



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

<b>PROJECT PRESENTATION</b>	
<b><u>Project name</u></b>	CREVAL LOAN FOR SMES & MIDCAPS
<b><u>Promoter or financial intermediary</u></b>	BANCA PICCOLO CREDITO VALTELLINESE S.p.A.
<b><u>Country of implementation</u></b>	Italy
<b><u>Summary project description</u></b>	<p>This operation aims to support medium and long term lending to SMEs for at least 70% of the total loan amount and to a lesser extent to Mid-caps in Italy. The proposed project, being structured jointly with the EIF, would involve EIB group participation in a loan substitute, which would increase Creval's capacity to offer medium term financing to SMEs and Mid-caps. A commitment for additional lending to SMEs and Mid-cap in line with EIB eligibility criteria will be required as a condition for EIB to enter into the transaction.</p> <p>This operation addresses an existing market gap by supporting working capital and investments of eligible SMEs and Mid-Caps, thus contributing to sustainable growth and job creation in Italy, a country that, compared to EU average, has a higher share of employment and job creation in the SME segment. This operation therefore contributes to stimulate employment and growth.</p> <p>This transaction fully supports the Capital Markets Union priority objective of the EU since it aims at supporting an active SME and Mid-cap securitisation market in Europe as it would catalyse market investors alongside the EIB.</p>

<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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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	10.00%
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	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 sustainability<sup>2</sup>;*
- (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 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 operation contributes to the EFSI objective to support lending to SMEs and MidCaps with less than 3,000 employees by enabling additional lending capacity by Banca Piccolo Credito Valtellinese S.p.A. ("CREVAL"). Through this operation the targeted final beneficiaries will benefit from an increasing access to finance for this market segment in Italy (for working capital and investments).

The operation addresses an existing market gap in providing financing for Italian SMEs and MidCaps, which experience lasting difficulties in accessing long-term finance, in a country still recovering from the financial and economic crisis. This operation will respond to a sub-optimal investment situation as those counterparts are facing constrained access to financing preventing them from realizing their investment projects. Although access to finance and financing conditions have improved in Italy the majority of Italian SMEs and MidCaps are still experiencing access to finance as a barrier for growth.

The operation takes the form of a subordinated mezzanine tranche, which represents a higher risk profile and hence qualifies as EIB Special Activity. Without EFSI support, the EIB would not be able to provide such type of financing support to the same extent.

The operation will release significant additional private sector financing, as it enables CREVAL to increase its own financing capacity to SMEs and MidCaps. The final beneficiaries will in turn invest further own resources for necessary investments in their businesses.

Thanks to the EFSI support, the EIB/EIF will support the investments of eligible SME/MidCap final beneficiaries across a variety of regions and sectors, hence contributing to sustainable growth and job creation mainly in Italy. This operation will allow CREVAL to create a new loan portfolio to the benefit of new SMEs and MidCaps. The new loan portfolio will benefit SMEs and MidCaps across the Italian territory, including circa 10% in cohesion regions.

## Set of indicators related to the macroeconomic environment

Italy - Economic environment				
Economic Performance				
	IT	EU	US	IT
	2016	2016	2016	2001-2007
GDP per capita (EUR, PPS)	28,097	29,440	42,615	31,501
GDP growth (%)	0.88	1.9	1.6	1.2
Potential GDP growth (%)	-0.33	1.3	2.1	1.1
Output gap (% of potential GDP)	-1.7	-0.75	-0.03	1.3
Unemployment Rate (%)	11.8	8.2	4.7	7.6
Unemployment Rate (%) - <i>YY</i> change (% points)	0.2	-0.8	-0.3	-0.44
Bank-interest rates to non-financial corporations (%)	1.1	1.4	1.8	3.8
Bank-interest rates to non-financial corporations (%) - <i>YY</i> change (% points)	-0.33	-0.21	-1.4	0.02
Investment rate (GFCF as % of GDP) - Total	17.0	19.7	19.6	21.1
Investment rate (GFCF as % of GDP) - Public	2.1	2.7	3.4	2.9
Investment rate (GFCF as % of GDP) - Private	14.9	17.0	16.2	18.2

SME/midcap					
	2013	2014	2015	2016	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	44.1	45.5	26.5	24.4	20.9
Availability of Private equity (Thousand euro)	3,106,978	2,865,297	3,115,079	5,793,285	50,091,574
Availability of Venture Capital (Thousand euro)	75,044	39,922	71,744	87,547	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	840.00 MEUR
External EFSI multiplier	8.40
External EIB (non-EFSI) multiplier	
Amount of private financing	300.00 MEUR
Sum of number of employees of all final beneficiaries (no additionality) (Relative to the SME/Mid-Cap share)	42,840
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)	

<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.