ensuring the effective deployment of EU policy-driven financial instruments across Member States.

Commercial banks offer extensive market reach, operational capacity, and digital infrastructure, enabling rapid and scalable delivery. Their ability to originate large portfolios and integrate eligibility tools into existing IT systems makes them indispensable for high-volume deployment, particularly in areas such as sustainability and innovation.

NPIs, on the other hand, bringing deep policy alignment and national-level expertise, are uniquely positioned to address thematic investment needs that may be underserved by commercial actors. Their public mandate allows them to support riskier or more granular transactions, often in cohesion regions or sectors with limited access to finance.

Within the portfolio guarantees activity, the EIF has also developed over time the **Inclusive Finance** segment, being instrumental to the financial and social inclusion of vulnerable groups, by

fostering their access to finance for setting up or developing their own business.

Today, the EIF is a relevant market player in this specific segment, partnering with a wide range of financial institutions, offering both funded and unfunded products adapted to the local context of our intermediaries, aimed at job creation and economic development in the local communities.

Furthermore, the EIF continued to support the **Alternative Lenders** segment, a growing financing channel complementary to commercial banks and National Promotional Institutions. It is formed by specialized lenders offering tailor-made financial solutions to different types of final recipients across all portfolio guarantee Public Policy Goals (PPGs). In 2025, the EIF will have provided guarantee commitments to circa 12 alternative lenders. Notwithstanding the growing importance of this segment, also in the context of the Savings and Investment Union, EIF's portfolio guarantee activity with Alternative Lenders remains limited, with a focus on institutions with strong risk profile and alignment with EIF's policy objectives, whose operations enable the EIF to reach specific niches of final recipients that would otherwise remain underserved by traditional lenders

Implementation of operations in 2026 as well as in the following years until the end of the current programming period will predominantly build on the established network of financial intermediaries which have already entered into guarantee agreements with the EIF under the InvestEU. It is expected that around 75% operations will involve existing counterparts which, based on the close monitoring of implementation carried out by EIF services, will allow for channeling of additional resources to best performing entities, ensuring timely delivery of preferential financing to final recipients.

4.2.3 Equity

EIF's key priorities in Equity Investments for 2026 and 2027 will be centered around the objectives of TechEU, including support to the cleantech sector. While the scale-up market segment will have particular attention, the financing of innovation and related infrastructure will be a key priority across the entire sector spectrum of the EIF and across all asset classes. With the launch of the second generation of ETCl, the EIF seeks to build on the foundations laid in the scale-up market segment in the last three years and expand the reach of ETCl both geographically as well as in terms of the diversity of managers providing capital to Europe's technology leaders to reach global scale.

At the same time, the EIF remains committed to the climate and environmental sustainability targets of the Group which it will foster through (i) innovation in green technologies and related business models, (ii) the funding of the green transition in traditional industries, including Agrifood through private equity and private credit and (iii) green infrastructure which will remain a core focus across our infrastructure investment mandates.

The EIF recognises the growing importance of private credit as a complementary source of financing for European SMEs and mid-caps. Over the planning period, the EIF will expand its engagement in private credit markets, supporting wide selection of private credit funds that invest in business growth, innovation, and defence-oriented strategies. By leveraging partnerships with institutional investors and private credit funds, the EIF aims to catalyse additional private capital, thereby enhancing market depth and supporting the EU's strategic priorities. Additionally, the EIF will continue to have a market-building presence in CEE, where private credit remains at an early stage and growth financing gaps persist.

Besides these focal points the EIF will, within the Group guidelines to be refined for the intermediated funding operated by the EIF, build up the investment activity in security and defence and continue to contribute to the Group's other Strategic Priorities.

In volume terms, the EIF aims to maintain its equity activities at the ambitious level of 2025 above

EUR 7 billion. In the light of (i) the growing equity portfolio of the EIF, (ii) the Group's ambition for its responsiveness to the market ("time-to-market" objectives), (iii) the limited availability of sufficiently risk-tolerant funding sources for certain sectors and (iv) the increasing complexity of transactions in certain thematic verticals, EIF's services have adopted a resources-conscious approach in the composition of the operational plan for 2026 with an optimisation of the triangle "policy impact- deal sizes- risk/return profiles" as the backbone of EIF's operational plan while actively pursuing opportunities to sustain sector-critical operations in emerging and/or highly granular market segments such as social impact, biodiversity, sustainable agriculture or technology transfer operations.

