

Pan-European Guarantee Fund: Information Note to the Call for Expression of Interest published on 31 August 2020

Amendments to the Call for Expression of Interest – mainly inclusion of the Synthetic Securitisation Instrument

The Call for Expression of Interest (“the Call”) of the Pan-European Guarantee Fund – EGF was published on the EIF website on 31 August 2020.

With the current amendment:

- An Indicative Term Sheet for the Synthetic Securitisation Instrument, forming the Annex X of the Call is included.
- Amendments in the other relevant Call documents are summarised and highlighted in the table below.

The deadline for the submission of applications to EGF products, other than the Synthetic Securitisation Instrument remains unchanged, being 31 October 2021, whereas the deadline specific for the Synthetic Securitisation Instrument is set as 31 March 2022.

Section	Amendment/Insertion	
Call for Expression of Interest, page 2	<p>Annex XII numbering changed:</p> <p>“... Further details are provided in Annex XHXIII.”</p> <p>Footnote¹ (5) included: <u>For the EGF Synthetic Securitisation product, the EIBG will share with financial intermediaries the list of restricted sectors as part of the side letter.</u></p>	
Call for Expression of Interest, pages 4-5	<p>Synthetic Securitisation</p>	<p>providing <u>The product, jointly deployed by the EIF and the EIB, is intended to provide guarantees on first loss piece and/or mezzanine tranches of existing portfolios of SMEs and Mid-caps debt financing, auto loans or retail loans (synthetic transactions) or investing (or provide a guarantee to third-party investors) in notes issued under securitisation transactions.</u> While transferring the risk on the <u>an existing</u> portfolio and redeploying capital, <u>the Financial Intermediaries achieve capital relief on such portfolio. The Financial Intermediaries will commit to provide new financing (including working capital lines and/or guarantees) in the form of an additional portfolio to SMEs and Small Mid-Caps for a multiple of the resources allocated to the Synthetic Securitisation, for an</u></p>

¹ Only newly added footnotes are presented in this Table.

	<p>amount based on the resources allocated and on the amount of capital redeployed relief achieved and the characteristics of the existing portfolio and additional portfolio, as a result of the tranche guaranteed further described in Annex X.</p> <p>At the date of publication of this Call, the product is not available for applications. Indicative key term sheet and application links will be disclosed at a later stage, with an amendment to this Call.</p>				
	<p><u>Email address to submit an Expression of Interest</u></p>				
	<p><u>EGF_Securitisation@eif.org</u></p> <p><u>Cc: EGF-ABS-requests@eib.org</u></p>				
	<p><u>Please refer to Annex X for indicative key term sheet</u></p>				
	<p><u>Please refer to Annex Ib for the relevant Expression of Interest</u></p>				
<p>Call for Expression of Interest, pages 5-6</p>	<p>Section “3. Definitions and Interpretation” amended:</p> <table border="1"> <tr> <td data-bbox="320 1021 517 1193"> <p>Expression of Interest</p> </td> <td data-bbox="517 1021 1441 1193"> <p>Means an application to the Open Call for Expression of Interest submitted to the EIF within the Deadline <u>or the Securitisation Deadline, as applicable</u>, conforming to the provisions of Annex Ia or Annex Ib as applicable.</p> </td> </tr> <tr> <td data-bbox="320 1193 517 2094"> <p>Financial Intermediary</p> </td> <td data-bbox="517 1193 1441 2094"> <p>Means:</p> <p>In respect of EGF Equity & Debt Funds Products: investment funds and special purpose vehicles, in any form, established or to be established, that undertake long term risk capital investments in the form of equity, preferred equity, quasi-equity, hybrid debt-equity instruments (or other type of mezzanine financing), or any other debt financing.</p> <p>In respect of EGF Guarantee Products:</p> <ul style="list-style-type: none"> a) Guarantees and Securitisation products: public or private entities (including credit or financial institutions or loan (debt) funds), if applicable, duly authorised to carry out debt financing activities according to the applicable legislation; b) Counter-Guarantees: public or private (counter-) guarantee schemes, (counter-) guarantee institutions or other entities, credit or financial institutions, if applicable, duly authorised to issue guarantees according to the applicable legislation; c) <u>Synthetic Securitisation: Commercial banks, financial institutions, leasing companies, special-purpose vehicles, private credit funds, alternative lenders, crowd lenders and micro-finance institutions duly authorised to carry out lending or leasing activities according to the applicable legislation, established or operating in a Participating Member State. The Financial Intermediary may receive the EGF guarantee on an existing portfolio and build the additional portfolio through</u> </td> </tr> </table>	<p>Expression of Interest</p>	<p>Means an application to the Open Call for Expression of Interest submitted to the EIF within the Deadline <u>or the Securitisation Deadline, as applicable</u>, conforming to the provisions of Annex Ia or Annex Ib as applicable.</p>	<p>Financial Intermediary</p>	<p>Means:</p> <p>In respect of EGF Equity & Debt Funds Products: investment funds and special purpose vehicles, in any form, established or to be established, that undertake long term risk capital investments in the form of equity, preferred equity, quasi-equity, hybrid debt-equity instruments (or other type of mezzanine financing), or any other debt financing.</p> <p>In respect of EGF Guarantee Products:</p> <ul style="list-style-type: none"> a) Guarantees and Securitisation products: public or private entities (including credit or financial institutions or loan (debt) funds), if applicable, duly authorised to carry out debt financing activities according to the applicable legislation; b) Counter-Guarantees: public or private (counter-) guarantee schemes, (counter-) guarantee institutions or other entities, credit or financial institutions, if applicable, duly authorised to issue guarantees according to the applicable legislation; c) <u>Synthetic Securitisation: Commercial banks, financial institutions, leasing companies, special-purpose vehicles, private credit funds, alternative lenders, crowd lenders and micro-finance institutions duly authorised to carry out lending or leasing activities according to the applicable legislation, established or operating in a Participating Member State. The Financial Intermediary may receive the EGF guarantee on an existing portfolio and build the additional portfolio through</u>
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		<p><u>different entities, provided that all such additional institutions are within the scope of consolidation (pursuant to the Capital Requirement Regulation) of the Financial Intermediary.</u></p> <p>For additional information on eligible Financial Intermediaries, please refer to the Annexes with indicative key term sheets for each relevant product.</p>
	<p><u>Footnote (6) included: National promotional banks and institutions are not considered as eligible financial intermediaries for the EGF synthetic securitisation product.</u></p>	
	<p>Definition for the “Securitisation Deadline” introduced:</p>	
	<p><u>Securitisation Deadline</u></p>	<p><u>Means at the latest by 31 March 2022, or such different date as may be announced officially in the EGF section of the EIF’s website. EIF may determine that the Securitisation Deadline will end on an earlier date depending, inter alia, on the availability of the budgetary resources for the Facility. Any change in the Securitisation Deadline will be announced officially in the EGF section of the EIF’s website.</u></p>
<p>Call for Expression of Interest, pages 8-9</p>	<p>Section “5. Application Procedure” amended to allow for “Securitisation Deadline” in addition to the “Deadline”:</p> <p>“Interested Applicants shall submit, before the Deadline <u>or the Securitisation Deadline, as applicable</u>, by e-mail to the EIF a formal Expression of Interest in a PDF duly signed form to the relevant address indicated in Section 2 for each product. The Deadline <u>applies and the Securitisation Deadline apply</u> to the receipt of the email by the EIF. For the avoidance of doubt, applications shall only be submitted via e-mail. EIF does not accept paper applications.”</p> <p>and</p> <p>“An acknowledgement of receipt will be sent to the relevant Applicants by the EIF via e-mail, which shall state the confirmation that the Expression of Interest was received before the Deadline <u>or the Securitisation Deadline, as applicable</u>....”</p>	
<p>Call for Expression of Interest, page 9</p>	<p>Section “6. Selection Process” amended to allow for Synthetic Securitisation Instrument:</p> <p>“The EIF shall assess applications on a continuous basis and “first come, first assessed” basis, using professional analysis and judgment, taking into account the objectives, terms (Indicative Term Sheets of the relevant product(s)), risk appetite and concentration limits of EGF. <u>The previous experience of the Financial Intermediary with the EIF in operating the Capped Guarantee instrument, the Uncapped Guarantee Instrument or the Synthetic Securitisation Instrument, as applicable, will be assessed as part of the selection process for the respective product.</u>”</p> <p>and</p> <p>“Stage 1 shall entail a preliminary assessment/screening of whether the proposal can be taken forward. Following positive outcome of Stage 1, EIF <u>(in collaboration with EIB, in the case of the Synthetic Securitisation Instrument)</u> will perform a due diligence (Stage 2). The format of such due diligence (including desktop) will be at the discretion of the EIF, depending on which EGF product the Financial Intermediaries applied to, and whether the EIF can (in its view) include in its assessment information already in its possession (e.g. in case of established business relationship with a given Financial Intermediary). For further information about the due diligence information requirements for EGF Guarantee</p>	

