

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	COMMERZBANK ENHANCED SME AND MIDCAP SUPPORT
<u>Promoter and financial intermediary</u>	COMMERZBANK AG
<u>Country of implementation</u>	Germany
<u>Summary project description</u>	<p>The proposed operation concerns a guarantee aimed at supporting new lending to SMEs and Mid-Caps in Germany to be undertaken by Commerzbank Aktiengesellschaft ("CoBa", or the "Originator"). In addition, the operation will contribute to the Innovation and Skills (30%) objective. Moreover, the operation is expected to contribute to Economic and Social Cohesion of Cohesion Priority Regions (10%). The EIB Group will provide a capital relief to the Originator through the guarantee of a mezzanine tranche of a synthetic securitisation transaction. The guaranteed portfolio is a granular portfolio of SMEs, Mid-Caps and corporate loans ("Guaranteed Portfolio") originated by CoBa. CoBa will contractually commit to generate 4 times the amount of the Guaranteed Portfolio in new EIB/EFIS eligible investments to SMEs and Mid-Caps. This additional funding is expected to mobilise new investments. It is expected that the transaction will support c. 57,600 jobs.</p>

¹ This Scoreboard of indicators reflects the information presented to the EFSI Investment Committee (IC) for its decision on the use of the EU guarantee for this operation. Therefore, the document does not take into account possible developments that could have occurred after this decision.

Parts of this document that fall under the exceptions for disclosure defined by the EIB Group Transparency Policy, notably under articles 5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].

PROJECT PILLAR ASSESSMENT

Pillar 1

Contribution to EU policy	Significant
Cross-cutting objectives	
Climate Action	2.00%
EFSI	
Contribution to EFSI	100.00%
EFSI: Research, development and innovation	30.00%
Projects that are in line with Horizon 2020	30.00%
EFSI: Financial support through the EIF and the EIB to entities having up to 3 000 employees	70.00%
Other financial support through the EIF and the EIB to entities having up to 3 000 employees	70.00%

Pillar 2

Quality and soundness of the project	Excellent
1. Capacity and soundness of the Intermediary and quality of the operating environment	[...]
2. Increasing access to finance and improving financing conditions including for final beneficiaries	[...]
3. Employment	[...]

This pillar evaluates the quality and soundness of the operation. This pillar is composed of up to four indicators, as relevant, among which:

- (i) "Growth" i.e. for example and where relevant the economic rate of return ('ERR'), which considers the project's socioeconomic costs and benefits, including its spillover effects;
- (ii) "Promoter capabilities" i.e. the capacity of the promoter/intermediary to implement the project and create the expected impact at the [final] beneficiary level;
- (iii) "Sustainability" i.e. environmental and social sustainability²;
- (iv) "Employment" i.e. the project's direct employment effect;
- (v) "Increasing access to finance and improving financing conditions including for final beneficiaries".

Pillar 3

EIB Technical and financial contribution to the project	Significant
1. Financial contribution	[...]
2. Financial facilitation	[...]

This pillar measures the EIB's particular contribution to the project and its financing scheme in the form of financial and non-financial benefits which go beyond what commercial players would normally be able to offer. This dimension of value added is assessed through up to three indicators:

- (i) "Financial Contribution" i.e. improving the counterpart's funding terms compared to market sources of finance (interest rate reduction and/or longer lending tenor);
- (ii) "Financial Facilitation" i.e. helping to attract private financiers (for example through positive signaling effects), promoting synergies in co-financing with other public sources of funds including National Promotional Banks or EU financial instruments;
- (iii) "Technical Contribution and Advice" i.e. providing advice with a view to optimizing the financing package (financial structuring), or technical advisory services in the form of expert input / knowledge transfer - provided in-house by the EIB or in the form of assignments to external consultants - to facilitate the preparation or implementation of a project.

² For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website.

Pillar 4 - Complementary indicators

Additionality

The operation contributes to the EFSI objective of support to SMEs and Midcaps by enabling additional risk-bearing capacity of the promoter and increasing access to finance for this market segment in Germany. This is a joint operation between the EIF and the EIB, whereby the EIF guarantee to the mezzanine tranche is supported by a back-to-back guarantee by the EIB. As improved conditions for SMEs' and Midcaps' access to finance would trigger new investments and eventually lead to more innovation, the operation will also support the EFSI objective of Research, Development and Innovation in line with the Horizon 2020 programme. The operation will also address the objective of supporting less-developed regions and transition regions with circa 10% of the operation expected to be deployed in Cohesion Regions. The operation will thus also contribute to the Union priorities on convergence and social cohesion, helping reduce regional disparities by supporting investment.