These strategic choices, paired with a focus on maximizing operational efficiency, should allow the EIF to maintain its pivotal market presence in terms of funding volumes albeit at significantly reduced transaction numbers if compared to previous years, from circa 200 projected for 2025 to circa 150-160 planned for 2026.

Support to Defence investments

The EIF has long played a pivotal role in supporting Europe's defence sector. The introduction of a new PPG on defence in 2026 marks a significant advancement, formalizing and expanding these efforts. In 2024, the EIF secured resources from EC Directorate-General for Defence Industry and Space (DG DEFIS) under the InvestEU programme to launch the EUR 175 million Defence Equity Facility (DEF) pilot mandate. This initiative rapidly demonstrated robust and growing demand for equity financing by funds supporting European dual-use technologies, with the majority of the facility's resources anticipated to be committed by the first quarter of 2026. The pilot not only provided valuable insights into market dynamics but also underscored the need for broader support, prompting the Group to expand its eligibility criteria for security and defence investments. Building on this foundation, the EIF is developing a Cybersecurity & Defence fund-of-funds initiative aiming to extend support to fund managers within this strategic sector in the upcoming financing cycle. In the realm of cybersecurity, the EIF has already been active through mandates such as RCR and InvestEU, primarily supporting deeptech funds with partial sector exposure. The initiative will further enhance these efforts by also targeting funds dedicated exclusively to defense and cybersecurity sectors. By mobilizing significant public (Member States, the EIB and EC) and private capital, the initiative aims to reinforce Europe's strategic autonomy, resilience, and technological leadership across both the defence and cybersecurity value chains.

Seamless Integration of New Business Activities – Infrastructure Asset Class

This spirit of strategic expansion and innovation is clearly reflected in EIF's approach to onboarding new business activities. Since the transfer of the infrastructure business line from the EIB in 2021, this segment has rapidly evolved into a flagship business, exemplifying EIF's commitment to climate and environmental sustainability, and innovation. Leveraging the technical expertise of the EIB's Projects Directorate (PJ), the infra business line has adopted a sector-focused strategy, targeting high-impact investments across renewable energy, sustainable mobility, digital infrastructure and the circular economy, core pillars of the EU's green and digital transitions. All interventions across all sectors are aligned with the EIB Climate Bank Roadmap and therefore systematically integrate resource efficiency and climate adaptation considerations in their design and implementation. Catalysed by a cornerstone annual commitment from the EIB of EUR 250 million, the business line has attracted substantial resources from the EC, resulting in annual deployment volumes exceeding EUR 1.6 billion. In 2024, the EIF further broadened its funding base by securing private investor commitments. This ability to crowd in private capital alongside public mandates reinforces EIF's position in the infrastructure space, bridging market gaps and driving sustainable, innovative, and inclusive infrastructure development across Europe.

Recent years have seen the business line respond proactively to new strategic themes and policy

priorities, and this dynamic approach is set to continue in the next financing cycle. In particular, the EIF has adapted its investment strategy to support Europe's energy sovereignty, focusing on the green transition through renewables, smarter energy use, and energy security. At the same time, the business line has positioned itself at the forefront of digital transformation, a trend expected to accelerate through 2026 and beyond. As a key contributor to the TechEU programme, EIF infrastructure activity will remain a significant investor in digital infrastructure, including fibre, 5G, and AI-ready data centers, addressing the EU's ambition to remain competitive in the global AI race. Social infrastructure has also become a prominent theme within the infra business line's mandate, with a strong emphasis on affordable and sustainable housing, as well as inclusive urban development. This aligns with the European Commission's priorities to reduce inequalities and improve living conditions, further broadening the impact of the infra business line.

