



EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	CAIXABANK SME MEZZANINE ABS
<u>Promoter or financial intermediary</u>	CAIXABANK SA
<u>Country of implementation</u>	Spain
<u>Summary project description</u>	<p>This operation aims to support new lending to small and medium sized enterprises ("SMEs") and Midcaps ("New Portfolio") in Spain through a joint EIB-EIF guarantee on a mezzanine tranche of a granular SMEs and Midcaps portfolio ("Guaranteed Portfolio"). The capital relief for CaixaBank on the guaranteed portfolio will expand CaixaBank's capacity for new SMEs and Midcaps lending.</p> <p>This transaction targets Spanish SMEs and Midcaps which are in key position to support the growth of EU economy and employment generation in Spain. SMEs represent approx. 99% of all companies in Spain, and generate close to 70% of employment, a larger proportion than in other Member States. Moreover, approx. 95% are microenterprises (i.e. less than 10 employees) or self-employed. A commitment for new production of SME and Midcap loans fulfilling EIB eligibility criteria will be required as a condition for EIB to enter the transaction.</p> <p>The proposed operation will be the first EIB-EIF synthetic securitisation transaction with CaixaBank, proving the need and market gap for this type of operations.</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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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	20.00%
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	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 sustainability²;*
- (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.*

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

In line with the EFSI objective of supporting entities having up to 3,000 employees, the operation aims to increase access to finance to SMEs and Midcaps in Spain across a wide variety of sectors, including innovative and climate action projects. As some investments shall be located in regions eligible under the EU Cohesion Policy, the operation also contributes to the Union priorities on convergence and social cohesion, in particular by supporting the economic recovery in one of the countries most affected by the recent financial and economic crisis, with lack of investment over the years affecting employment and job creation. The operation is also fully supporting the Capital Markets Union (CMU) objective of developing the securitisation market in Europe.

Thanks to EFSI, the EIB can enter for the first time into a synthetic securitisation with CaixaBank, one of the key commercial bank counterparts of the EIB, with a strong commitment and proven capacity to reach the underserved SMEs and Midcaps. Thanks to EFSI, under this operation, the EIB can enter into a transaction that consists of a product with innovative features, being one of the first securitisations in accordance with the new Securitisation Regulation to be applicable as of 2019. The new Regulation implies a structure with thicker mezzanine tranche(s) and, consequently, thinner senior tranche. This innovative operation thus creates additional risk-taking capacity for CaixaBank and increases access to finance for SMEs and Midcaps.

The operation addresses clear market failures and sub-optimal investment situations caused by SMEs and Midcaps facing greater difficulty in accessing financing sources, especially long-term. Spanish SMEs have not recovered from the recent financial and economic crisis, being one of the few EU countries where pre-crisis levels have not been reached in any of the three key performance indicators: number of companies, employment and value added. Also, although access to finance and financing conditions have improved in Spain, the majority of Spanish SMEs still mention access to finance as a very relevant issue. Through this operation, the EIB Group aims to reach these smaller entities, which are key for employment and economic growth in Spain.

The operation is expected to fall under the EIB' Special Activity risk category. Moreover, the EIB would not be able to provide such type of financing and reach out to this market segment in such volumes without EFSI.

With the support of EFSI, the deal will be structured to facilitate the participation of other investors with the objective of crowding-in private funding and providing liquidity to a market that is adapting to a regulatory change. Furthermore, SMEs and Midcaps will also use their own resources to finance part of the investments made. Therefore, the operation will catalyse not only debt financing from CaixaBank, but also equity financing by multiple players of the private sector.

Set of indicators related to the macroeconomic environment

Spain - Economic environment

Economic Performance

	ES	EU	US	ES
	2016	2016	2016	2001-2007
GDP per capita (EUR, PPS)	28,818	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
EIB/EFSI eligible investment mobilised	338.00 MEUR
External EFSI multiplier	5.00
External EIB (non-EFSI) multiplier	
Amount of private financing	740.00 MEUR
Sum of number of employees of all final beneficiaries (no additionality) (Relative to the SME/Mid-Cap share)	120,000
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)	

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.