



EFSI Operation Scoreboard¹

<u>PROJECT PRESENTATION</u>	
<u>Project name</u>	BANKIA ENHANCED SUPPORT FOR SMES & MIDCAPS
<u>Promoter or financial intermediary</u>	BANKIA SA
<u>Country of implementation</u>	Spain
<u>Summary project description</u>	<p>The proposed transaction aims at creating additional lending capacity for SME & MidCap financing in Spain. Bankia is one of EIB's recurrent counterparts for SME and thematic lending. It has also been the first financial institution in the EU to respond to the SME Initiative call for tender, achieving high utilisation rates. In addition, Bankia has been the first bank in Spain to sign an EFSI operation. The transaction aims to promote and accelerate private sector investments as well as facilitating access to finance for Midcaps, a backbone in terms of growth and employment for the Spanish economy.</p> <p>The SME & Midcap loans will finance small and medium-sized projects implemented by SMEs & Midcaps in Spain and will have a special focus on financing SMEs and Midcaps located in Cohesion Regions, which experience higher than average unemployment rates.</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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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	30.00%
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 up to 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;*
- (v) "Increasing access to finance and improving financing conditions including for final beneficiaries".*

Pillar 3

EIB Technical and financial contribution to the project	High
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 up to 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 contributes to the EFSI objective to support SMEs and Midcaps by enabling additional risk-bearing capacity of Bankia SA and increasing access to finance for this market segment in Spain. Equally the operation will address the objective of supporting less-developed regions and transition regions as circa 30% of the operation is expected to be deployed in Cohesion regions. The operation will thus also contribute to the Union priorities on convergence and social cohesion, helping reduce regional disparities by supporting investment.

The operation addresses an existing market gap by financing Spanish SMEs and Midcaps, which experience lasting difficulties in accessing long-term finance, in a country structurally dominated by SMEs and in which the current and traditional banking financial offer focuses mostly on short-term lending with strict requirements. SMEs and Midcaps are key for growth creation and employment but, as smaller players, they have greater difficulty in accessing financing sources. Although access to finance and financing conditions have improved in Spain, SMEs and Midcaps still mention access to finance as a barrier to growth.

Thanks to EFSI, the EIB will support the investments of eligible SME/Midcap beneficiaries across a variety of regions and sectors, hence contributing to sustainable growth and job creation in Spain. This guarantee, provided by the EIB under EFSI, will allow Bankia SA to create a new loan portfolio to the benefit of new SMEs and Midcaps. The EIB would not be able to provide such type of financing support and reach out to this market to the same extent, without EFSI.

Due to the risk profile of the transaction, the operation will qualify as Special Activities. The operation will release significant additional private sector financing, as it enables Bankia SA to increase its own financing capacity to SMEs and Midcaps, which will in turn invest further own resources for necessary investments in their businesses.

Set of indicators related to the macroeconomic environment

Spain - Economic environment

Economic Performance

	ES	EU	US	ES
	2017	2017	2017	2001-2007
GDP per capita (EUR, PPS)	27,719	29,998	43,470	28,708
GDP growth (%)	3.0	2.4	2.2	3.6
Potential GDP growth (%)	1.0	1.6	2.0	3.6
Output gap (% of potential GDP)	-0.35	0.08	0.04	2.7
Unemployment Rate (%)	16.5	7.3	4.1	10.0
Unemployment Rate (%) - Y/Y change (% points)	-2.0	-0.9	-0.8	-0.34
Bank-Interest rates to non-financial corporations (%)	1.6	1.3	2.4	3.8
Bank-Interest rates to non-financial corporations (%) - Y/Y change (% points)	0	-0.04	0.4	-0.05
Investment rate (GFCF as % of GDP) - Total	20.5	20.2	20.5	28.7
Investment rate (GFCF as % of GDP) - Public	2.0	2.7	3.3	4.1
Investment rate (GFCF as % of GDP) - Private	18.5	17.4	17.2	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	420.00 MEUR
External EFSI multiplier	2.80
External EIB (non-EFSI) multiplier	
Amount of private financing	120.00 MEUR
Sum of number of employees of all final beneficiaries (no additionality) (Relative to the SME/Mid-Cap share)	262,349
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. 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.