



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

<b>PROJECT PRESENTATION</b>	
<b><u>Project name</u></b>	MIDCAP PROGRAMME LOAN BENELUX 2
<b><u>Promoter or financial intermediary</u></b>	ACCEPTABLE CORPORATE(S)
<b><u>Country of implementation</u></b>	Belgium, Netherlands, Luxembourg
<b><u>Summary project description</u></b>	<p>In the countries of Belgium, Netherlands, Luxembourg (the "BENELUX" region), MidCap enterprises and small businesses (&lt; 3,000 employees) are key contributors to the respective national economy. They are a key source of employment and they provide impetus for growth and competitiveness. Dutch Midcaps (typically with a turnover of EUR 10m to EUR 500m) accounted for 28% of Dutch turnover, mainly operating in the wholesale and retail industry. In Belgium, MidCaps account for 18% of total turnover. In terms of sectors, the manufacturing/mining and wholesale &amp; retail trade account for half of the mid-market in Belgium, both in terms of employment and of gross value added.</p> <p>The Bank very successfully fostered lending to SME in BENELUX via intermediated loans in the past. On the other hand, MidCaps and larger SMEs often asked for direct loans of between EUR 25m and EUR 50m which could not be efficiently served by EIB.</p> <p>The proposed Programme Loan ("PL") is the 2nd authorization after the pilot project to facilitate access to direct EIB lending for MidCaps (Eligible midcaps include firms with less than 3,000 employees at the time of submitting their application for EIB financing) in BENELUX and that would require EIB financing of up to EUR 50m. Building on the experience developed so far and with the objective not to exclude specific financing needs of the different regions involved, this PL could flexibly include also suitable investments to be carried out by SMEs (firms with less than 250 employees).</p> <p>It aims at:</p> <ul style="list-style-type: none"> <li>• Increasing the availability of financing for MidCaps, and mainly reaching to new counterparts to the Bank;</li> <li>• accelerating and further mobilising private sector investments, by complementing MidCaps' financing sources and improving their terms with EIB financing;</li> <li>• supporting the growth and competitiveness of BENELUX MidCaps in a wide range of sectors, with a positive social impact mainly through PL contribution to the preservation and creation of employment, including in cohesion regions</li> </ul>

<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	20.00%
<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	50.00%
Other financial support through the EIF and the EIB to entities having up to 3 000 employees	50.00%

### 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 sustainability<sup>2</sup>;*
- (iv) "Employment" i.e. the project's direct employment effect.*

### Pillar 3

EIB Technical and financial contribution to the project	Moderate
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.*

<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 shall support SMEs and MidCaps in the Benelux countries, for whom access to finance remains limited, especially targeting those (i) presenting innovative features and/or (ii) located or investing in Cohesion Regions. The operation will thus also contribute to the Union priorities on convergence and social cohesion, helping to reduce regional disparities by supporting the economic recovery in regions with a lack of investment affecting employment and job creation.

Thanks to EFSI, this will be the second Programme Loan dedicated to SMEs and MidCaps in the Benelux countries with a focus on innovative SMEs and MidCaps, hence expanding the number of products/initiatives offered by the EIB in respect of SME and MidCap financing. The financing will be deployed directly by the EIB in the form of a Programme Loan.

This Programme Loan addresses an existing market failure and sub-optimal investment situation by supporting a structurally very important sector of the economy, which is clearly not sufficiently catered for by the private sector. SMEs and MidCaps are the backbone of the economy of the Benelux countries. Nevertheless, despite current high liquidity and favourable financial market conditions, availability of long-term financing and alternative funding sources for MidCaps is still restricted. Many MidCaps cannot access capital markets due to their size and lack of external ratings. Consequently, they remain substantially dependent on bank debt. Commercial banks however only offer tenors shorter than the useful life of underlying projects. Consequently, long-term investments in growth and innovation are delayed or reduced. Through the Programme Loan, EIB aims to reach the underserved SMEs and MidCaps and thus sustain their growth potential and stimulate employment.

The operation will qualify as Special Activities considering the high-risk profile of the underlying SMEs and MidCaps targeting especially SMEs and MidCaps of a sub-investment grade with a focus on innovation. Thanks to the support of EFSI, EIB can intervene in such a high-risk area. Without EFSI, the EIB would not be able to provide such support and reach out to the SMEs and MidCaps market segment in such volumes in the Benelux countries.



## Set of indicators related to the macroeconomic environment

### Belgium - Economic environment

#### Economic Performance

	BE 2017	EU 2017	US 2017	BE 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)	848,288	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

### 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	1.6
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	697,682	1,171,288	50,091,574
Availability of Venture Capital (Thousand euro)	7,002	4,290	5,759	716.9	4,035,807

## 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 (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
Start of works	01.01.2019
End of works	31.12.2023
Project investment cost	534.00 MEUR
EIB/EFSD eligible investment mobilised	534.00 MEUR
External EFSD multiplier	2.67
External EIB (non-EFSD) multiplier	
Amount of private financing	334.00 MEUR
Quick start (% of expenditure during 2015-2018)	
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)	
Energy efficiencies realised	0.00 MWh/a
Climate Action indicator	
Employment during construction - temporary jobs	0 person years
Employment during operation - new permanent jobs	0 FTE

<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/EFSD eligible investment mobilized might derive from the fluctuation of the underlying exchange rate.