



Organizatorzy



**Europejski Fundusz Gwarancyjny  
jako wsparcie w walce z  
ekonomicznymi skutkami COVID-19  
- także w Polsce**

**Konferencja inauguracyjna dla polskiego rynku finansowego**

21 października 2020r., godz. 15:00-17:30

Patroni Honorowi:



[www.InstrumentyFinansoweUE.gov.pl](http://www.InstrumentyFinansoweUE.gov.pl)

 #Believe  
InSmall

# *Pan-European Guarantee Fund*

*Overview on EIF debt instruments*

# Overview

- 1 Debt Products
- 2 Application Process

# EGF – EIF Debt Products

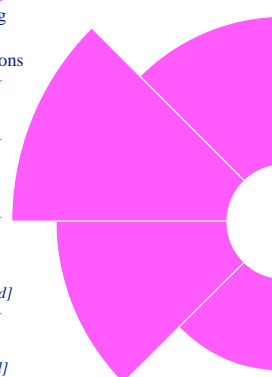
*A range of debt solutions to ensure financing remains available to Europe's SMEs, small mid-caps and mid-caps during the COVID-19 crisis*

\* This presentation is for information purposes only and should be read in conjunction with the detailed call for expression of interest documentation which will be published at [www.eif.org](http://www.eif.org)

# EIF Debt Products

A range of debt solutions for Europe's SMEs, small mid-caps and mid-caps during the COVID-19 crisis

	<b>Capped guarantees</b>	<b>Uncapped guarantees</b>	<b>Senior Private Credit</b>
<i>Risk sharing mechanism</i>	AAA guarantee providing loss protection on the guaranteed portfolio	AAA guarantee providing capital relief and loss protection	Finance for funds providing flexible senior debt and alternative financing solutions
<i>EGF Resources allocated</i>	€2.5bn	€6.1bn	€0.4bn
<i>Target portfolio amount</i>	Up to €15.7bn [6.4x EGF resources allocated]	Up to €18.7bn [3x EGF resources allocated]	Up to €1.1bn [2.8x EGF resources allocated]
<i>Target mobilised resources for Financial Intermediaries</i>	Up to €26bn [10.2x EGF resources allocated]	Up to €28bn [4.6x EGF resources allocated]	Up to €2.2bn [5.5x EGF resources allocated]
<i>Target mobilised resources for Final Recipients</i>	Up to €36bn [14.3x EGF resources allocated]	Up to €39bn [6.4x EGF resources allocated]	Up to €3bn [7.6x EGF resources allocated]



# EIF Debt Products

A range of debt solutions for Europe's SMEs, small mid-caps and mid-caps during the COVID-19 crisis

## Financial Intermediaries

Commercial banks	Guarantee societies	Microfinance institutions
Ethical banks	National promotional banks	Alternative lenders
Crowd-lenders	Debt funds	SPVs
Leasing companies		

## Eligible financing

Senior loans	Leasing	Revolving credit lines
Documentary finance	With recourse factoring	Subordinated loans
Quasi-equity		

## Transfer of benefit (examples)

Lower level of collaterals provided as security

Reduction in interest rates, e.g. through the reduction of the credit risk spread

Increased access to finance for riskier borrowers such as start-ups.

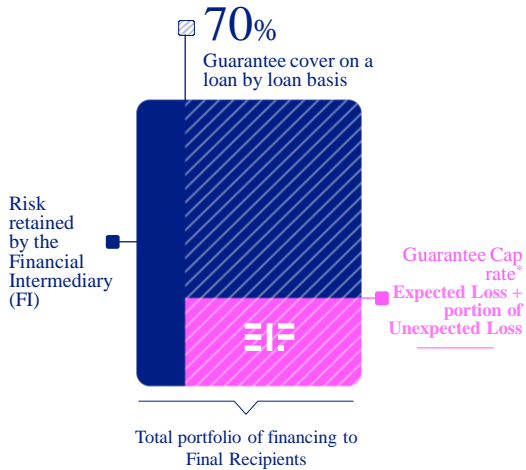
## Guarantee fee

Capped Guarantees: **20bps** on the outstanding guaranteed amount

Uncapped Guarantees: **70bps** on the outstanding guaranteed amount

# Capped (counter) guarantees

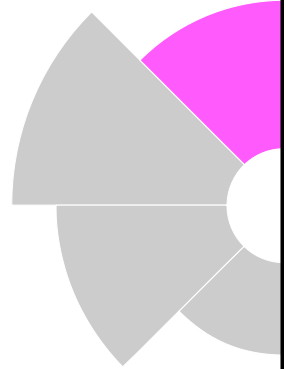
Increased availability of finance for SMEs, at better terms



