

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	HYPO VORARLBERG COVID-19 ENHANCED SUPPORT FOR EE
<u>Promoter and financial intermediary</u>	HYPO VORARLBERG BANK AG
<u>Country of implementation</u>	Austria
<u>Summary project description</u>	<p>The proposed operation concerns a guarantee aimed at supporting new lending to highly energy efficient construction and energy efficiency ("EE") projects in Austria ("New Portfolio") via the Promoter. The operation will exclusively focus on highly energy efficient construction and EE-projects and is 100% Climate Action eligible. The operation will therefore contribute both to the EU commitments under the 2030 and 2050 climate and energy frameworks as well as supporting the real economy in the current Covid-19 crisis. The operation will be undertaken as a joint EIB Group operation whereby EIF would issue a guarantee, which will be counter-guaranteed by EIB covering the mezzanine tranche for the benefit of the Promoter. The Guarantee will only cover the existing guaranteed portfolio and not the New Portfolio to be generated by the Promoter.</p> <p>The guarantee will create new lending capacity for the Promoter benefiting new highly energy efficient construction and EE-projects undertaken by private and corporate customers, in the form of SMEs and Mid-Caps, as well as homeowner associations.</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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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		High
Cross-cutting objectives		
Climate Action		100.00%
EFSI		
Contribution to EFSI		100.00%
EFSI: Development of the energy sector in accordance with the Energy Union priorities		100.00%
Energy efficiency and energy savings (with a focus on reducing demand through demand side management and the refurbishment of buildings)		100.00%

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		High
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 addresses the EFSI objective of supporting the development of the energy sector in accordance with the Energy Union priorities, particularly through energy efficiency and energy savings by enabling the additional risk bearing capacity of Hypo Vorarlberg. 100% of the project will contribute to the EIB Climate Action objective.

Through demand savings of electricity and heat, energy efficiency projects reduce carbon emissions and associated negative externalities, as well as, in most cases, air pollution and other negative externalities. The energy efficiency market, in particular for residential buildings, is subject to asymmetric information, which hampers energy efficiency investments. Furthermore, rental properties are subject to split incentives between property owners, who bear the capital costs of energy efficiency investments and the tenants who pay the energy bills. Because of these market failures, investments into energy efficiency housing are at sub-optimal levels from a socio-economic perspective.

The operation has a higher than usual risk profile and will fall under the Special Activities category mainly due to the subordinated position in the capital structure of the transaction. The EIB would not be able to provide such financing support during the period in which the EU guarantee is available, or not to the same extent, without EFSI.

The proposed operation will have a high catalytic effect, as the promoter commits to create a new EFSI-eligible loan portfolio 2x the EFSI-guaranteed amount and is also expected to crowd in additional resources both from other banks and from the private sector in general.

Set of indicators related to the macroeconomic environment

Austria - Economic environment

Economic Performance

	AT 2018	EU 2018	US 2018	AT 2001-2007
GDP per capita (EUR, PPS)	39,299.90	30,935.11	43,569.11	37,529.56
GDP growth (%)	2.73	1.97	2.86	2.29
Potential GDP growth (%)	1.79	1.60	2.24	2.20
Output gap (% of potential GDP)	0.99	0.62	0.74	0.04
Unemployment Rate (%)	4.60	6.60	3.90	4.93
Unemployment Rate (%) - Y/Y change (% points)	-0.80	-0.60	-0.20	0.09
Bank-interest rates to non-financial corporations (%)	1.24	1.26	--	3.90
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.14	-0.06	--	-0.21
Investment rate (GFCF as % of GDP) - Total	23.89	20.54	20.84	23.51
Investment rate (GFCF as % of GDP) - Public	2.98	2.86	3.31	2.67
Investment rate (GFCF as % of GDP) - Private	20.92	17.68	17.53	20.84

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Construction (% of total VA)	6.38	6.24	6.27	6.37	5.37
Employment in Construction (% of total employment)	6.67	6.61	6.61	6.64	6.33

- 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]	120.00 MEUR
External EFSI multiplier	2.00
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	90.00 MEUR
Sum of number of employees of all final beneficiaries (no additionality) (Relative to the SME/Mid-Cap share)	
Allocation volume dedicated to SME/Mid-Caps [%]	0.00 %
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.