For 2026, the EIF strategically targets a reduction in the overall number of equity transactions by circa 20%, reflecting a deliberate focus on scale and operational efficiency. This approach will enable the EIF to allocate resources towards more impactful initiatives, increasing average ticket sizes and enhancing portfolio quality. By prioritising selectivity and scale, the EIF has positioned the business for more sustainable and impactful growth.

Table 2: Deployment

Amounts in EUR billion	2026	2027	2028	Total
Guarantees	5.3	5.1	4.9	15.3
EC	4.0	3.9	3.3	11.2
Regional / Member States	1.3	1.2	1.6	4.1
Securitisation	2.9	2.9	3.1	8.9
Equity	7.1	7.3	7.3	21.7
EIB	2.7	2.9	1.5	7.2
EC	2.3	1.0	0.6	3.9
Regional and private investors	2.2	3.3	5.1	10.6
Total COP	15.3	15.3	15.3	45.9

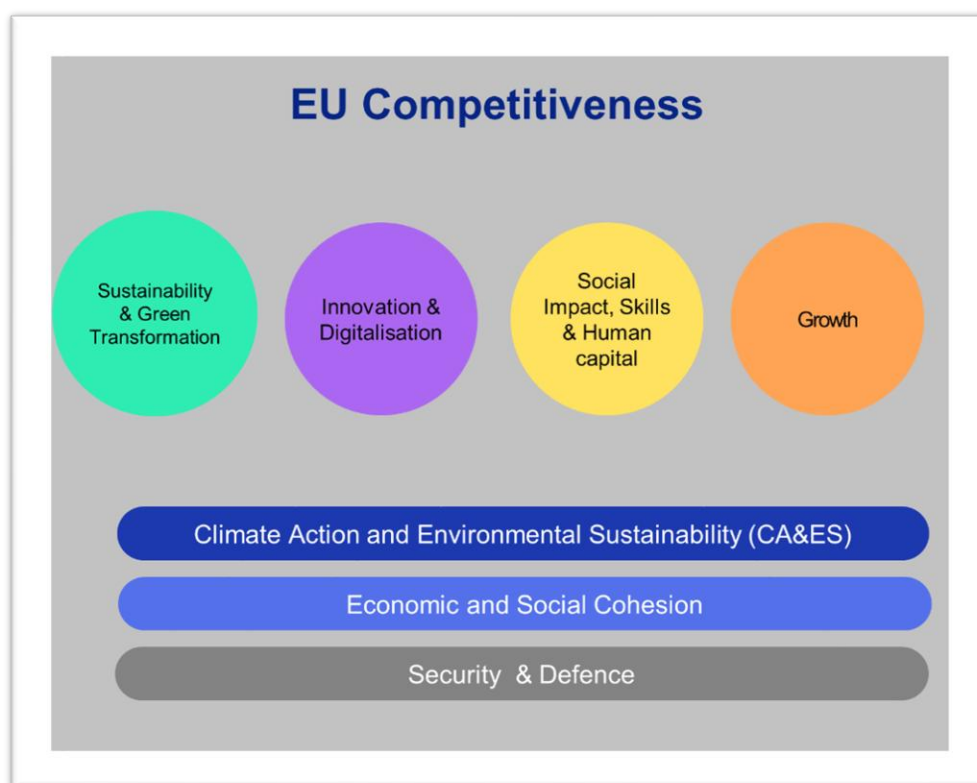
4.3 Policy impacts

4.3.1 EIF's Public Policy Goals (PPGs)

Competitiveness as EU policy driver

The EU's ability to remain competitive in the global economy is key for Europe's prosperity and strategic autonomy, particularly amidst current geopolitical challenges.

The PPG framework adopted by the EIF in 2021 proved to be a robust compass, and the core planning instrument for EIBG business activity, further strengthened by the EIBG Strategic Priorities and related flagship initiatives. Nevertheless, the concept of European Competitiveness remains as key driver for EIF's policy interventions, cutting across the PPGs; the EIF itself being an EU instrument to drive EU competitiveness. Thus, all EIF's PPGs contribute to EU competitiveness.