	<p>Products, please see Annex XIII to this Call.</p> <p>Following positive outcome of Stage 2 (and prior to entering into an Agreement with an Applicant), the proposal to be supported under EGF shall be submitted by the EIF <u>(and the EIB, in the case of the Synthetic Securitisation Instrument)</u> to its relevant decision making bodies for approval, and (where required) to the Contributors' Committee of the EGF (Stage 3). EIFEIF <u>(and the EIB, in the case of the Synthetic Securitisation Instrument)</u> may obtain approvals for proposed applications from its governing bodies and (where applicable) the Contributors' Committee until the end of 2021 <u>in the case of the Capped Guarantee Instrument and the Uncapped Guarantee Instrument or until 30/6/2022 in the case of the synthetic securitisation instrument.</u>"</p>
<p>Call for Expression of Interest, pages 13-14</p>	<p>Section "6.2 Assessment Criteria for EGF Guarantee Products":</p> <p>Title amended as follows: "6.2 Assessment criteria for EGF Guarantee Products <u>(other than the EGF Synthetic Securitisation Product)</u>"</p> <p>and assessment criteria for synthetic securitisation product included as section 6.3:</p> <p><u>6.3 Assessment criteria for EGF Synthetic Securitisation Product</u></p> <p><u>Assessment criteria for expected performance</u></p> <p><u>As part of the expected performance assessment, the EIF will analyse all the applications based on but not limited to the following criteria:</u></p> <p><u>Financial intermediary</u></p> <ul style="list-style-type: none"> <u>a) Financial Standing</u> <u>b) Strategy and business outlook</u> <u>c) Underwriting and servicing procedures</u> <u>d) Restructuring and recovery procedures</u> <u>e) Capacity to assess and manage risk</u> <u>f) Pricing policies</u> <u>g) Risk appetite</u> <u>h) Synthetic securitisation management experience and track record</u> <u>i) Environmental, Social and Corporate Governance policies</u> <u>j) Compliance assessment (KYC/AML screening and tax integrity)</u> <u>k) Proposed securitisation structure and feasibility</u> <p><u>Existing Portfolio to be securitised</u></p> <ul style="list-style-type: none"> <u>a) Proposed existing portfolio characteristics (e.g. granularity, diversification, credit quality, duration, type of assets)</u> <u>b) Relevant rating systems, risk assessment tools and associated back-testing/review exercises</u> <u>c) Credit performance track record</u> <p><u>When making selection decisions the EIF will consider, inter alia, the impact of the application on the geographical distribution, the target mobilised resources and the risk profile of the Facility. The EIF will aim at the appropriate composition of the relevant product(s) aggregate Synthetic Securitisation portfolio of operations, including composition between FLPs and Mezzanines, adequate credit risk profile, granularity and diversification of the overall Facility. The type of the securitised assets will be part of the assessment under the selection process. The credit risk contribution of the proposed Operation to the Facility shall be confirmed based on the results of the due diligence.</u></p>

