



EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	NBG COVERED BONDS LOAN FOR SMES AND MIDCAPS
<u>Promoter or financial intermediary</u>	NBG (National Bank of Greece S.A.)
<u>Country of implementation</u>	Greece
<u>Summary project description</u>	<p>The proposed EIB loan is dedicated to the financing of projects promoted by SMEs and Mid-Caps in Greece in a number of productive sectors, such as tourism, services and trade. It aims at increasing availability of funding for SMEs and Mid-Caps.</p> <p>The proposed operation will take the form of a loan substitute, implemented through EIB's participation in a covered bond series issued out of NBG's covered bond programme.</p> <p>With its participation in this capital market operation, EIB anchors investor expectations and provides signalling and mobilisation effects with respect to pricing, tenor and robustness of the Greek covered bond legal framework. It is also a way to channel financial resources on a secured basis using high quality collateral to a geography that is still dealing with the consequences of a severe economic and financial crisis.</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 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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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	60.00%
Climate Action	2.00%
EFSI	
Contribution to EFSI	100.00%
EFSI: Financial support through the EIF and the EIB to entities having up to 3 000 employees	40.00%
Other financial support through the EIF and the EIB to entities having up to 3 000 employees	40.00%
EFSI: Less-developed regions and transition regions	60.00%
Less-developed regions and transition regions as listed respectively in Annex I and Annex II of Commission Implementing Decision 2014/99/EU	60.00%

Pillar 2

Quality and soundness of the project Good

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 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 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 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*

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.

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.

Pillar 4 – Complementary indicators

Additionality

This innovative operation will support the EFSI objective of providing increased access to financing for SMEs and small mid-cap companies, in particular companies eligible to the Cohesion EFSI objectives, as the operation will target a wide range of companies in all regions of Greece.

This operation will address the specific market failures and sub-optimal investment situations faced in Greece by those companies when looking for financing. Recent reports by the European Central Bank and EIF have shown that Greece scores the lowest among EU-28 countries in terms of access to finance for its SMEs, in particular due to the limited access to funding by Greek commercial banks and the relative absence of international private investors. Greece remains the only Euro Area country where SMEs continued to indicate a net deterioration in the availability of bank loans, albeit to a greatly reduced extent. The Greek SMEs also cited in the ECB report (ECB SAFE Survey, 2017) access to finance as a very important issue of concern.

This operation is expected to fall under EIB Special activities and could not have been done by the EIB to the same extent without the support of the EFSI guarantee because of the underlying risks, in particular the deep sub-investment grade rating of the counterpart and the underlying portfolio.

The EIB funding, to be provided through EIB's subscription to the covered bonds, will send a positive signal to private investors confirming NBG's capacity to tap into long-term, secured funding without making recourse to public finance structures that burden the State budget. Therefore EIB's participation in this covered programme as a cornerstone investor will mobilise private resources and will enable NBG to reach the capital markets and diversify its funding sources. This will be a critical step in transitioning the Greek banking system to normal operating conditions, facilitating in turn the provision of financing to SMEs and Midcaps, with a strong impact on employment and growth.

Set of indicators related to the macroeconomic environment

Greece - Economic environment

Economic Performance

	GR 2016	EU 2016	US 2016	GR 2001-2007
GDP per capita (EUR, PPS)	19,723	29,440	42,615	26,293
GDP growth (%)	0.01	1.9	1.6	4.1
Potential GDP growth (%)	-1.4	1.3	2.1	3.3
Output gap (% of potential GDP)	-9.9	-0.75	-0.03	3.1
Unemployment Rate (%)	23.5	8.2	4.7	9.7
Unemployment Rate (%) - Y/Y change (% points)	-0.6	-0.8	-0.3	-0.36
Bank-interest rates to non-financial corporations (%)	4.5	1.4	1.8	4.6
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.66	-0.21	-1.4	-0.23
Investment rate (GFCF as % of GDP) - Total	11.4	19.7	19.6	24.1
Investment rate (GFCF as % of GDP) - Public	3.1	2.7	3.4	5.4
Investment rate (GFCF as % of GDP) - Private	8.3	17.0	16.2	18.7

SME/midcap

	2013	2014	2015	2016	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	50.1	76.4	55.8	62.3	20.9
Availability of Private equity (Thousand euro)	4,853	199.5	250,000	0	50,091,574
Availability of Venture Capital (Thousand euro)	4,853	199.5	0	0	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
EIB/EFSI eligible investment mobilised	560.00 MEUR
External EFSI multiplier	2.80
External EIB (non-EFSI) multiplier	
Amount of private financing	200.00 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.

	Expected at PCR
Sum of number of employees of all final beneficiaries (no additionality) (Relative to the SME/Mid-Cap share)	23,204
Allocation volume dedicated to SME/ Mid-Caps	89.00 %
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)	22.00 MEUR