



EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	SEE LENDING PLATFORM
<u>Promoter or financial intermediary</u>	CCL INVESTMENTS SARL
<u>Country of implementation</u>	Regional - EU countries
<u>Summary project description</u>	<p>The proposed operation consists of an investment in the senior tranche of a non-diversified layered fund named CCL SEE SME LENDING FACILITY SCSP (the "Fund"). The Fund focuses on extending debt financing to SMEs and MidCaps facing special and complex financing need, mostly related to growth and expansion. The Fund is targeting SMEs and MidCaps in South-Eastern Europe (Romania, Bulgaria, Greece, Serbia, Croatia, Slovakia, Hungary and Slovenia) with at least 60% of the aggregate invested amounts allocated in EU countries and at least 80% in the EU and Neighbouring Countries. The EIB would supplement EIF's approved and signed junior tranche commitment.</p> <p>The Fund will be structured as a layered fund, which will offer investors a possibility to invest into two classes of shares: (i) senior and (ii) junior, divided pro rata (50% senior shares and 50% junior shares of the total Fund commitments).</p> <p>The proposed EIB investment shall bring essential value added by:</p> <ul style="list-style-type: none"> (i) promoting complementary type of debt financing for the SMEs and MidCaps facing growth related financing needs in countries, in which traditional bank counterparts have been cutting back on their new lending activities, thus helping to fill a significant market gap and market failure; (ii) participating in one of the first debt funds targeting the SEE market and herewith contributing to enhancement of the regional industry competitiveness and growth; (iii) signalling effect of the EIB entering along with EIF in the first closing, proving to be crucial for the private investors to step in; (iv) helping an experienced team to further develop its reputation on debt funds in the SEE markets, where there has been traditionally a lack of experienced fund managers; and (v) promoting an innovative funding platform that works as a warehouse of individual corporate loans to aggregate these into a larger portfolio suitable for institutional investors.

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	90.00%
Provision of working capital and investment	90.00%
EFSI: Development and deployment of information and communication technologies	10.00%
Other digital content	5.00%
Digital services	5.00%

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	High
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

The operation aims at delivering on a number of EFSI Objectives, namely the support to entities having up to 3,000 employees and the development and deployment of information and communication technologies. Targeting investments across Southern and Eastern Europe (SEE), the operation will support sustainable jobs and growth in less developed regions, contributing to the Union priorities on convergence and social cohesion, as well as in candidates countries in the Western Balkans, in line with the cross-border dimension of EFSI in Neighbouring Countries.

The operation aims at addressing market failures and sub-optimal investment situations in the SEE region caused by the current lack of financing offer and credit availability. Commercial banks in these countries have significantly reduced new lending activities, tightened the conditions on new lending and are furthermore scaling down the existing exposures and growth plans, affecting the availability of tailor-made solutions sought by SMEs and MidCaps. As a result, these companies face significant constraints in their capacity to finance capital expenditures and working capital.

Falling under EIB Special Activity category, thanks to EFSI, the operation offers innovative features and seeks to address SEE's underdeveloped debt fund market, which have the potential to become an alternative source of long-term financing for such companies, thus complementing the traditional banking finance. With the support of EFSI, the EIB will be able to offer a sizeable investment in the Fund, which could not have been possible otherwise, thus helping the Fund Manager reach its initial closing and target size. This will allow accelerating the deployment of the Fund's capital to companies on the ground.

The EIB Group investment in the Fund will also act as a clear catalyst for additional institutional, public and private, investors as well as provide a positive signal that could stimulate the development of similar debt fund schemes to support SME and MidCap growth and activity in these regions and Europe overall.

Overall, the operation will represent a new flagship program in both target regions and should be seen as a pilot operation with a high level of replicability. International Finance Corporation, the private sector arm of the World Bank Group, is also expected to participate in the Fund.

Set of indicators related to the macroeconomic environment

Regional - EU countries - Economic environment				
Economic Performance				
	EU	EU	US	EU
	2016	2016	2016	2001-2007
GDP per capita (EUR, PPS)	28,693	28,693	42,273	27,998
GDP growth (%)	1.9	1.9	2.5	2.3
Potential GDP growth (%)	1.1	1.1	2.1	2.1
Output gap (% of potential GDP)	-1.4	-1.4	0.1	0.94
Unemployment Rate (%)	9.1	9.1	5.0	8.5
Unemployment Rate (%) - Y/Y change (% points)	-0.8	-0.8	-0.6	-0.26
Bank-interest rates to non-financial corporations (%)	1.5	1.5	1.9	3.9
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.34	-0.34	-0.16	-0.02
Investment rate (GFCF as % of GDP) - Total	19.5	19.5	19.7	21.6
Investment rate (GFCF as % of GDP) - Public	2.9	2.9	3.2	3.1
Investment rate (GFCF as % of GDP) - Private	16.5	16.5	16.5	18.5

SME/midcap					
	2012	2013	2014	2016	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	-	30.7	34.3	21.3	21.3
Availability of Private equity (Thousand euro)	33,734,516	33,616,853	37,801,031	-	37,801,031
Availability of Venture Capital (Thousand euro)	2,889,647	3,128,191	3,298,878	-	3,298,878

- 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	
End of works	
Project investment cost	250.00 MEUR
EIB/EFSI eligible investment mobilised	394.00 MEUR
External EFSI multiplier	7.88
External EIB (non-EFSI) multiplier	
Amount of private financing	120.00 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)	0.00 MEUR
Energy efficiencies realised	
Climate Action indicator	2.00% Mitigation - Other (transversal)
Employment during construction - temporary jobs	
Employment during operation - new permanent jobs	

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.