SMEs account for 98% of European companies. At the same time one in four SMEs face struggle to access financing. EIF solutions unlock SME finance, including farmers which in turn fosters their growth and contribution to the EU economy, creating a virtuous circle of innovative start-ups and scale-ups. New SMEs continue to close the innovation gap, implementing digital and climate transitions. The EIF is a significant contributor to this cycle with its solutions that unlock SME finance for growth that contributes to a competitive and thriving economy in Europe.

Support of SMEs and mid-caps during their growth phase through the “Growth” PPG, in addition to support of start-ups and scale-ups, is therefore an important lever for EU competitiveness.

The “Growth” PPG encompasses various contributors to growth, including:

- Support manufacturing, especially in selected strategic sectors (re-industrialisation)
- Strengthening critical supply chains
- Increase in productivity and efficiency
- Expansion of markets/internationalisation
- Expansion of production capacity
- New product/service development within mature companies
- Introduction of new technologies (incl. digitalisation)
- Export credit and trade support

The “Sustainability& Green Transformation PPG includes, amongst others:

- Sustainable industries, products, services and infrastructure
- Support investments in the repair or upgrading of existing infrastructure, or establishment of new infrastructure which will support decarbonization, upgrade of energy-inefficient buildings, enable adaptation or resilience, etc.
- Renewable energy and energy efficiency

- Sustainable transport
- Sustainable food and environmental services

The “Innovation & Digitalisation” PPG includes, amongst others:

- Focus on Life Science and Health
- Support to cutting-edge and disruptive technologies, such as Artificial Intelligence and Block-chain, Augmented/virtual reality, Cybersecurity, Photonics and electronics, Quantum computing, Robotics and automation, Space and Defence technologies
- Support to digital transformation of enterprises
- New product/business model/service innovation of companies

The Social Impact, Skills & Human Capital PPG, includes, amongst others:

- Support businesses locked out of the conventional financial services system
- Support businesses that deliberately intend to address societal challenges to create positive impact
- Support students and learners
- Improve the ecosystem of the supply of education, training and skills-related services
- Support culture and creative sectors, including artistic crafts, audiovisual, design, festivals, music, literature, performing arts, publishing, radio and visual arts, etc,
- Support to inclusion, well-being and diversity

PPGs contribution forecasts

In the coming years, Sustainability & Green Transformation (SGT) is projected to be the largest contributor to the policy mix, representing 41% in 2026, with a balanced split between equity investments and guarantees or securitisations. In 2027, SGT is expected to remain significant at 43%.

The Innovation PPG is expected to remain stable at 30% throughout the next financial cycle. Within this area, equity is anticipated to gradually take the lead, supported by new pan-European initiatives focused on innovation, such as ETCl 2.0 and Cybersecurity and Defense initiative.

Table 3: Deployment by Public Policy Goal

PPGs Volumes	2026		2027		2028	
	Weight PPGs	Financing	Weight PPGs	Financing	Weight PPGs	Financing
Growth	25%	3.9bn	26%	4.0bn	26%	4.0bn
Equity	9%	1.4bn				
Guarantees	16%	2.4bn				
Innovation	29%	4.4bn	28%	4.3bn	29%	4.5bn
Equity	15%	2.2bn				
Guarantees	14%	2.1bn				
Social Impact, Skills and Human Capital	5%	0.7bn	3%	0.4bn	2%	0.3bn
Equity	2%	0.3bn				
Guarantees	3%	0.4bn				
Sustainability and Green Transformation	41%	6.3bn	43%	6.6bn	43%	6.6bn
Equity	21%	3.2bn				
Guarantees	21%	3.1bn				
Grand Total	100%	15.3bn	100%	15.3bn	100%	15.3bn

4.3.2 EIF's ambition in green financing

Europe's limited access to cheap indigenous fossil fuels and critical raw materials has historically driven its reliance on trade with trusted partners. In the face of growing geopolitical and environmental pressures, the EU is now accelerating its transition away from fossil fuel imports. October 2025, the Climate Bank Roadmap Phase 2 (CBR2) was launched. The CBR2 responds to this challenge by reinforcing the EIBG's role as the EU Climate Bank, committing to over 50% of annual financing for Group Green Finance, and supporting EUR 1 trillion in green investment by 2030. This ambition is underpinned by a new Energy Sector Orientation that promotes a technology-neutral approach to renewables, low-carbon fuels, and energy storage, while ensuring affordability and resilience. The roadmap recognizes that electrification alone cannot decarbonize all sectors, especially hard-to-abate ones, and therefore supports the development of direct fossil fuel substitutes—such as hydrogen and biogas—where economically justified and complemented by energy efficiency measures.

