



## EFSI Operation Scoreboard<sup>1</sup>

| <b><u>PROJECT PRESENTATION</u></b>                |   |
|---|---|
| <b><u>Project name</u></b>                        | Bankia Vocational Training Youth Employment MBIL  |
| <b><u>Promoter and financial intermediary</u></b> | BANKIA SA   |
| <b><u>Country of implementation</u></b>           | Spain   |
| <b><u>Summary project description</u></b>         | Financing facility to foster integration into the labour force of young people in Spain, including vocational training students, through the financing of small and medium-sized enterprises (SMEs) and mid-caps. |

<sup>1</sup> 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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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 |
|--|-------------|
| <b>Cross-cutting objectives</b>  |             |
| EIB Cohesion Priority Regions / Economic and Social Cohesion                                 | 20.00%      |
| Climate Action   | 2.00%       |
| <b>EFSI</b>  |             |
| 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  | 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 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 sustainability<sup>2</sup>;*
- (iv) "Employment" i.e. the project's direct employment effect.*

### **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 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.*

<sup>2</sup> 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 project, via Bankia and as part of its Fundación Bankia por la Formación Dual, has the dual objective to support youth employment in Spain –through the development of vocational training and subsequent integration of unemployed youth into the labour force– and to finance Spanish SMEs and Midcaps which are in a position to support growth and employment generation.

The operation seeks to address a market gap for SMEs' access to finance while contributing to meet acute needs in the employment of youth in Spain. Spain reports a jobless rate for those aged 16-25 of over 37.5% (Q4 2017), almost double the euro-area average (19.4%). On the other hand, SMEs represent 99% of all companies in Spain and generate close to 74% of employment. However, their small size represents a barrier to credit access, innovation, digitalisation and their investment capacity. Although SMEs access to finance has improved in Spain, in ECB studies close to 30% of Spanish SMEs still report access to finance as problematic.

This project will incentivize SMEs to hire young unemployed people participating in Bankia's vocational training programme by offering SMEs long-term loans at attractive rates, conditional upon hiring such unemployed people. SMEs could then further support these people's employment after the programme's end. This would in turn allow young people put into use acquired skills that can help their employability in the long-term.

In pair with the dual aim of Bankia's programme, this project contributes to two EFSI thematic objectives: financing support to SMEs and midcaps and human capital, culture and health (education and training), in line also with EU policies such as the EU Skills Agenda (Vocational education and training (VET)). The financing will benefit SMEs and midcaps in the entire Spanish territory, including in 'less developed' and 'transition regions'.

Without EFSI, the EIB would not be able to directly support SMEs and midcaps in need of financing in Spain at the same level. Moreover, EIB's financing under EFSI, matched by Bankia's own financing, will boost Bankia's programme by allowing it to double the funds effectively provided to SMEs and Midcaps, which in turn will be able to further invest in their businesses and workforces. The transaction will qualify as a Special Activity considering the risk profile of the loans and the end beneficiaries.

Bankia's experience providing finance to SMEs and midcaps makes it well positioned for this project, which will be the first of its kind to support and complement a Bankia's Foundation programme.

## Set of indicators related to the macroeconomic environment

### Spain - Economic environment

#### Economic Performance

|   | ES<br>2016 | EU<br>2016 | US<br>2016 | ES<br>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)        | 2,089,946 | 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 indicators<sup>3</sup>

### Key project characteristics

|  | Expected at PCR |
|--|-----------------|
| EIB/EFSI eligible investment mobilised   | 70.00 MEUR      |
| External EFSI multiplier   | 2.80            |
| External EIB (non-EFSI) multiplier   | 0.00            |
| Amount of private financing  | 45.00 MEUR      |
| Sum of number of employees of all final beneficiaries (no additionality) (Relative to the SME/Mid-Cap share) | 25,000          |
| Allocation volume dedicated to SME/ Mid-Caps   | 100.00 %        |
| 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)                  | 0.00 MEUR       |

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<sup>3</sup> 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.