	<p><u>Assessment criteria for policy fit: the new portfolio implementation</u></p> <p>a) <u>Experience and ability of the Applicant to finance, or facilitate finance to, SMEs under the new portfolio, in light of the proposed volumes and within a predefined timeframe. This shall be assessed by the EIF based inter alia on: track record of lending to final beneficiaries, including in managing operations supported by the EIF, and the business plan for building a Portfolio;</u></p> <p>b) <u>Quality and plausibility of the implementation proposal, with particular focus on the implementation, marketing and rollout strategy, previous experience working with international financial institutions, etc;</u></p> <p>c) <u>Ability to manage the additional portfolio, particularly with regards to the capital redeployment test and the transfer of financial advantage</u></p> <p>Footnote (10) included: <u>Preference will be given to financing to enterprises (term loans, leasing contracts and credit facilities to SMEs, Small Mid-Caps and Mid-Caps) as part of the securitized portfolio. Auto loans and consumer loans may also be securitized.</u></p>		
<p>Annex Ib, Expression of Interest, page 1</p>	<p>EIF e-mail address to submit the Expression of Interest is updated to also include one for the Synthetic Securitisation Instrument:</p> <p><u>EGF_Portfolio_Guarantees@eif.org</u></p> <p>Email address to submit the Expression of Interest:</p> <p><u><i>Capped Guarantee Instrument and Uncapped Guarantee Instrument:</i></u></p> <p><u>EGF_Portfolio_Guarantees@eif.org</u></p> <p><u><i>Synthetic Securitisation Instrument</i></u></p> <p><u>EGF_Securitisation@eif.org</u></p> <p><u>Cc: EGF-ABS-requests@eif.org</u></p>		
<p>Annex Ib, Expression of Interest, page 5</p>	<p>Appendix I to the Expression of Interest, Applicant Identification table amended to allow for Synthetic Securitisation:</p> <table border="1" data-bbox="363 1626 1441 1962"> <tr> <td data-bbox="363 1626 751 1962"> <p>APPLYING FOR THE FOLLOWING PRODUCTS:</p> </td> <td data-bbox="751 1626 1441 1962"> <p><input type="checkbox"/> CAPPED GUARANTEE</p> <p><input type="checkbox"/> CAPPED COUNTER - GUARANTEE</p> <p><input type="checkbox"/> UNCAPPED GUARANTEE</p> <p><input type="checkbox"/> UNCAPPED COUNTER - GUARANTEE</p> <p><input type="checkbox"/> SYNTHETIC SECURITISATION</p> </td> </tr> </table>	<p>APPLYING FOR THE FOLLOWING PRODUCTS:</p>	<p><input type="checkbox"/> CAPPED GUARANTEE</p> <p><input type="checkbox"/> CAPPED COUNTER - GUARANTEE</p> <p><input type="checkbox"/> UNCAPPED GUARANTEE</p> <p><input type="checkbox"/> UNCAPPED COUNTER - GUARANTEE</p> <p><input type="checkbox"/> SYNTHETIC SECURITISATION</p>
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Annex Ib,
Expression
of Interest,
pages 9-10

Information Requirements for EGF Synthetic Securitisation introduced:

INFORMATION REQUIREMENTS FOR EGF SYNTHETIC SECURITISATION

TRANSACTION EXPECTED CHARACTERISTICS

TYPE OF TRANSACTION

MEZZANINE

FLP

TARGET SECURITISED
PORTFOLIO SIZE

EUR [•]

REGULATORY CAPITAL
ALLOCATED TO THE TARGET
SECURITISED PORTFOLIO

EUR [•]

CURRENCY OF THE
SECURITISED PORTFOLIO

TARGET SECURITISED
PORTFOLIO INTERNAL WAPD

[•]%

(FI's internal model)

TARGET SECURITISED
PORTFOLIO INTERNAL
WALGD

[•]%

(FI's internal model)

TARGET SECURITISED
PORTFOLIO INTERNAL WAL
(FI'S INTERNAL MODEL)

[•] years

TARGET ATTACHMENT

[•]%

TARGET DETACHMENT

[•]%

TARGET TRANCHE SIZE

EUR [•]

EXPECTED CAPITAL RELEASE
FOLLOWING THE
SECURITISATION (AS % OF
THE REGULATORY CAPITAL
ALLOCATED TO THE TARGET
SECURITISED PORTFOLIO)

[•]%

AMORTISATION

FULL SEQUENTIAL

PRO-RATA AND TRIGGER TO SEQUENTIAL

	<u>EXPECTED MATURITY OF THE TRANCHE</u>	<u>[•] years</u>		
	<u>EXPECTED TIME CALL DATE</u>			
	<u>CAPACITY OF ORIGINATION OF NEW PORTFOLIO WITHIN 18 MONTHS PERIOD</u> <u>[] IN EUR</u>	<u>EUR [•]</u>		
	<u>BREACKDOWN BY JURISDICTION OF FINAL RECIPIENT</u>	<u>COUNTRY 1</u>	<u>[•]% OF THE GUARANTEED VOLUME FOR EACH</u>	<u>PROPOSED PORTFOLIO COUNTRY</u>
		<u>COUNTRY 2</u>	<u>[•]% OF THE GUARANTEED VOLUME FOR EACH</u>	<u>PROPOSED PORTFOLIO COUNTRY</u>
		<u>COUNTRY N</u>	<u>[•]% OF THE GUARANTEED VOLUME FOR EACH</u>	<u>PROPOSED PORTFOLIO COUNTRY</u>
	<u>BREAKDOWN BY CURRENCY</u>	<input type="checkbox"/> <u>EUR</u>	<u>[•]% OF THE GUARANTEED VOLUME</u>	<u>PROPOSED PORTFOLIO</u>
		<input type="checkbox"/> <u>JURISDICTION LOCAL CURRENCY (IF RELEVANT)</u>	<u>[•]% OF THE GUARANTEED VOLUME</u>	<u>PROPOSED PORTFOLIO</u>
		<input type="checkbox"/> <u>CURRENCY 1</u>	<u>[•]% OF THE GUARANTEED VOLUME</u>	<u>PROPOSED PORTFOLIO</u>
		<input type="checkbox"/> <u>CURRENCY 2</u>	<u>[•]% OF THE GUARANTEED VOLUME</u>	<u>PROPOSED PORTFOLIO</u>
	<p>Footnote (10) included: <u>Financial Intermediaries which do not allocate Regulatory Capital to the Securitised Portfolio may indicate the Economic Capital, qualifying the amount reported in the relevant field as “ECAP”.</u></p> <p>Footnote (11) included: <u>Reference here is to an additional portfolio in line with the eligibility criteria set forth under the product term-sheet, the requirements of the minimum RW increase and the outcome of the capital release test.</u></p>			
<p>Annex Ib, Expression of Interest, page 11</p>	<p>E-mail address for EGF Synthetic Securitisation included to Appendix 3:</p> <p>“The Applicants that have successfully completed a selection process during the last 12 months in the context of an EIF programme are invited to inquire in writing with EIF at the email EGF_Portfolio_Guarantees@eif.org or EGF_Securitisation@eif.org, as applicable, on whether the document under point (3) above is required to be re-submitted during the selection process, provided that no changes have occurred since last submission of such information.”</p>			