CBR2 also introduces a more strategic and simplified implementation model. It shifts from a “use of proceeds” approach to a counterparty-based assessment, streamlining access to green finance for SMEs and mid-caps through tools like the expanded Group Green Checker. This simplification is not merely procedural, it is designed to accelerate impact by aligning with the evolving EU sustainable finance framework and reducing administrative burdens. These will have positive effect on simplification of some EIF products, such as implementation of EIF Competitiveness or Innovation guarantee.

The EIF will also play a central role in delivering the ambitions of the EIBG Energy Efficiency for SMEs Initiative through both its debt products, in particular the InvestEU Sustainability Guarantee and its equity products.

These ambitions are further embedded in the design of the next Multiannual Financial Framework, where **the European Competitiveness Fund (ECF) will serve as a central instrument to drive industrial decarbonisation and clean technology deployment**. The ECF's Clean Transition and Decarbonisation window will finance projects that support the Clean Industrial Deal—an initiative to turn decarbonisation into a driver of growth and competitiveness for European industries.

In 2026, the EIF targets to dedicate 35% of its financing activity to Green Finance. In collaboration with our mandators, EIF is fully committed to actively increasing our Green Finance target for the

remaining planning period, aiming at reinforcing our focus to the climate and broader environmental sustainability ambitions of the EIB Group, including agriculture and bioeconomy, through all its business lines.

4.3.3 Innovation

TechEU Programme is the key flagship initiatives steering EIF's effort in the Innovation space.

The EIBG pledges to commit EUR 70 billion in equity quasi-equity and debt financing by 2027, which in turn should mobilize at least EUR 250 billion, which are needed to finance breakthrough technologies and the underserved scale-ups across Europe.

TechEU will support innovation across 5 Growth Engines, namely **Clean Tech, Digital Tech, Bio/Med Tech, Defence and Space Tech, Fundamental Research & Skills**, which in turn will contribute to a number of EU policy initiatives such as the Competitiveness Compass, the Clean Industrial Deal, the Saving and Investment Union, the ReArm Europe, InvestAI and Talents and Skills.

The EIF plays a key role in advancing EU policy priorities across several sectors. In cleantech, the EIF supports innovative companies from early to mature stages, aligning with the EU's Clean Industrial Deal and Competitiveness Compass to accelerate the green transition. In bio/med tech, the EIF backs the EC's Life Science Strategy by investing in early-stage technologies, clinical trials, biomanufacturing, and AI applications in life sciences. For digital tech, the EIF targets a broad range of technologies—like AI, quantum, and cybersecurity—by supporting both large and emerging fund managers and investing in digital infrastructure to boost Europe's tech sovereignty. In skills and education, the EIF addresses funding gaps in Science, Technology, Engineering, and Mathematics (STEM), digital, health, and green skills, while also supporting EdTech ventures and social innovation through equity and guarantees.

The EIBG's digital tool TechEU Platform is being launched in view to providing SMEs better access to EIBG products and services.

4.3.4 Cohesion

The EIF will continue to strengthen innovation ecosystems through developing and supporting venture capital and private equity markets in cohesion regions, as well as further enhancing the economic competitiveness of the EU by supporting SMEs in need of financing through guarantees in partnership with local financial institutions.

Cohesion regions are confronted with a range of challenges and addressing these challenges generates substantial opportunities. Crucial investment areas for the EU were identified by the Letta, Draghi and Niinistö reports, including clean energy, innovation and skills, connectivity and social infrastructure, as well as increased defence and security, preparedness and resilience to emergencies. Investments in cohesion regions can address the inter-related EU goals of competitiveness, climate, cohesion and resilience by creating synergies across them.

