



EFSI Operation Scoreboard¹

<u>PROJECT PRESENTATION</u>	
<u>Project name</u>	MIDCAP PROGRAMME LOAN SPAIN AND PORTUGAL 2
<u>Promoter and financial intermediary</u>	ACCEPTABLE CORPORATE(S)
<u>Country of implementation</u>	Spain, Portugal
<u>Summary project description</u>	<p>The proposed Programme Loan ("PL") aims to facilitate access to direct EIB lending of up to EUR 50m to Midcaps. Eligible Midcaps include firms with less than 3,000 employees at the time of submitting their application for EIB financing. This PL is envisaged to be used almost exclusively by Midcaps, although leveraging the experience so far, it could also eventually include investments by SMEs (firms with less than 250 employees).</p> <p>The PL aims at:</p> <ul style="list-style-type: none"> - increasing the availability of financing for Midcaps, and mainly reaching out to new counterparts for the Bank; - accelerating and further mobilising private sector investments, by complementing Midcap financing sources and improving their terms with EIB financing; - supporting the growth and competitiveness of Spanish and Portuguese Midcaps in a wide range of sectors, with a positive social impact preserving and creating employment, including in cohesion regions.

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 the 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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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	
EIB Cohesion Priority Regions / Economic and Social Cohesion	30.00%
EFSI	
Contribution to EFSI	100.00%
EFSI: Financial support through the EIF and the EIB to entities having up to 3 000 employees	100.00%
Provision of working capital and investment	50.00%
Other financial support through the EIF and the EIB to entities having up to 3 000 employees	50.00%

Pillar 2

Quality and soundness of the project	Good
1. Growth	[...]
2. Promoter capabilities	[...]
3. Sustainability	[...]
4. Employment	[...]

This pillar evaluates the quality and soundness of the operation. This pillar is composed of four indicators which include:

- (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.

Pillar 3

EIB Technical and financial contribution to the project	Moderate
1. Financial contribution	[...]
2. Financial facilitation	[...]
3. Advice	[...]

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 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

This operation contributes to the EFSI objective of financing SMEs and Midcaps by increasing access to finance for this market segment in Spain and Portugal, targeting in particular Midcaps in need of financing for their investments.

This operation addresses an existing market gap in financing for Spanish and Portuguese Midcaps. In spite of the current more favourable financial markets conditions, availability of long-term unsecured financing and alternative funding sources for Midcaps in Spain and Portugal is still constrained. Many Midcaps cannot access the capital markets due to the lack of size and external ratings. Investments in growth and innovation find limitations as these are funded by the companies' own resources and commercial bank's financing. Bank loans are usually made available but for tenors shorter than the useful life of the projects, in limited amounts and in some cases with cumbersome security requirements. In addition, generally, Midcap companies often fall outside the various EU and national SME financing facilities and therefore find themselves in a policy-financing gap between various schemes targeting SMEs and those available for larger corporates.

The operation (and all sub-operations) will take risk on non-investment grade firms. Moreover, the projects financed will be typically associated with technological risks, market risks, high cost of investments as compared to the size of the companies or some specific sector risks. The EIB could thus not have implemented this programme loan to the same extent without EFSI support. The potential Midcaps and SMEs borrowers are expected to be mainly new clients to the EIB.

The operation will support firms employing less than 3,000 people, which are key players and employers in Spain and Portugal. It is therefore expected to have a positive social impact mainly through its contribution to the preservation and creation of employment, including in transition and less developed regions, which face high level of unemployment.

Set of indicators related to the macroeconomic environment

Portugal - Economic environment

Economic Performance

	PT 2016	EU 2016	US 2016	PT 2001-2007
GDP per capita (EUR, PPS)	22,541	29,440	42,615	22,808
GDP growth (%)	1.4	1.9	1.6	1.2
Potential GDP growth (%)	0.37	1.3	2.1	1.4
Output gap (% of potential GDP)	-0.62	-0.75	-0.03	0.15
Unemployment Rate (%)	10.2	8.2	4.7	7.8
Unemployment Rate (%) - Y/Y change (% points)	-2.0	-0.8	-0.3	0.56
Bank-interest rates to non-financial corporations (%)	2.3	1.4	1.8	4.6
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.28	-0.21	-1.4	-0.05
Investment rate (GFCF as % of GDP) - Total	14.8	19.7	19.6	24.1
Investment rate (GFCF as % of GDP) - Public	1.5	2.7	3.4	4.2
Investment rate (GFCF as % of GDP) - Private	13.3	17.0	16.2	19.9

SME/midcap

	2013	2014	2015	2016	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	37.0	34.3	23.4	27.2	20.9
Availability of Private equity (Thousand euro)	384,204	280,444	173,890	365,699	50,091,574
Availability of Venture Capital (Thousand euro)	37,510	54,837	58,680	15,103	4,035,807

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms
- EU value for "Bank-interest rates to non-financial corporations" 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

Spain - Economic environment

Economic Performance

	ES 2016	EU 2016	US 2016	ES 2001-2007
GDP per capita (EUR, PPS)	26,818	29,440	42,615	28,562
GDP growth (%)	3.2	1.9	1.6	3.6
Potential GDP growth (%)	0.39	1.3	2.1	3.6
Output gap (% of potential GDP)	-1.8	-0.75	-0.03	2.9
Unemployment Rate (%)	18.4	8.2	4.7	10.0
Unemployment Rate (%) - Y/Y change (% points)	-2.3	-0.8	-0.3	-0.33
Bank-interest rates to non-financial corporations (%)	1.6	1.4	1.8	3.8
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.41	-0.21	-1.4	-0.05
Investment rate (GFCF as % of GDP) - Total	19.9	19.7	19.6	28.7
Investment rate (GFCF as % of GDP) - Public	1.9	2.7	3.4	4.1
Investment rate (GFCF as % of GDP) - Private	18.0	17.0	16.2	24.6

SME/midcap

	2013	2014	2015	2016	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	44.5	46.5	32.7	28.3	20.9
Availability of Private equity (Thousand euro)	2,069,946	2,130,457	2,178,024	3,809,024	50,091,574
Availability of Venture Capital (Thousand euro)	170,470	205,044	346,571	405,794	4,035,807

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms
- EU value for "Bank-interest rates to non-financial corporations" 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 at PCR
Start of works	01.01.2018
End of works	31.12.2022
Project investment cost	1,066.00 MEUR
EIB/EFSI eligible investment mobilised	1,066.00 MEUR
External EFSI multiplier	2.67
External EIB (non-EFSI) multiplier	
Amount of private financing	666.00 MEUR
Quick start (% of expenditure during 2015-2018)	20.00 %
Co-financing with national promotional banks	0.00 MEUR
Co-financing with structural funds (ESIF)	0.00 MEUR
Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc)	
Energy efficiencies realised	0.00 MWh/a
Climate Action indicator	
Employment during construction - temporary jobs	0 person years
Employment during operation - new permanent jobs	0 FTE

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.