## Benefits

- SMEs**
  - Collateral reduction
  - Maturity extension
  - Lower interest rates
  - Broader reach & new sectors
- FIs**
  - Full delegation model
  - Reduced cost of risk
  - Partial regulatory capital relief
  - Increase in financing volumes
  - Offer new & riskier debt products

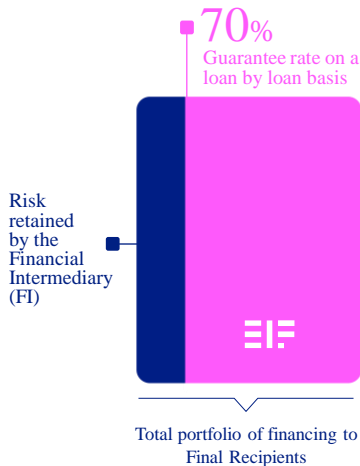
Debt products



*\*Maximum 30% Guarantee Cap Rate; The Expected Loss shall factor the historical performance and the expected impact of the pandemic.*

# Uncapped (counter) guarantees

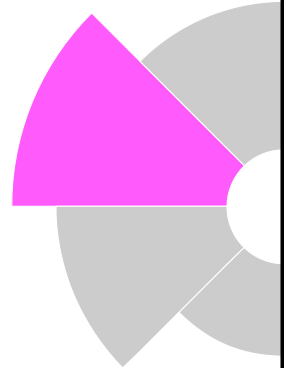
Increased availability of finance for SMEs, at better terms



## Benefits

- SMEs**
  - Collateral reduction
  - Maturity extension
  - Lower interest rates
  - Broader reach & new sectors
- FIs**
  - Full delegation model
  - Reduced cost of risk
  - Full regulatory capital relief (on guaranteed portion)
  - Increase in financing volumes
  - Offer new & riskier debt products

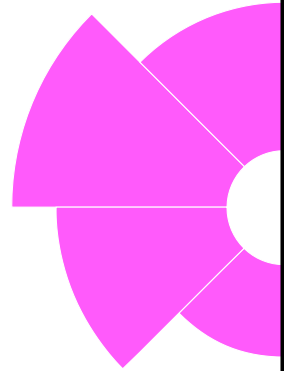
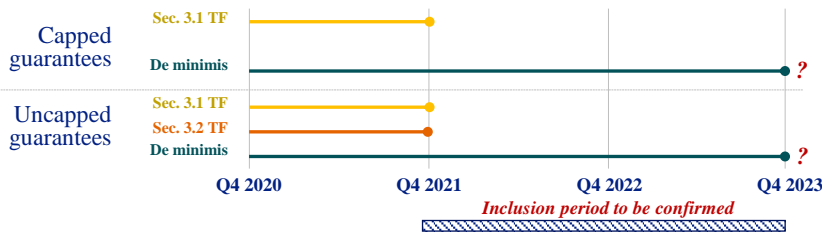
Debt products



# EIF Debt Products – State aid requirements

## Compliance with State Aid requirements

- Guarantee products designed to comply with State Aid requirements. Financial Intermediaries shall include underlying financing in line with provisions under the **Temporary Framework** or the **De minimis Regulation**
- Applicable State Aid regime determines features of the financing (i.e. maturity, guaranteed amount, ranking) and the inclusion period. The temporary Framework would allow for inclusions until Dec. 2021, while **only the De minimis Regulation will be available for inclusions in 2022-2023**.
- **Still open:** confirmation on whether the De minimis Regulation will apply to debt products under EGF.



# Capped (counter) guarantees: state aid requirements

## Final beneficiaries

### Temporary framework



## Financing amount

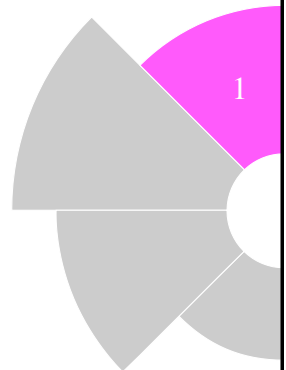
Maximum guaranteed amount up to EUR 800,000 per single undertaking. To be checked in cumulation with other EGF aid granted under TF 3.1 (not, for the avoidance of doubt, with any other aids granted under the TF).

### De Minimis



A function of, for each Final Beneficiary, the available De Minimis aid ceiling at the level of the single undertaking, and of the GGE of the EGF guarantee.