On 1 April 2025, the Commission published a proposal for a regulation on specific measures to address strategic challenges in the context of the mid-term review of cohesion funds. In this regulation the Commission sets out incentives for member states to re-allocate cohesion funds, as part of the mid-term review process, to five main priority areas for EU: (i) Competitiveness (with focus on Strategic Technologies for Europe Platform (STEP), including larger companies, and supporting decarbonisation of production); (ii) Defence & Security (to support small and large companies in the defence sector and to build resilient infrastructure to foster military mobility in the EU); (iii) Affordable housing, (iv) Water resilience and (v) Energy transition. In addition, the Commission provides incentives for investments in the Eastern border regions of the EU -

bordering Russia, Belarus and Ukraine, which regions face the dual challenge of enhancing security while revitalising their economies that have been negatively impacted by the war in Ukraine.

Given its longstanding expertise with the Member States, the EIF can support Member States in the delivery of such priorities, particularly by leveraging on the InvestEU existing architecture. Furthermore, regional initiatives, such as the 3 Seas Innovation Infrastructure Initiative, provide additional opportunities to enhance the equity ecosystem in the cohesion regions.

In the new MFF, the Commission envisages in the proposed regulations to unite cohesion funds and other operational programmes (close to 540 programmes in total) under a common framework that will yield 27 National and Regional Partnership Plans (NRPs), alongside an EU Facility to support transnational and innovative projects, technical assistance and emergency response to crisis situations. The programme coupled with the European Competitiveness Fund will offer opportunities to support cohesion regions in a number of policy areas.

EIF's cooperation with NPIs and the FISG remains central to the achievement of the COP's cohesion policy goals. NPIs bring deep local market knowledge, policy alignment, and the ability to address specific regional and thematic investment needs—particularly in cohesion regions and sectors underserved by commercial actors. Through joint initiatives and co-investment structures, the EIF and NPIs amplify the impact of EU resources, ensuring that financing reaches priority areas such as sustainability, innovation, and social inclusion. The FISG further enhances this collaborative framework by providing technical support, capacity building, and knowledge sharing across Member States, thereby reinforcing the effectiveness and reach of EIF interventions.

As in the previous planning cycle, the EIF projects to dedicate 40% of its investments to European Cohesion regions over the next three years.

4.3.5 Security and Defence

Following the EIF adoption of a new horizontal PPG dedicated to Security & Defence, the EIF has proceeded to operationalise its implementation.

The EIF is increasingly called upon to play a meaningful role in strengthening Europe's security and industrial defence base, particularly by supporting defence-related technologies, reinforcing critical supply chains, and mobilising capital for start-ups and SMEs active in this space²⁵. This new impetus is also supported by the new policy adopted by the EIBG towards security and defence that will allow the EIF to support single use technologies and items – i.e., specifically designed for military/police purposes – with the exception of weapons and ammunition.

Furthermore, based on the successful implementation of the Defence Equity Facility, the EIF is developing Cybersecurity & Defence fund-of-funds initiative, a new fund-of-funds concept aimed at bringing together potential sources of EU and Member State funding, with an investment strategy entirely dedicated to defence, cybersecurity technologies and related infrastructure.

4.3.6 Social Investment and Skills

Over the past years, the EIF has played a pivotal role in building and expanding access to microfinance, social entrepreneurship, education and skills across Europe. Through strategic investments and innovative financing solutions such as IEU Skills & Education Guarantee, the EIF