<p>Annex Ib, Expression of Interest, page 12</p>	<p>Appendix 4 on EIF Transparency Policy amended:</p> <p>EIF Transparency Policy</p> <p>Within the framework of the EIF’s Transparency Policy (the “EIF Transparency Policy”), EIF is committed to the guiding principle of promoting transparency with respect to its operational and institutional activities.</p> <p>Pursuant to this guiding principle, and in accordance with the EIB Group approach and undertakings to promote transparency and good administrative practice, EIF has adopted the practice of publishing the minutes of the Board of Directors (“Board minutes”) on its website, following their approval and signature<u>may publish information relating to the approval of relevant operations by the EIF.</u></p> <p>The published Board minutes<u>information</u> only indicate<u>indicates</u> those operations presented for decision which have been approved and, as a general rule, contain a summary indicating the project name, the nature of the operation, the geographical focus and the relevant EIF-managed resources.</p> <p>The EIF Transparency Policy also recognises the need for EIF to balance transparency with confidentiality undertakings and the protection of commercially sensitive or personal data, with a view to EIF satisfying its legal obligations to, and maintaining the confidence and trust of, its business partners, investors and third parties.</p> <p>Consequently, should an Application receive the relevant EIF internal authorisation for submission to EIF’s Board of Directors and be approved by the Board thereafter<u>approval</u>, and should an applicant deem that the publication of such a summary would expose sensitive or confidential information, for which there would be a compelling reason not to disclose, the Applicant shall make a declaration to that effect in the submission of the Expression of Interest resulting in the information in question <u>not</u> being edited out of the published Board minutes and, subject to any applicable confidentiality undertakings, only being made public in connection with the signature of the operation in question.</p> <p>If EIF has not received such declaration confirming that an applicant does not agree to the publication of the aforementioned operational overview in the Board minutes, EIF will consider that publication is acceptable to the Applicant, if applicable, and will proceed with publication on EIF’s website as indicated above.</p>
<p>Annex XI Guarantee Products Due Diligence Informatio n Requireme nts, page 1</p>	<p>Section 1.2.1 under 1.2. “Activity with Final Recipients” amended as follows:</p> <p>“...For Financial Intermediaries applying for a Counter-Guarantee <u>under the Capped Guarantee product and/or the Uncapped Guarantee product</u>, such description shall cover the selection...”</p>
<p>Annex XI Guarantee Products Due Diligence</p>	<p>Section “3. Operating Principles (with Respect to Activity with Final Recipients)” amended as follows:</p> <p>The<u>For Capped and Uncapped Guarantees only, the</u> operating principles (3.1.-3.2.) shall also include differences with respect to subordinated debt, if applicable).</p>

<p><i>Information Requirements, page 2</i></p>	<p>Point 3.1.5 amended as follows:</p> <p>Work-out / recovery procedures (steps taken, departments involved, indication whether recovery process is dealt with in-house or is outsourced, length of recovery procedures). In case of guarantors: <u>(for Capped and Uncapped Guarantees only)</u>: description of the principles of sharing recoveries with Sub-Intermediaries, process and operating modalities.</p> <p>Footnote (3) included: <u>The EIF may provide to the Financial Intermediary, on a case by case basis, a due diligence agenda.</u></p>
<p><i>Annex XI Guarantee Products Due Diligence Information Requirements, page 4</i></p>	<p>Section “5. Implementation Measures” amended and moved to section “4. Implementation Measures” as follows:</p> <p><u>4. IMPLEMENTATION MEASURES</u></p> <p><u>4.1.</u> Overall implementation strategy, marketing and publicity strategy, description of <u>product types (existing or newly created)</u>, indication of the nature, <u>type of activities and lead time expected for preparation of the rollout, envisaged procedures for origination and allocation of new Guaranteed Transactions to the Portfolio (in the case of the Capped Guarantee Instrument and the Uncapped Guarantee Instrument) or the Additional Portfolio (in the case of the Synthetic Securitisation Instrument).</u></p> <p><u>4.2.</u> With respect to the Capped Guarantee Instrument and the Uncapped Guarantee Instrument only:</p> <p><u>4.2.1.</u> Proposed Agreed Portfolio Volume (size of the Portfolio) to be originated during the Inclusion Period.</p> <p><u>4.2.2.</u> On the basis of the proposed Volume, estimated principal amounts of Guaranteed Transactions to be originated in each quarter of the Inclusion Period, split between different types of Final Recipients.</p> <p><u>4.2.3.</u> The determination of the Transfer of Benefit.</p> <p><u>4.2.4.</u> Expected average collateralisation levels for transactions to be included in the Portfolio (separately for different types of Final Recipients and separately for senior and/or subordinated debt, as applicable), or, if available, the expected LGD level of the Transaction to be included in the Portfolio.</p>
	<p>A new section “5. Information Requirements for the Capped Guarantee Instrument and the Uncapped Guarantee Instrument” is introduced to distinguish the requirements for the capped/uncapped guarantee and the synthetic securitisation instruments.</p>
<p><i>Annex XI Guarantee Products Due Diligence Information Requirements, pages 8-9</i></p>	<p><u>6. INFORMATION REQUIREMENTS FOR THE SYNTHETIC SECURITISATION INSTRUMENT</u></p> <p><u>6.1 PORTFOLIO DATA AND PERFORMANCE</u></p> <p><u>The EIF will provide to the Financial Intermediary a standardized information data template to support the data gathering on the historical origination volumes and the performance track record. The data required include, inter alia:</u></p>

- a) the rating master scale with the respective minimum, maximum and median probability of default (PD) per rating class);
- b) the latest back-testing information on the PD model evidencing the actual versus modelled PD and the evolution of the explanatory power of such model (e.g. Gini score) over the last 3 years;
- c) annual default frequencies per rating class for the last 3 years the latest back-testing information on the LGD model evidencing the actual versus modelled LGD;
- d) aggregate defaulted amount for each year following origination, i.e. aggregate outstanding principal amount at the time of default for the Transactions belonging to the same vintage (i.e. granted during the same year) that defaulted in each year after their origination date;
- e) historical origination volumes and related risk-weights for a portfolio of loan instruments which the financial intermediary originated between 1 January 2017 and 31 December 2019 and which – at the time of their origination – had similar characteristics of the expected Additional Portfolio in terms of segments and products.

