



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

| <b>PROJECT PRESENTATION</b>                      |  |
|--|--|
| <b><u>Project name</u></b>                       | ALBA LEASING V LOAN FOR SME AND MIDCAPS  |
| <b><u>Promoter or financial intermediary</u></b> | ALBA LEASING SPA   |
| <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 Alba'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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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**

| <b>Contribution to EU policy</b>   | <b>Significant</b> |
|--|--------------------|
| <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**

| <b>Quality and soundness of the project</b>  | <b>Good</b> |
|--|-------------|
| 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**

| <b>EIB Technical and financial contribution to the project</b> | <b>Significant</b> |
|--|--------------------|
| 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***

In line with the EFSI objective of supporting entities having up to 3,000 employees, the operation provides lease financing to SMEs and Mid-caps throughout Italy. As up to 10% of the financing is expected to be deployed in Cohesion regions, the operation also contributes to the Union priorities on convergence and social cohesion. Equally, the operation also fully supports the Capital Markets Union (“CMU”) priority objective since it aims at supporting an active and sustainable SME and Mid-cap securitisation market in Europe.

The operation addresses clear market failures and sub-optimal investment situations faced by smaller entities, who often lack access to traditional sources of finance due to their inherent weak credit profile and lack of collateral. As a result, many of them resort to lease financing, supported through this operation. Secondly, the capital markets across Europe and in Italy have failed to utilise securitisation transactions as a financing method in an optimal way. Through this operation, the EIB Group therefore continues to revitalise the securitisation market in Italy for the benefit of smaller entities. As a result, the operation will support new investments, economic growth and job creation/preservation in the country.

The operation is expected to fall under the EIB’s Special Activity risk category due to its subordinated risk level and could not have been undertaken by the EIB without the EU Guarantee under EFSI. Compared to standard intermediated financing, the securitisation structure foreseen under this operation enhances at a larger scale the capacity of the promoter to increase the amount of funding directed to SMEs and Mid-caps. Without the participation of the EIB Group, promoter would be unable to undertake the new financing to the same extent.

Thanks to EFSI support, the structure will crowd-in private sector investors. Equally the EFSI support is expected to crowd in two National Promotional Banks (NPBs), KfW of Germany and CDP of Italy who are expected to invest in the mezzanine tranche.

## 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**

|  | <b>Expected at PCR</b> |
|--|------------------------|
| EIB/EFISI eligible investment mobilised  | 770.00 MEUR            |
| External EFISI multiplier  | 10.27                  |
| External EIB (non-EFISI) multiplier  | 2.00                   |
| Amount of private financing  | 575.00 MEUR            |
| Sum of number of employees of all final beneficiaries (no additionality) (Relative to the SME/Mid-Cap share) | 15,278                 |
| 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)                  | 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. If applicable, a difference between the amount of Project investment costs and EIB/EFISI eligible investment mobilized might derive from the fluctuation of the underlying exchange rate.