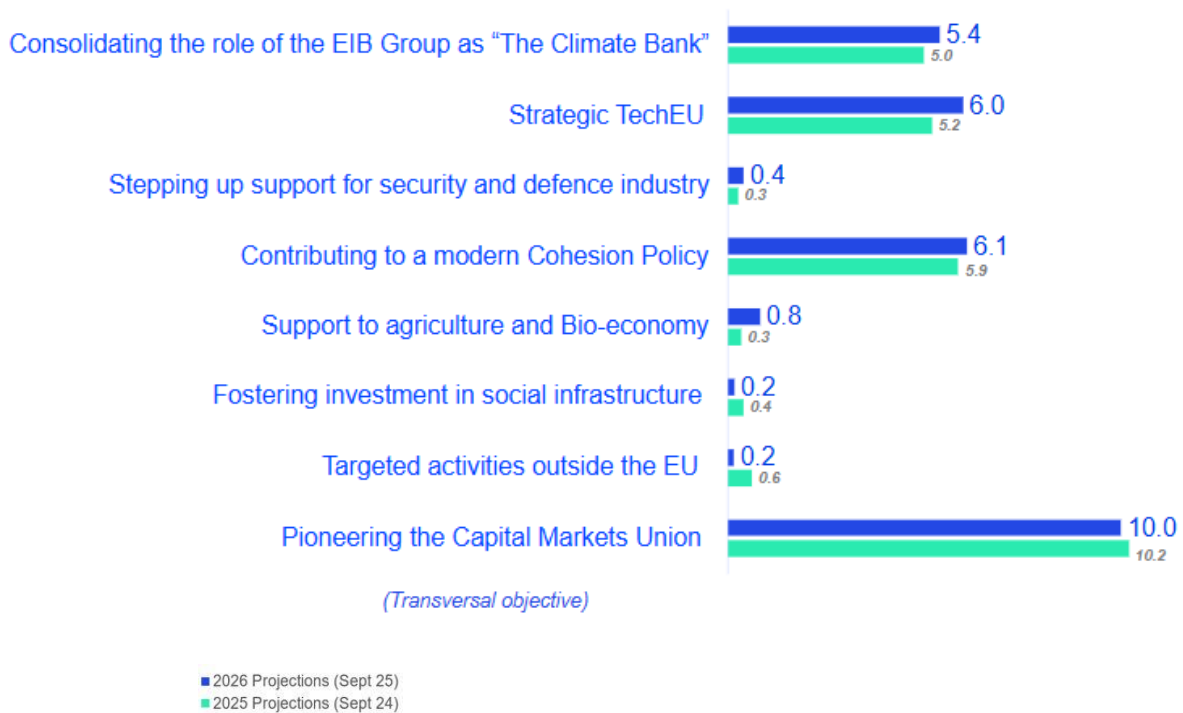
²⁵ The European Commission has launched a number of initiatives and communications in the areas, such as the White Paper on Defence, the ReArm Europe Plan, the Defence Industry Programme (EDIP), a proposal to amend six existing regulations: the Digital Europe Programme (DEP), Horizon Europe (HE), European Defence Fund (EDF), Connecting Europe Facility (CEF), Act Supporting Ammunition Production (ASAP) and Strategic Technologies for Europe Platform (STEP), to complement the expected Omnibus on defence package.

has enabled broader and more inclusive financing options for companies as well as learners, entrepreneurs, and social enterprises, and backed equity investments in social innovation, such as edtech startups.

It also contributed to the modernization of educational infrastructure, promoted inclusive and scalable learning solutions, and fostered vocational training and adult upskilling. By partnering with impact investment funds and supporting digital platforms, the EIF has driven innovation in education and the future of work, ensuring that learners are equipped with the skills needed for a rapidly changing economy. Over the past year, dedicated focus groups convened with key financial intermediaries have generated innovative ideas, enabling EIF to further expand its activities under TechEU and the forthcoming European Competitiveness Fund.

Building on collective achievements, and under TechEU, the EIF remains a catalyst for building systemic capacity for transformation translating into employability, resilience, and inclusion for all.

Chart 1: EIF projected contribution to eight EIBG Strategic Priorities²⁶ 2026



All amounts are in EUR billion.

As per the definition of EIBG mapping. Note that the sum of the 8 EIBG Strategic Priorities volumes is higher than the Operational Plan target, as the same transaction might appear under more than one EIBG Strategic Priority.

²⁶ <https://www.eib.org/en/about/at-a-glance/eib-core-strategic-priorities>