6.2 ADDITIONAL DETAILS FOR EGF SECURITISATION TRANSACTIONS ONLY

6.2.1 Proposed structure of the securitisation transaction, including at least and as applicable:

- 6.2.1.1 the type of securitisation transaction;
- 6.2.1.2 the indicative capital structure and provisional subordination levels and risk mitigation techniques such as reserve fund(s), set-off risk reserves, liquidity lines, swap agreements, excess spread trapping etc.;
- 6.2.1.3 detail waterfalls and amortisation mechanism;
- 6.2.1.4 loss allocation mechanisms (i.e. settlement mechanism for synthetic transactions);
- 6.2.1.5 any contemplated trigger events ~~(i.e. Replenishment, PDL, etc.);~~;
- 6.2.1.6 form of implementation of the FI Risk Retention;
- ~~I. information on the Issuer, if applicable (e.g. jurisdiction of incorporation, dedicated Issuer or multi-issuing vehicle);~~
- 6.2.1.7 eligibility criteria for the Existing Portfolio ~~and the for the replenishment, if applicable;~~
- 6.2.1.8 Call options;
- 6.2.1.9 Main parties expected to be involved in the EGF Transaction (e.g. calculation agent, swap counterparty, servicer, back-up servicer, if any, rating agency, if relevant);
- ~~II. Tranches Market Price indication, in accordance with any evidence put forward by the Applicant;~~
- 6.2.1.10 Investors' participation, if any, in the transaction

	<p>6.2.2 Proposed Securitised Portfolio amount and description of each underlying product type.</p> <p><u>6.2.3 Proposed Securitised Portfolio composition and credit quality</u>, in a loan-by-loan database which, where possible, is to be substantially in the format of the decoded European Data Warehouse loan;</p> <p><u>Loan by loan data provided in accordance with the standardized information data template under 6.1</u>, including amongst other things:</p> <ul style="list-style-type: none"> 6.2.3.1 Rating class (e.g. internal scoring/ rating) and associated internal probability of default (if available); 6.2.3.2 Loss Given Default (LGD); 6.2.3.3 Internal client segments; 6.2.3.4 Industry (using NACE Rev.2 Division Level, i.e. one letter followed by two digits); 6.2.3.5 Type of borrowers (autonomous, SMEs, start-ups and micro enterprises) (if available); 6.2.3.6 Start date and maturity date of the underlying SME financing; 6.2.3.7 Purpose of finance (investments or working capital (or other breakdown, please specify)); 6.2.3.8 Details of the guarantees and/or collateral applicable to each loan; 6.2.3.9 Details of collateral and if real estate: asset type, LTV, location, valuation, valuation date; 6.2.3.10 Number of employees and turnover by obligor; <u>6.2.3.11 Identifier of the Parent Group of the obligor;</u> <u>6.2.3.12 Region (using NUTS code)</u> <u>6.2.3.13 Payment holiday status (Moratoria)</u> <u>6.2.3.14 Re-financing status</u>



Indicative terms and conditions for the Securitisation Instrument under Pan-European Guarantee Fund in response to COVID-19
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Important Disclaimer

This summary term sheet is for information purposes only. This document is an outline of the principal terms and conditions for the product described herein, which are non-exhaustive and subject to change.

This document is intended to provide a basis for discussions and does not constitute a recommendation, a solicitation, an offer or a binding commitment – either implicit or explicit – on the part of the European Investment Fund (“EIF” or the “Relevant Entity”) and/or or any other person to enter into one or more transaction(s). Any finance commitment by the Relevant Entity can only be made, inter alia, after appropriate approval, conclusion of legal due diligence and finalisation of the required legal documentation. The Relevant Entity does not act as adviser to you or owe you any fiduciary duty. The Relevant Entity does not make any representations or warranties (whether explicitly or implicitly) with respect to the information contained in this document.

Indicative Terms and conditions	
General Terms	
Policy Objective	<p>The outbreak of COVID-19 is currently affecting EU supply chains and straining solvency of SMEs and mid-caps from every industry with an economic outlook bound to deteriorate further. EU-based financial intermediaries face constraints in providing funding to businesses operating in this economic environment due to the increased risk they represent as a result of the temporary lockdown measures; these constraints, and resulting lack of credit provision, further heighten the risk of enterprises failing.</p> <p>The Securitisation Instrument aims to improve access to finance for enterprises through capital relief and loss protection for existing portfolios of eligible transactions.</p>
Participating Member States	<p>Means the EU Member States that have individually entered into a contribution agreement with the EIB as required to formalise their adherence to EGF. Please refer to the following link for the list of Participating Member States (Annex XI).</p>

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<p>Indicative Structure (Mezzanine Coverage)</p>	
<p>Guarantor</p>	<p>The European Investment Fund (EIF).</p>
<p>Financial Intermediary</p>	<p>Commercial banks, financial institutions, leasing companies, special-purpose vehicles, private credit funds, alternative lenders, crowd lenders and micro-finance institutions¹ duly authorised to carry out lending or leasing activities according to the applicable legislation, established or operating in a Participating Member State. The Financial Intermediary (“FI”) may receive the EGF guarantee on an existing portfolio and build the additional portfolio through different entities, provided that all such additional institutions are within the scope of consolidation (pursuant to the Capital Requirement Regulation) of the Financial Intermediary.</p>
<p>Guaranteed Tranche</p>	<p>Either Mezzanine or a Junior tranche of an existing portfolio. The Junior Tranche cannot exceed 20% of the structure. The EGF Securitisation Instrument does not foresee combination of Junior Tranche coverage and Mezzanine Tranche coverage for the same Reference Portfolio.</p>
<p>Guarantee Agreement</p>	<p>Irrevocable and unconditional, unfunded and uncollateralised financial guarantee on the Guaranteed Tranche between the Guarantor and the Financial Intermediary.</p> <p>The financial guarantee providing credit protection will be fronted by EIF and backed by a back-to-back arrangement by EIB in favour of EIF, supported by EGF resources.</p> <p>In consideration of EIF/ EIB entering into the transaction, the Financial Intermediary will undertake to provide new financing to SMEs under the terms as specified in the EIB retrocession and undertakings agreement.</p>
<p>Legal Maturity Date</p>	<p>Indicatively 2 years following the longest loan maturity date as per the eligibility criteria, and in any event not beyond 31-Dec-2037.</p>
<p>Calculation Period</p>	<p>Quarterly (or any different calculation period frequency, as agreed on a case by case basis); calculation fully delegated to the FI.</p>
<p>Reference Portfolio (Securitized Portfolio)</p>	
<p>Reference Portfolio</p>	<p>Term loans, leasing contracts and credit facilities granted to SMEs, Small Mid-Caps and Mid-Caps; auto loans or consumer loans, if eligible under the EGF mandate.</p> <p>The Reference Portfolio will have to meet number of EGF mandate specific eligibility criteria and restrictions as further specified in the financial guarantee.</p>

¹ National promotional banks and institutions are not considered as eligible financial intermediaries for the EGF synthetic securitisation product.

