



EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	RIVERROCK SENIOR LOAN FUND I
<u>Promoter or financial intermediary</u>	RIVERROCK GENERAL PARTNER SARL
<u>Country of implementation</u>	The Netherlands, Belgium, Germany, Luxembourg, Regional - EU countries
<u>Summary project description</u>	<p>The proposed operation consists in a participation in RiverRock Senior Loan Fund I (the “Fund” or “RSLF1”) in partnership with ING Bank NV (hereafter referred as “INGB”) (Aa3, A+, A+) a key counterparty of the Bank in Benelux. It is structured through a new closed-ended debt fund providing senior debt financing to Mid-Caps active in EU-27 with a target diversified portfolio of 70 to 100 senior debt loans to European Mid-Caps to be sourced exclusively by INGB on a co-financing basis.</p> <p>The Fund has a target size of EUR 1bn and is managed by RiverRock European Capital Partners LLP (the “Fund Manager”), a limited partnership incorporated under the laws of England & Wales authorized and regulated as an alternative fund manager by the FCA in the UK. The Fund Manager has a solid track record mainly in direct lending to European SMEs. The described Fund represents a new initiative for the Fund Manager in this specific space, i.e. investments in European Mid-Caps in partnership with a commercial bank. Therefore, EIB’s commitment will be critical to send a strong signal to the market, providing a seal of approval for the Fund and will be of great value to assist the Fund to reach its first closing of EUR 500m anticipated between December 2018 and January 2019. EIB investment would represent 10% of the target fund size (and a maximum of 15% below the target fund size) with a strong catalytic effect on investors and a high multiplier effect on investments by the Mid-Cap beneficiaries.</p> <p>The Fund relies on a strong and exclusive partnership with INGB whereby EIB and other institutional investors provide long-term financing to a large number of EU-27 Mid-Caps (with a focus on Benelux) channeled through the Fund. Through its vast pipeline of corporate clients, INGB is responsible for the origination and credit assessment of the co-investment opportunities with RSLF1 and, for each Mid-Cap borrower, it retains on its books an amount equal</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 [...].

	<p>to 1x to 2x each Fund's individual investment, thus ensuring an alignment of interest between the Fund and INGB.</p> <p>The transaction will enable the Fund to leverage on INGB's origination capabilities and close relationship with Mid-Caps, while INGB will be able to contribute to expanding capital accessibility to Mid-Caps and offer increased flexibility and investors' diversification to its clients. INGB will benefit from a higher final take in the investment through the partnership with the Fund, while maintaining its regulatory capital ratios and position in the market.</p>
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PROJECT PILLAR ASSESSMENT

Pillar 1

Contribution to EU policy	Significant
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	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 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

The operation shall support Mid-Caps in Europe, for which access to finance remains limited. The operation is in line with the EFSI objective of supporting entities having up to 3,000 employees and contributes to the Capital Market Union Action Plan. As a result, the operation will have a positive impact on Mid-Caps as they are one of the key drivers of employment and economic growth.

The EFSI-supported lending vehicle provides senior debt financing arrangements, which will address clear market failures and sub-optimal investment situations faced by the Mid-Cap segment, which experiences lasting difficulties in accessing long-term finance. Since 2009, there has been a supply/demand imbalance in the European debt markets, as the deleveraging trend on the supply side no longer satisfied the sustained demand for debt. The effect of this financing gap has translated into the inability of many Mid-Caps to finance upfront growth capital expenses and working capital. 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 and experiencing access to finance as a barrier to growth.

The operation is expected to fall under the EIB's Special Activity risk category given the inherent risk of the lending structure and the underlying counterparts risk profile. More importantly, only thanks to EFSI, the EIB can undertake the exposure in the financing structure envisaged under the operation. This operation will provide a strong crowding-in effect by additional private investors, multiplying the EFSI investment, while helping to establish a funding solution for Mid-Caps.

