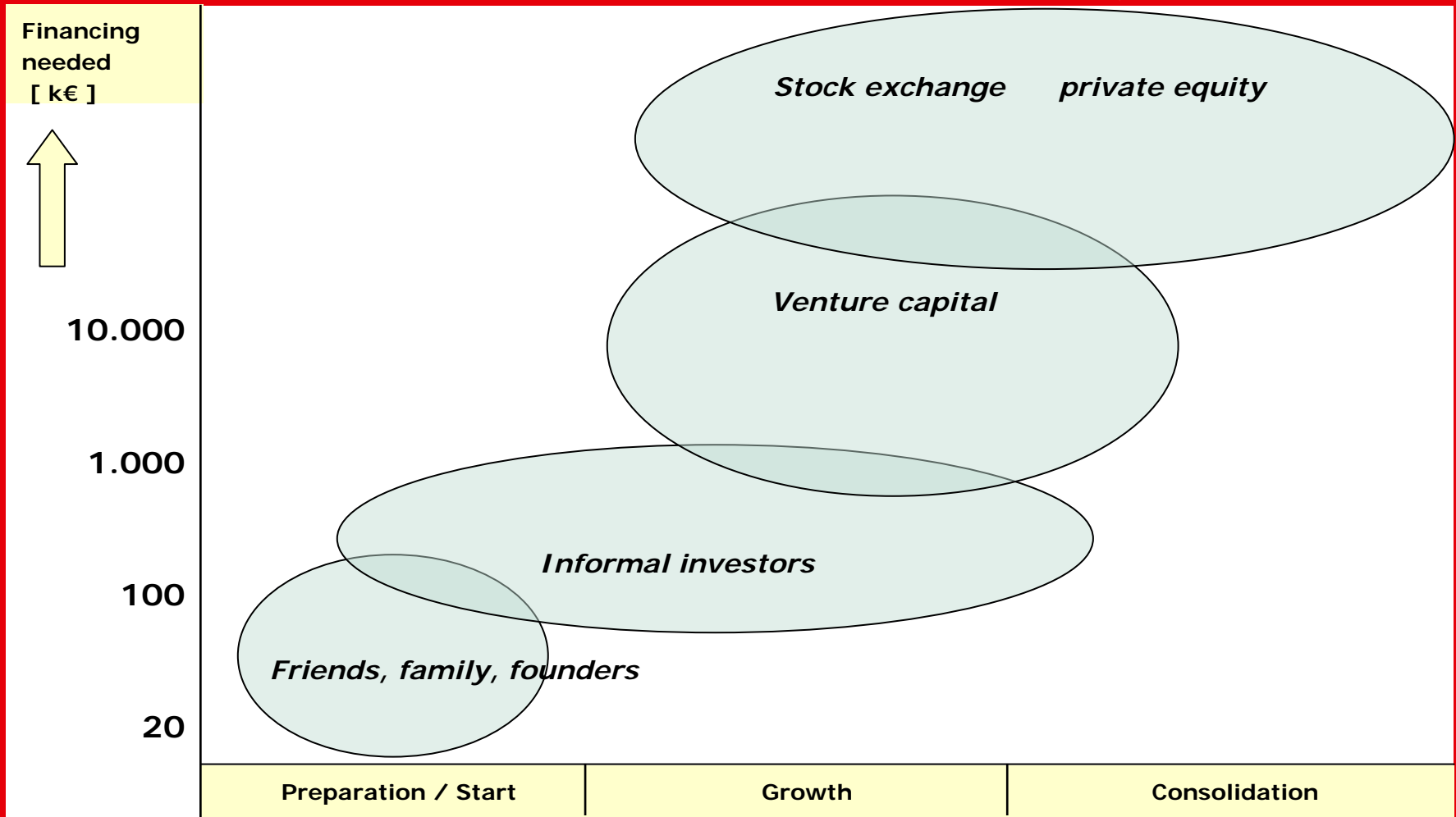




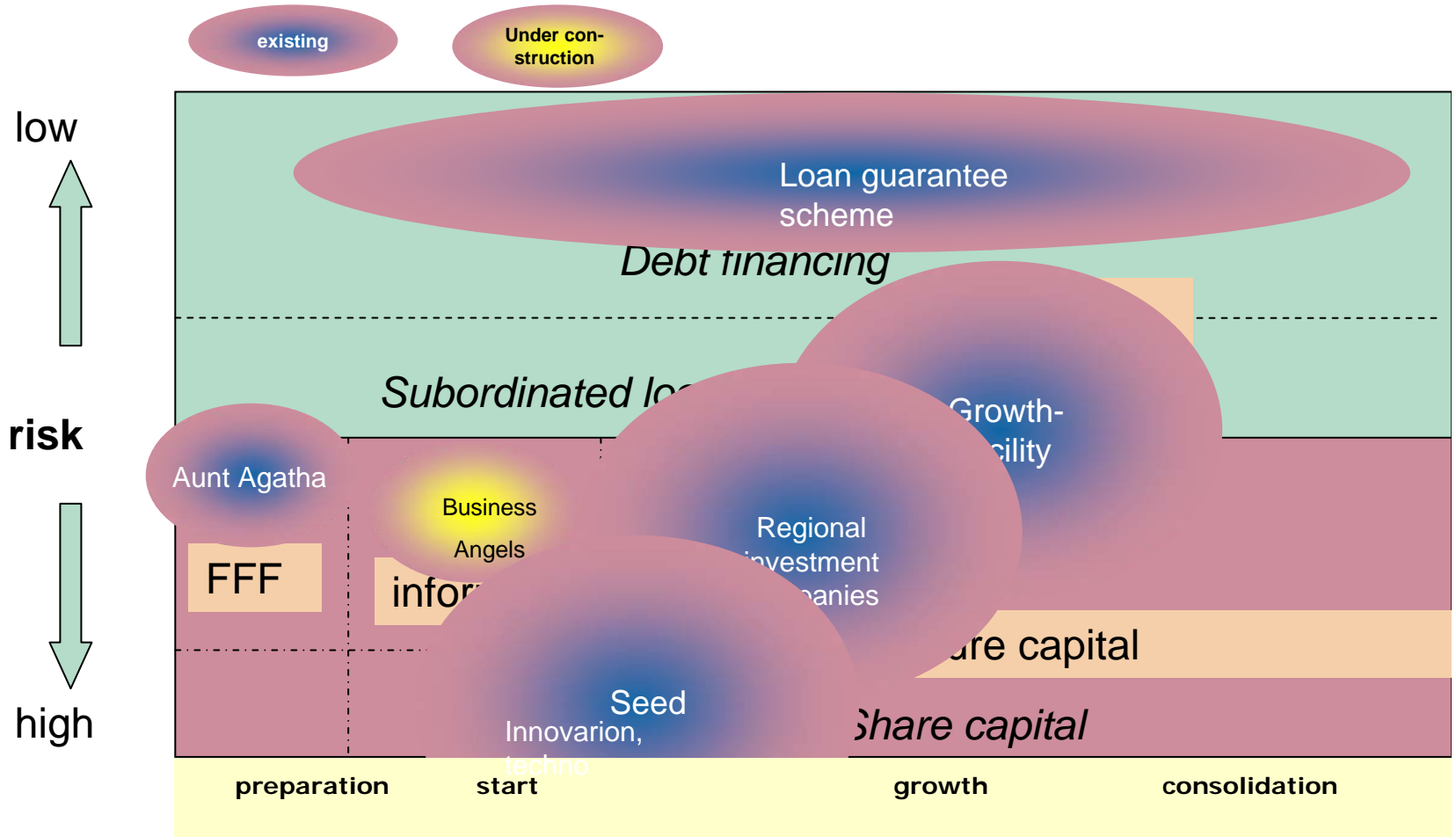
Risk capital initiatives and issues in the Netherlands

UNECE conference April 10-11, 2008
Dinand Maas



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Sources risk capital Development phases