The operation addresses an existing market failure by financing SMEs and Midcaps in Germany, which face sub-optimal investment situations as they experience lasting difficulties in accessing long-term finance. SMEs and Midcaps are key for growth creation and employment but, as smaller entities, they have greater difficulty in accessing financing sources.

Thanks to EIB support, the operation will support the investments of eligible SME and Midcap beneficiaries across a variety of regions and sectors, hence contributing to sustainable economic growth and job creation. This guarantee, provided by the EIB under EFSI, will allow the promoter to create a new loan portfolio to the benefit of new SMEs and Midcaps.

Due to the risk profile of the transaction, the operation will qualify as Special Activities. The operation will release significant additional private sector financing, as it enables the promoter to increase its own financing capacity to SMEs and Midcaps, which will in turn invest further own resources for necessary investments in their businesses. The EIB would not be able to provide such type of financing support and reach out to this market segment in such volumes during the period in which the EU guarantee can be used, or not to the same extent, without EFSI.

Structured finance transactions such as this operation require a significant amount of structuring, advising and support to be provided by the EIB Group.

Set of indicators related to the macroeconomic environment

Germany - Economic environment

Economic Performance

	DE 2018	EU 2018	US 2018	DE 2001-2007
GDP per capita (EUR, PPS)	37,956.14	30,935.11	43,569.11	33,490.41
GDP growth (%)	1.42	1.96	2.85	1.40
Potential GDP growth (%)	1.62	1.60	2.23	1.31
Output gap (% of potential GDP)	0.68	0.61	0.74	-0.17
Unemployment Rate (%)	3.30	6.60	3.90	9.42
Unemployment Rate (%) - Y/Y change (% points)	-0.30	-0.60	-0.20	0.05
Bank-interest rates to non-financial corporations (%)	1.02	1.26	--	4.11
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.13	-0.06	--	-0.04
Investment rate (GFCF as % of GDP) - Total	20.77	20.54	20.84	19.91
Investment rate (GFCF as % of GDP) - Public	2.32	2.85	3.30	2.04
Investment rate (GFCF as % of GDP) - Private	18.44	17.68	17.53	17.86

Research, development and innovation

	2014	2015	2016	2017	EU (latest available)
Gross domestic expenditure on R&D (GERD) (% of GDP)	2.87	2.91	2.92	3.02	2.06
Gross domestic expenditure on R&D (GERD) distance to EU 2020 target (% of GDP)	0.13	0.09	0.08	-0.02	0.94
Research and development expenditure - Government (% of GDP)	0.42	0.41	0.40	0.41	0.23
Research and development expenditure - Higher education (% of GDP)	0.51	0.50	0.53	0.52	0.45
Research and development expenditure - Business (% of GDP)	1.94	2.00	1.99	2.09	1.36
Research and development expenditure - Private non-profit sector (% of GDP)	--	--	--	--	0.02
Eco-innovation index (EU =100)	135.00	132.00	135.00	139.00	100.00

SME/midcap

	2014	2015	2016	2017	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	25.43	15.64	16.40	8.01	17.54
Availability of Private equity (Thousand euro)	7,308,826.62	6,603,601.26	6,785,706.55	11,575,480.94	67,350,185.55
Availability of Venture Capital (Thousand euro)	677,049.34	848,570.41	1,066,133.55	1,139,498.28	6,100,548.37

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms

- EU value for "Bank-interest rates to non-financial cooperations" corresponds to Euro Area average; Country average is the simple average between 2003 and 2007

- The EU value is displayed as the value in the year that corresponds to the latest value of the indicator in a particular country

Other indicators³

Key project characteristics	Expected value at PCR
EIB/EFSI eligible investment mobilised [MEUR]	840.00 MEUR
External EFSI multiplier	5.60
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	690.00 MEUR
Sum of number of employees of all final beneficiaries (no additionality) (Relative to the SME/Mid-Cap share)	57,600
Allocation volume dedicated to SME/Mid-Caps [%]	70.00 %
Co-financing with national promotional banks [MEUR]	0.00 MEUR
Co-financing with structural funds (ESIF) [MEUR]	0.00 MEUR
Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc) [MEUR]	0.00 MEUR

³ For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website. The abbreviation PCR stands for Project Completion Report. If applicable, a difference between the amount of Project investment costs and EIB/EFSI eligible investment mobilized might derive from the fluctuation of the underlying exchange rate.