Set of indicators related to the macroeconomic environment

Belgium - Economic environment

Economic Performance


	BE	EU	US	BE
	2017	2017	2017	2001-2007
GDP per capita (EUR, PPS)	34,793	29,900	43,098	35,312
GDP growth (%)	1.5	2.0	1.5	2.2
Potential GDP growth (%)	1.4	1.7	2.2	2.0
Output gap (% of potential GDP)	-0.24	-0.19	-0.03	0.65
Unemployment Rate (%)	6.2	7.3	4.1	8.0
Unemployment Rate (%) - Y/Y change (% points)	-1.1	-0.9	-0.6	0.1
Bank-interest rates to non-financial corporations (%)	1.4	1.3	2.4	4.3
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.11	-0.04	0.4	-0.34
Investment rate (GFCF as % of GDP) - Total	23.2	20.1	19.7	21.8
Investment rate (GFCF as % of GDP) - Public	2.2	2.7	3.2	2.1
Investment rate (GFCF as % of GDP) - Private	21.0	17.3	16.5	19.7

SME/midcap

	2013	2014	2015	2016	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	24.2	17.0	20.6	14.8	20.9
Availability of Private equity (Thousand euro)	848,286	1,058,648	1,691,584	1,172,882	50,091,574
Availability of Venture Capital (Thousand euro)	104,991	112,800	67,920	118,188	4,035,807

- Country average for *GDP per capita
 - EU value for *Bank-interest rates to n
 - The EU value is displayed as the val





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Germany - Economic environment



Economic Performance


	DE 2017	EU 2017	US 2017	DE 2001-2007
GDP per capita (EUR, PPS)	36,739	29,900	43,098	32,673
GDP growth (%)	1.9	2.0	1.5	1.4
Potential GDP growth (%)	2.0	1.7	2.2	1.3
Output gap (% of potential GDP)	0.02	-0.19	-0.03	-0.23
Unemployment Rate (%)	3.6	7.3	4.1	9.4
Unemployment Rate (%) - Y/Y change (% points)	-0.3	-0.9	-0.8	0.06
Bank-interest rates to non-financial corporations (%)	1.2	1.3	2.4	4.1
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.12	-0.04	0.4	-0.04
Investment rate (GFCF as % of GDP) - Total	20.3	20.1	19.7	19.9
Investment rate (GFCF as % of GDP) - Public	2.2	2.7	3.2	2.0
Investment rate (GFCF as % of GDP) - Private	18.1	17.3	16.5	17.9


SME/midcap

	2013	2014	2015	2016	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	10.3	25.4	15.6	16.4	20.9
Availability of Private equity (Thousand euro)	5,438,070	7,163,849	6,643,294	6,722,758	50,091,574
Availability of Venture Capital (Thousand euro)	722,393	677,049	847,425	970,079	4,035,807

- Country average for "GDP per capita"
 - EU value for "Bank-interest rates to n
 - The EU value is displayed as the val


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Luxembourg - Economic environment

Economic Performance

	LU 2017	EU 2017	US 2017	LU 2001-2007
GDP per capita (EUR, PPS)	75,319	29,900	43,098	73,344
GDP growth (%)	3.1	2.0	1.5	4.0
Potential GDP growth (%)	2.6	1.7	2.2	4.1
Output gap (% of potential GDP)	-0.74	-0.19	-0.03	1.8
Unemployment Rate (%)	5.4	7.3	4.1	4.0
Unemployment Rate (%) - Y/Y change (% points)	-0.8	-0.9	-0.6	0.31
Bank-interest rates to non-financial corporations (%)	1.2	1.3	2.4	3.9
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.04	-0.04	0.4	-0.01
Investment rate (GFCF as % of GDP) - Total	17.0	20.1	19.7	19.8
Investment rate (GFCF as % of GDP) - Public	4.0	2.7	3.2	4.4
Investment rate (GFCF as % of GDP) - Private	13.0	17.3	16.5	15.4