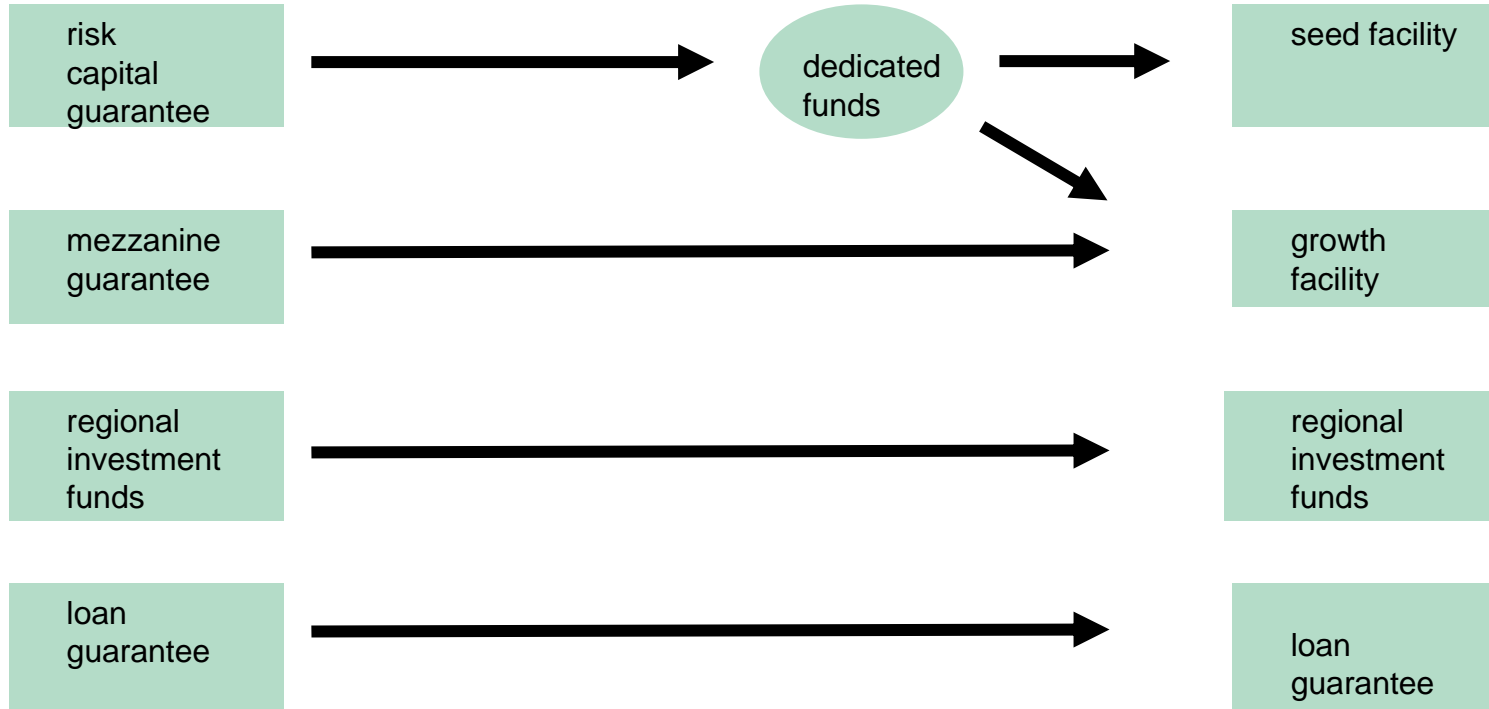
Instruments: Riskprofile versus development phase

- Growth facility: guarantee on shares and subordinated loans to SME's
- TechnoPartner Seed facility: cofunding technostarterfunds
- Aunt Agatha: fiscaal benefits for taxpayers providing subordinated loans to start-ups
- Regional investment funds: shares capital and subordinated loans to companies in some regions
- Loan guarantee scheme SME's

Existing instruments

early eighties

now



History SME financing policy

Features

- 50% guarantee, max € 2,5 mln, on subordinated loans and shares
- Riskpremium ca 3% p/y
- For high growth SME's and business transfers
- Start 2007
- Guarantees up till now ca € 30 mln: less than expected

Practical problems

- Niche product for banks
- Dependant on a few individuals
- Turmoil in Dutch banking ABN-AMRO/Fortis

Growth facility

Features

- Cofunding (50%) of investments by dedicated techstarter funds via tender
- In return part of cash flow from investments
- Average investment per company € 800.00 max
- Start mid-2005
- Government investment ca € 25 mln p/y
- 17 funds uptil now: boutique funds, side car funds, informal investors, corporate venturing

Working well

- Business Angels
 - SME exchange
 - Sustainable Energy
-
- Microfinance

— new and recent topics

- Discussion in 2005: shortage in risk capital for sustainable energy
- Dutch government commissioned study bij Bain in 2006
- Conclusions: there is a shortage. For start ups: the seed facility would suffice, for more mature companies a fund could be considered.
- Decision by Dutch government: specific tender under Seed facility for sustainable energy, no fund for mature companies because of fast development of commercial market

General

- Business angels most important early stage investors
- Netherlands relatively few business angels
- linking pin investors-investees: networks

Policy

- Support networks: intensified
- No financial incentives

- Stock exchange not suited for SME's
- Light version can be very succesful: AIM
- Need to support local "light exchange"?
- If: how? private investors, funds?
- Dutch parliament in favour

Stock exchange SME's

Who is interested in network with colleagues and other experts on?

- early stage risk capital
- mezzanine for SME's
- business angels
- stock exchange for SME's
- Microfinance
- Loan guarantees

Please mail the subject to you are interested in, to: d.w.a.maas@minez.nl

And I will mail the lists with interested people to all mailers.

Objective: exchange information.

I've got the following English texts available:

- Bain report on sustainable energy: 2006
- summary of expert group report on SME financing in the Netherlands: 2007
- presentation on microfinance in the Netherlands: 2007

SME financing policy network