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	The Risk Weighted Assets of the securitised portfolio (before taking into account the guarantee) shall not exceed the higher of: <ul style="list-style-type: none"> (i) 15% of the Risk Weighted Assets of the Financial Intermediary, measured at the time of the transaction appraisal; (ii) The lower of EUR 250 million of nominal amount and 20% of the Risk Weighted Assets of the Financial Intermediary, and in any case shall not be higher than EUR 1,250 million. The RWA limit applies at the level of the Financial Intermediary.
Servicer/Calculation Agent	The Financial Intermediary
Verification Agent	Internationally recognized audit firm to verify, amongst others, the occurrence of all Credit Events and determination of Initial and Realised Losses at least once a year.
Amortisation Amount	On each Payment Date, the sum of: <ul style="list-style-type: none"> - The principal amortisation of the Reference Portfolio; and - The Reference Obligation Recovery Amounts of the Defaulted Reference Obligations collected by the Servicer during the immediately previous Calculation Period.
Priority of Payments	The structure may amortise on a pro-rata basis (with triggers to switch to sequential) or on a sequential basis.
Stop Pro-rata Trigger	In case of pro-rata amortisation profile, the Priority of Payments may switch to fully sequential once, (e.g.): <ul style="list-style-type: none"> (i) After [•] months from the Signing Date; or (ii) When the Cumulative Losses are equal or higher than [•]% of the Aggregate Initial Reference Portfolio Amount. <p>The switch to full sequential is irreversible. Other triggers can be also considered. For STS synthetic securitisation the Stop Pro-rata Trigger may need to be adjusted.</p>
Replenishment	Not available
Reference Obligation	Each debt instrument (i.e. loan, leasing contract or credit line) included in the Reference Portfolio if it meets all EGF mandate eligibility criteria.
Performing Reference Portfolio	On each Payment Date, the aggregated outstanding amount of the Reference Portfolio excluding any Defaulted Reference Obligations.
Defaulted Reference Obligation	On each Payment Date, a Reference Obligation in relation to which a Credit Event has occurred.
Settlement	
Credit Events	<ul style="list-style-type: none"> (i) Failure to Pay ≥ 90dpd; (ii) Bankruptcy of the reference obligor; (iii) Restructuring (iv) Other events that generate a loss under the provisions of the relevant jurisdiction could potentially be included. For the avoidance of doubt this is subject to an specific credit risk analysis.
Credit and Collection Policies	Means the origination, risk, credit, collections, loan servicing and accounting policies and procedures of the Financial Intermediary from time to time as applied on a consistent basis without regard to this Guarantee across the Financial Intermediary's loan book.
Initial Loss	In respect of a Defaulted Reference Obligation, the higher of a) product of (i) the Defaulted Reference Obligation Outstanding Amount as determined upon the

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	Credit Event of such Reference Obligation, and ii) [a % based on the regulatory LGD of the Defaulted Reference Obligation right before becoming a Defaulted Reference Obligation] and b) the specific provisions allocated by the Financial Intermediary in respect on that particular Reference Obligation and according to its Credit and Collection Policies and accounting standards.
Final Loss	<p>At the end of Reference Obligation Recovery End Date in respect of a Defaulted Reference Obligation, the Financial Intermediary shall calculate an amount (the "Final Loss") in respect of the relevant Defaulted Reference Obligation, which shall be equal to:</p> <p>(a) the Realised Loss of the relevant Defaulted Reference Obligation; minus (b) the Initial Loss of the relevant Defaulted Reference Obligation.</p> <p>For the avoidance of doubt, such amount can be positive or negative.</p>
Realised Loss	Generally, in respect of a Defaulted Reference Obligation, the loss recorded in the accounts of the Financial Intermediary (without taking into account this Guarantee) after completion or waiver by the Financial Intermediary of its Recovery Procedures in accordance with the Credit and Collection Policies and recorded in accordance with its standard applicable accounting procedures, taking into account all Recoveries in respect of such Defaulted Reference Obligation.
Allocation of Losses	<p>On each Payment Date, any loss will be allocated as follows:</p> <ol style="list-style-type: none"> 1. To reduce the Junior Tranche until it is reduced to zero (the "Losses allocated to the Junior Tranche"); 2. To reduce the Mezzanine Tranche until it is reduced to zero (the "Losses allocated to the Mezzanine Tranche"); 3. To reduce the Senior Tranche until it is reduced to zero (the "Losses allocated to the Senior Tranche"). <p>and any reduction in losses will be allocated as follows:</p> <ol style="list-style-type: none"> 1. To increase the Senior Tranche up to the sum of Losses allocated to the Senior Tranche in respect of the previous Calculation Periods; 2. To increase the Mezzanine Tranche up to the sum of Losses allocated to the Mezzanine Tranche in respect of the previous Calculation Periods; 3. To increase the Junior Tranche up to the sum of Losses allocated to the Junior Tranche in respect of the previous Calculation Periods.
Reference Obligation Recovery Amount	Generally, with respect to a Defaulted Reference Obligation, all the amounts paid to or received by the Financial Intermediary in respect of such Defaulted Reference Obligation until the relevant Reference Obligation Recovery End Date (including, but not limited to, any proceeds of realisation of any security held by the Financial Intermediary in respect of such Defaulted Reference Obligation or any recovery under any guarantee or indemnity). For the avoidance of doubt, for each Defaulted Reference Obligation, the recoveries shall be an amount equal to the Reference Obligation Notional Amount of such Defaulted Reference Obligation as of the date of which the Credit Event occurred minus the Realised Loss.
Reference Obligation Recovery End Date	In respect of a Defaulted Reference Obligation, the earlier of:

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	(i) the date on which the Bank determines, in accordance with its Credit and Collection Policies, the completion or waiver of the recovery procedures from such Defaulted Reference Obligation; and (ii) the Legal Maturity Date.
Payment, Fees and Early Terminations	
Guarantee Fee	Defined based on, <i>inter alia</i> , the risk profile of the Guaranteed Tranche, calculated on the Guaranteed Tranche Outstanding Amount at the beginning of the Calculation Period payable to the Guarantor on each corresponding Payment Date. For avoidance of any doubt, for the first Guarantee Fee payment the day count fraction starts at the effective date of the Guarantee Agreement.
Guarantee Payments	On each Payment Date, the Guarantor will pay to the Financial Intermediary any loss allocated to the Guaranteed Tranche.
Guarantee Reinstatements	On each Payment Date, the Financial Intermediary will pay to the Guarantor any reduction of losses allocated to the Guaranteed Tranche.
Miscellaneous	
Cap on Loss	Cap on each loan equal to the notional outstanding amount of the Reference Obligation right before becoming a Defaulted Reference Obligation; A total cap on losses applies, equal to the size at any time of the Guaranteed Tranche.
Compliance and Sanctions Related Wording	All customary Sanctions/AML/KYC/Compliance related undertakings, which need to be in compliance with EIB Group policies.
No subrogation	The Guarantor shall not be in any case subrogated into the rights of the Financial Intermediary against the defaulting borrowers of the portfolio.
Risk Retention	In line with securitisation regulation
Documentation	Financial Guarantee will reflect a number of specific EGF mandate requirements both relating to the Financial Intermediary and Reference Obligations/Reference Entities.
Additional Portfolio	
General characteristics	The FI will commit to originate a new portfolio (the "Additional Portfolio") of financing to SMEs ("Final Recipients") in Participating Member States equal to a multiple of the EGF guaranteed amount under the securitisation at the signature of the Guarantee Agreement. The Additional Portfolio will be defined, <i>inter alia</i> , taking into account the capital released as a result of the FI entering into the Guarantee Agreement, the target weighted-average life of the Additional Portfolio, the level of Retrocession allowing for a minimum of 15bps of ToFA ² , the capacity of the FI to provide eligible new lending volume within the Allocation Period. The Additional Portfolio will have to be originated within then 18 months following the signature of the transaction (the "Allocation Period"); however, loans originated up to 6 months prior to signature of the Guarantee Agreement (and in any event not before 16 th August 2021) will also be allowed to count against the Additional Portfolio target, provided they meet the Eligibility Criteria and that the Originator has amended the original agreement governing the loan instrument by incorporating certain clauses or supplement it with a separate agreement or a side letter.

² See section on Retrocession and ToFA

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	Each loan of the Additional Portfolio will have to be originated at a discount vs. a loan displaying comparable characteristics but which is not included in the Additional Portfolio.
Eligibility Criteria	<p>(i) Final Recipients are SMEs;</p> <p>(ii) Final Recipients do not engage in EIB Excluded Activities;</p> <p>(iii) Exposures included in the Additional Portfolio should not receive any other State aid support (e.g., benefitting from guarantees in the context of the Temporary Framework).</p> <p>Certain restrictions relating to the Paris Alignment principles will apply, as modified from time to time according to the EIB Group policies.</p> <p>Further Eligibility Criteria will be specified in the side letter.</p>
Contractual Clauses	The Guarantee Agreement will be signed between the Financial Intermediary and the EIF. The Retrocession and Undertakings Agreement will be signed between the Financial Intermediary and the EIB.
Retrocession & ToFA	<p>During the life of the securitisation transaction, EIB will pay to the FI, on a quarterly basis, a retrocession amount, with the purpose of supporting Final Recipients through a Transfer of Financial Advantage ("ToFA"). The Retrocession payments are set depending on the characteristics of the transaction, but are capped in any case at 200bps per annum, as calculated on the outstanding amount of the Guaranteed Tranche.</p> <ul style="list-style-type: none"> - For Mezzanine tranches the Retrocession needs to be fully passed on to Final Recipients in the form of ToFA. - For Junior / FLP tranches a small part of the Retrocession can be retained. <p><i>ToFA</i> The amount of ToFA should be at least 15bps per sub-loan of interest rate reduction.</p> <p><i>Retrocession conditions</i> The Retrocession should be linked to (i) the guarantee fee being received by EIB, (ii) the allocation progress compared to the total Additional Portfolio Requirement and (iii) the Financial Intermediary's compliance with the Retrocession and Undertakings Agreement. Failure to properly allocate or comply with the contractual undertakings should allow for a (part) stop or claw-back of retrocession.</p> <p>The Retrocession will be paid based on the Additional Portfolio build-up compared to pre-defined quarterly milestones. The Retrocession will be paid pro-rata to the percentage having reached the quarterly milestone. Such milestones will be defined during the appraisal in discussion with the Financial Intermediary to reflect a reasonable implementation progress. A linear increase can be applied, but also consideration can be applied to start-up of the new lending program in the first quarters.</p> <p><i>Partial Stop of Retrocession</i> The retrocession would reduce as a result of delays and failure in origination of the Additional Portfolio and certain contractual undertakings related to compliance of sub-loans in the Additional Portfolio with the eligibility criteria, namely:</p>