SME/midcap

	2013	2014	2015	2016	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	26.4	0	10.7	32.5	20.9
Availability of Private equity (Thousand euro)	178,004	361,200	697,882	1,171,288	50,091,574
Availability of Venture Capital (Thousand euro)	7,002	4,290	5,759	7,18.9	4,035,807

- Country average for "GDP per capita"
 - EU value for "Bank-interest rates to non-financial corporations"
 - The EU value is displayed as the value for the year 2007



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Netherlands - Economic environment

Economic Performance

	NL 2017	EU 2017	US 2017	NL 2001-2007
GDP per capita (EUR, PPS)	38,238	29,900	43,098	37,439
GDP growth (%)	2.2	2.0	1.5	2.1
Potential GDP growth (%)	1.8	1.7	2.2	2.1
Output gap (% of potential GDP)	0.2	-0.19	-0.03	-0.47
Unemployment Rate (%)	4.4	7.3	4.1	4.7
Unemployment Rate (%) - Y/Y change (% points)	-1	-0.9	-0.6	0.09
Bank-interest rates to non-financial corporations (%)	1.2	1.3	2.4	3.8
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.04	-0.04	0.4	-0.06
Investment rate (GFCF as % of GDP) - Total	20.3	20.1	19.7	21.3
Investment rate (GFCF as % of GDP) - Public	3.5	2.7	3.2	4.0
Investment rate (GFCF as % of GDP) - Private	16.8	17.3	16.5	17.3

SME/midcap

	2013	2014	2015	2016	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	54.8	62.3	51.0	38.1	20.9
Availability of Private equity (Thousand euro)	2,412,787	3,008,908	3,299,796	3,725,786	50,091,574
Availability of Venture Capital (Thousand euro)	194,957	192,013	161,653	184,512	4,035,807

- Country average for *GDP per capita
 - EU value for *Bank-interest rates to n
 - The EU value is displayed as the val



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Regional - EU countries - Economic environment








Economic Performance

	EU	EU	US	EU
	2017	2017	2017	2001-2007
GDP per capita (EUR, PPS)	29,900	29,900	43,088	28,780
GDP growth (%)	2.0	2.0	1.5	2.4
Potential GDP growth (%)	1.7	1.7	2.2	2.1
Output gap (% of potential GDP)	-0.19	-0.19	-0.03	1.0
Unemployment Rate (%)	7.3	7.3	4.1	8.6
Unemployment Rate (%) - Y/Y change (% points)	-0.9	-0.9	-0.6	-0.26
Bank-interest rates to non-financial corporations (%)	1.3	1.3	2.4	3.9
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.04	-0.04	0.4	-0.02
Investment rate (GFCF as % of GDP) - Total	20.1	20.1	19.7	21.3
Investment rate (GFCF as % of GDP) - Public	2.7	2.7	3.2	3.1
Investment rate (GFCF as % of GDP) - Private	17.3	17.3	16.5	18.3

SME/midcap

	2013	2014	2015	2016	EU (latest available)
Share of SMEs with Access to Finance Difficulties (%)	30.7	34.3	24.2	20.9	20.9
Availability of Private equity (Thousand euro)	38,151,245	42,409,428	50,288,356	50,091,574	50,091,574
Availability of Venture Capital (Thousand euro)	3,220,414	3,386,585	3,869,368	4,035,807	4,035,807

- Country average for "GDP per capita"
 - EU value for "Bank-interest rates to n
 - The EU value is displayed as the val





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Other indicators³

Key project characteristics

	Expected at PCR
EIB/EFSI eligible investment mobilised	1,990.00 MEUR
External EFSI multiplier	19.90
External EIB (non-EFSI) multiplier	0.00
Amount of private financing	1,900.00 MEUR
Sum of number of employees of all final beneficiaries (no additionality) (Relative to the SME/Mid-Cap share)	25,000
Allocation volume dedicated to SME/ Mid-Caps	100.00 %
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

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. If applicable, a difference between the amount of Project investment costs and EIB/EFSI eligible investment mobilized might derive from the fluctuation of the underlying exchange rate.