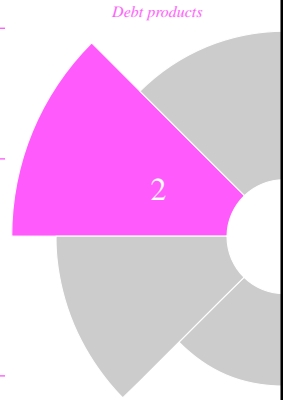
Debt products



# Uncapped (counter) guarantee: state aid requirements

	Final beneficiaries	Maximum maturity	Financing Amount
<b>Temporary Framework 3.1</b>		Up to 180 months	Guaranteed amount up to EUR 800,000 per single undertaking, to be checked in cumulation with other EGF aid that is granted under TF 3.1 (not, for the avoidance of doubt, with any other aids granted under the TF).
<b>Temporary Framework 3.2</b>		Up to 72 months	Maximum loan amount per single undertaking, to be checked in cumulation with other aid (national and EGF) under TF 3.2, equal to:  Double the annual wage bill of the beneficiary <i>or</i>  25% of the beneficiary's total turnover in 2019 or for the last year available <i>or</i>  Foreseen financing needs for 18 months
<b>De Minimis</b>		Up to 180 months	Maximum loan amount function of the available De minimis aid ceiling at the level of the single undertaking, and of the GGE of the EGF guarantee.

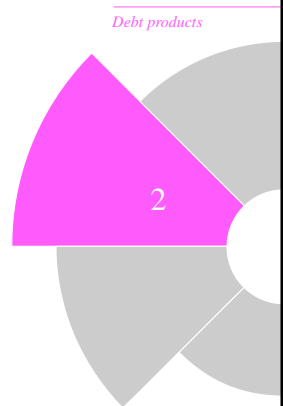
\*Small Mid-Caps with credit rating of at least B-



# Uncapped (counter) guarantee: state aid compliance

Type of financing	State Aid framework
<b>Senior Financing to SMEs</b> (including loans, leasing contracts, trade finance and documentary finance)	
<b>Senior Financing to larger enterprises</b> (including loans, leasing contracts, trade finance and documentary finance)	
<b>Subordinated financing to SMEs and larger enterprises</b>	

\*Small Mid-Caps with credit rating of at least B-



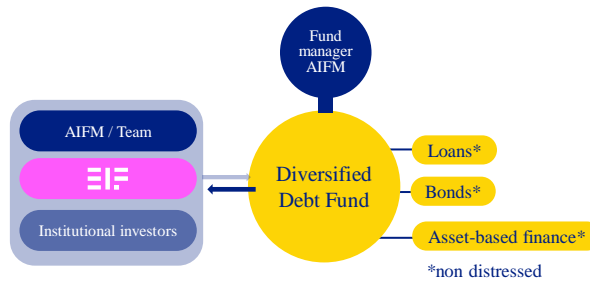
# EIF Debt Products – Senior Private Credit

## Product description

Finance for funds providing flexible senior debt, financing solutions in the form of non distressed loans, bonds and asset-based finance

€0.4bn  
EGF Resources allocated

Up to €3bn  
Target mobilised resources for Final Recipients



## Benefits

### GPs

Access to a cornerstone investor to achieve an adequate fund size

### SMEs

Access to tailor made non bank senior debt financing solutions

**EGF**  
*Selection of  
Financial  
Intermediaries*

*A streamlined selection  
process to ensure immediate  
response to the crisis*

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# Open Call for Expression of Interest

## Our Financial Intermediary selection process\*



\*The EIF, at its full discretion, may skip steps of the selection and due diligence process for financial intermediaries in EIF portfolio or FI that have been approved the last 6 months but not yet signed .  
 \*\* Signed Declaration of Honour and full application submitted

# Selection of Financial Intermediaries

## Call for Expression of Interest to select Financial Intermediaries

Published on Aug. 31<sup>st</sup>, 2020

### Call for Expression of Interest



#### Expressions of Interest containing:

- Representations and declarations for the purposes of the Anti-Fraud and Transparency Policies
- Applicant identification details
- First screening information requirements: applicants provide indicative information on main features of the portfolio and on the proposal to transfer the benefit of the guarantee to the final recipients.

### Annexes



- Indicative Term Sheet for each product:
- Key product features & contractual clauses
  - Eligibility criteria
  - State aid guidelines
- Detailed DD requirements



## EIF contacts



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For more information on the guarantee instruments supported by the EGF, please contact the transaction officers responsible for previous transactions with your institution, or send an email to the indicated e-mail address for your product of interest in the call for expression of interest.