	<p>(i) actual volume of the Additional Portfolio versus the quarterly set milestone;</p> <p>(ii) in case that the level of interest rate reduction is not compliant with the interest rate reduction requirements as set out in the retrocession agreement;</p> <p>(iii) actual WAL versus the target WAL of the Additional Portfolio;</p> <p>(iv) actual risk profile versus the target risk profile of the Additional Portfolio. The retrocession would reduce as a result of delays and failure in origination of the Additional Portfolio. The amount of reduction will be proportional to the shortfall in origination compared to the quarterly set milestone.</p> <p><i>Full Stop of Retrocession</i> The retrocession can be stopped in full as a result of, for example, and as more precisely set out in the retrocession agreement:</p> <ul style="list-style-type: none"> - Breach by the financial intermediary of any of its obligations under the retrocession agreement. - Failure of the financial intermediary to have passed on the interest rate reduction on the loans to final recipients, in case of grave violations of the conditions by the financial intermediary and subject to EIB's discretion. - Failure of the financial intermediary to have disbursed the relevant part of the new transactions target amount to the relevant final recipient within the timeframe set forth in the retrocession agreement. - Change of Law that renders unlawful for the financial intermediary to perform any of its obligations under the guarantee agreement or the guarantee agreement fails to become effective in accordance with its terms. - An Insolvency Event. - A Change of Law Event. - A Change of Control Event. - A Material Adverse Change effect. - Any representation, warranty or statement made or deemed to be made by the Financial Intermediary is incorrect, incomplete or misleading in any material respect. - Termination, expiry, invalidity or unenforceability of the guarantee for any reason other than the non-payment of guarantee fee. <p><i>Clawback of Retrocession</i> At the end of the Allocation Period, the Financial Intermediary would need to return part of the retrocession received from the EIB if it failed to reach the targets in terms of WAL, passing-on of the retrocession and riskiness by the end of the allocation period (retrocession clawback). The clawback percentage will be calculated in accordance with the following formula:</p> <p>$1 - [(compliance\ in\ \% \ of\ KPI1) * (compliance\ in\ \% \ of\ KPI2) * (compliance\ in\ \% \ of\ KPI3)]$</p>
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	<p>Where:</p> <ul style="list-style-type: none"> - KPI1 is the target WAL of the Additional Portfolio - KPI2 is the target riskiness of the Additional Portfolio - KPI3 is the target amount of aggregate amount of retrocession that should be passed on to the Final Recipients <p>No offsetting between KPI1, KPI2 and KPI3 is allowed.</p> <table border="1"> <thead> <tr> <th>EGF Safeguard</th> <th>Frequency of compliance verification</th> <th>Sanction in case of breach</th> </tr> </thead> <tbody> <tr> <td>Higher riskiness of Additional Portfolio</td> <td>End of Allocation Period</td> <td>Clawback of retrocession in accordance with pre-set formula</td> </tr> <tr> <td>Granting of minimum interest rate discount of 15 bps</td> <td>Quarterly</td> <td>Removal of such loans from the Additional Portfolio without a corresponding offset by other loans resulting in a reduction of retrocession in proportion to the shortfall vis-à-vis the cumulative quarterly allocation target.</td> </tr> <tr> <td>Full pass-on of the (non-retained part of) retrocession</td> <td>End of Allocation Period</td> <td>Clawback of retrocession in accordance with the pre-set formula</td> </tr> <tr> <td>Reaching of target WAL of Additional Portfolio</td> <td>End of Allocation Period</td> <td>Clawback of retrocession in accordance with pre-set formula</td> </tr> <tr> <td>Reaching of target leverage</td> <td>Quarterly and End of Allocation Period</td> <td>Proportionate reduction of retrocession and Clawback of retrocession in accordance with pre-set formula</td> </tr> <tr> <td>Volume of the Additional Portfolio</td> <td>Quarterly</td> <td>Reduction of retrocession in proportion to the shortfall vis-à-vis the cumulative quarterly allocation target</td> </tr> </tbody> </table>	EGF Safeguard	Frequency of compliance verification	Sanction in case of breach	Higher riskiness of Additional Portfolio	End of Allocation Period	Clawback of retrocession in accordance with pre-set formula	Granting of minimum interest rate discount of 15 bps	Quarterly	Removal of such loans from the Additional Portfolio without a corresponding offset by other loans resulting in a reduction of retrocession in proportion to the shortfall vis-à-vis the cumulative quarterly allocation target.	Full pass-on of the (non-retained part of) retrocession	End of Allocation Period	Clawback of retrocession in accordance with the pre-set formula	Reaching of target WAL of Additional Portfolio	End of Allocation Period	Clawback of retrocession in accordance with pre-set formula	Reaching of target leverage	Quarterly and End of Allocation Period	Proportionate reduction of retrocession and Clawback of retrocession in accordance with pre-set formula	Volume of the Additional Portfolio	Quarterly	Reduction of retrocession in proportion to the shortfall vis-à-vis the cumulative quarterly allocation target
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Volume of the Additional Portfolio	Quarterly	Reduction of retrocession in proportion to the shortfall vis-à-vis the cumulative quarterly allocation target																				
Final Recipient	A natural or legal person which has entered into a Final Recipient Transaction.																					
SME	A micro, small or medium-sized enterprise as defined in the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (2003/361/EC) ("Commission Recommendation") as amended from time to time.																					
Small Mid-Cap	Small Mid-Cap Means an entity with fewer than 500 full-time equivalent employees that is not an SME.																					
Mid-Cap	Mid-Cap Means an entity with fewer than 3000 full-time equivalent employees that is not a SME, nor a Small Mid-Cap.																					
Restricted Sectors	The Final Recipients shall not engage in the EIB Excluded Activities. The EIBG will disclose with the Financial Intermediaries the list of restricted sectors as part of a side letter.																					

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<p>Reporting</p>	<p>Ongoing monitoring of the progress of the Additional Portfolio will be ensured through submission of regular reports from the Financial Intermediary to the EIB Group indicating the progress of allocations (measured against the cumulative build-up target of the quarter). More specifically, the Financial Intermediary would need to prepare and submit on a quarterly basis (or on a more frequent basis, as agreed on a case by case basis) the Allocation Report. The full Additional Portfolio will be reported on a line-by-line basis. The Allocation Report would at a minimum include, among others, the following information about the loans of the Additional Portfolio³:</p> <ul style="list-style-type: none"> - Final Recipient Name - Final Recipient Country - Number of employees - NACE code of the Final Recipient (SME) - Final Recipient Region (NUTS2) - Final Recipient National Identifier Number - Final Recipient National Identifier Number Type - Loan Amount (including currency if non-EUR) - Exchange Rate - Loan Signature Date - Term of the Loan - Interest Rate Reduction (in bps and at least 15 bps) - Confirmation that the final recipient has been informed. - Risk weight of the loan - WAL of the loan - Expected loss of the loans (for standardized banks, if applicable) - Compliance with SME definition - Secured/Unsecured <p>At the end of the allocation period, the Financial Intermediary would need to report on (i) the riskiness of the New Portfolio, as calculated by reference to either RWA or EL, (ii) the WAL of the New Portfolio, (iii) the capital redeployed, and (iv) the share of retrocession passed through to Final Recipient. Relevant information and confirmation will be need to be provided to check the compliance with (i) the EGF Additional Portfolio riskiness requirement, (ii) the EGF capital redeployment requirement and (iii) the EGF Retrocession pass-through requirement.</p>
<p>Compliance with Laws</p>	<p>The Financial Intermediary shall comply in all respects with all applicable laws and regulations (whether national laws and regulations or laws and regulations of the European Union) to which it may be subject.</p> <p>The Financial Intermediary shall include in the documentation evidencing the Final Recipient Transaction and, with respect to Counter-Guarantee Agreements, shall procure that each Financial Sub-Intermediary includes the documentation evidencing the Final Recipient Transaction (as relevant):</p> <ul style="list-style-type: none"> - undertakings from the Final Recipients equivalent to that described above; and

³ Other elements to be either reported on line-by-line or at end of allocation period to be reported by the Financial Intermediary include: (i) Riskiness of each loan in the Additional Portfolio as expressed by reference to either EL or RW at loan origination, (ii) Amortisation type / WAL and (iii) Secured/Unsecured

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	<ul style="list-style-type: none"> - any representations, warranties and undertakings from the Final Recipients necessary for the purpose of ensuring that each Final Recipient Transaction included in the Additional Portfolio shall comply at any relevant time with the Eligibility Criteria.
Other provisions	<p>The Guarantee Agreement and/or the side letter, as applicable, will include, among others, provisions related to:</p> <ul style="list-style-type: none"> - the visibility of the EGF support to the Additional Portfolio; - monitoring and audit rights for any EU or national institution or body which is entitled - to verify the use of the Guarantee in the context of the EGF Programme; - Publication on the EIB and/or EIF website of information on the Financial Intermediary, the Guarantee Agreement, the Final Recipients of the Additional Portfolio; - Record keeping of the documentation related to the implementation of the Guarantee Agreement for the period specified in the Guarantee Agreement.