



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

<b>PROJECT PRESENTATION</b>	
<b><u>Project name</u></b>	BNL ENHANCED SME AND MIDCAP SUPPORT
<b><u>Promoter or financial intermediary</u></b>	BANCA NAZIONALE DEL LAVORO SPA
<b><u>Country of implementation</u></b>	Italy
<b><u>Summary project description</u></b>	<p>The operation will support new lending activities in favour of small and medium-sized enterprises ("SMEs") and Midcaps in Italy through a joint EIB-EIF guarantee on a mezzanine tranche of a granular corporate loan portfolio ("Guaranteed Portfolio"). The capital relief for Banca Nazionale del Lavoro ("BNL") on the Guaranteed Portfolio will expand BNL's capacity for new SMEs and Midcaps lending.</p> <p>This operation addresses an existing market gap by supporting working capital and investments of eligible SMEs and Midcaps, 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 Midcap securitisation market in Europe as it would raise awareness and knowledge of other investors to participate in similar transactions.</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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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	5.00%
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%
Other financial support through the EIF and the EIB to entities having up to 3 000 employees	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	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, with BNL, part of BNP Paribas Group, and in cooperation with the EIF, contributes to the EFSI objective of supporting SMEs and Midcaps by increasing their access to finance and improving their lending conditions in Italy.

Thanks to EFSI, the EIB will support, by providing a guarantee for the mezzanine tranche of a loan portfolio, eligible SME/Midcap beneficiaries in the key sectors identified by EFSI including industry, agriculture, services. The project will benefit SMEs and Midcaps across the Italian territory and will significantly support employment. The operation also supports the development of the market for SME securitizations, contributing to the objectives of the EU Capital Market Union. The operation also contributes to reduce the gap between the Italian market and other EU markets.

SMEs and Midcaps are key for growth creation and employment; in Italy they represent a very important share of employers. However, as small players, they have difficulty in accessing financing, especially long-term, and face higher financial costs.

The operation will address a failure in the SME securitization market in Italy and a sub-optimal investment situation faced by SMEs and Midcaps. Access to finance for SMEs and Midcaps in Italy continues to be reported as one of the most problematic issues with the 3rd highest rejection rates in the Euro area.

Building on a successful first operation with the parent company BNP Paribas, and by means of an innovative product and specific advice by the EIB, the project will allow BNL to maintain key products for SMEs-Midcaps and improve their financing conditions. All in all, the EIB intervention, will enable BNL to provide additional financing to SMEs and Midcaps, at longer tenors and improved lending rates resulting from the transfer of financial advantage, which would otherwise not be possible without the support of EFSI.

The operation will qualify as EIB Special Activities considering the high-risk profile of the supported lending activity and EIB mezzanine position in the portfolio. Through BNL, one of the leaders on the SME and Midcap segment in Italy, the project can be effectively and efficiently deployed in the local market.

The EIB Group participation in the operation is expected to generate a high catalytic effect, releasing significant additional private financing by BNL to SMEs and Midcaps, which will in turn devote further own resources for investments in their businesses. The EIB Group participation is expected to generate a high catalytic effect, creating demand for this type of transactions, helping develop product knowledge and ultimately attracting originators and investors in this market.

## 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 (%) - Y/Y 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 (%) - Y/Y 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	4
EIB/EFSI eligible investment mobilised	700.00 MEUR	
External EFSI multiplier	7.00	
External EIB (non-EFSI) multiplier		
Amount of private financing	600.00 MEUR	
Sum of number of employees of all final beneficiaries (no additionality) (Relative to the SME/Mid-Cap share)	250,000	
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)		

<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.