



To:

European Investment Fund
Creative and Cultural Sectors Guarantee Facility
EU Guarantee Facilities Division
37B, avenue J.F. Kennedy
L - 2968 Luxembourg

EXPRESSION OF INTEREST

For the (Counter-)Guarantee in the context of the Cultural and Creative Sectors Guarantee Facility

Applicant submitting the Expression of Interest:

_____, _____
(company name,
registration number)

Dear Sir or Madam,

Herewith we are submitting our Expression of Interest on behalf of [Applicant], (the “Applicant”) in response to the Open Call for Expression of Interest in the framework of the Facility implemented by EIF. Capitalised expressions utilised herein shall have the meaning attributed to them in the above mentioned Call for Expression of Interest.

The undersigned duly authorised to represent the Applicant, by signing this form certifies and declares that the information contained in this Expression of Interest and its Appendices is complete and correct in all its elements.

The undersigned is duly authorised to represent the Applicant, by signing this form certifies and declares to have read the EIF Anti-Fraud Policy and declares not to have made nor to make any offer of any type whatsoever from which an advantage can be derived under the (Counter-) Guarantee Agreement and not to have granted nor to grant, not to have sought nor to seek, not to have attempted nor to attempt to obtain, and not to have accepted nor to accept, any advantage, financial or in kind, to or from any party whatsoever, constituting an illegal practice or involving corruption, either directly or indirectly, as an incentive or reward relating to signing of the (Counter-)Guarantee Agreement.

Furthermore, the undersigned represents that, as at the date of this Expression of Interest:

- (1) the Applicant is not in any of the situations below:
 - a) it is bankrupt or being wound up, is having its affairs administered by the courts, in this context, is the subject of proceedings concerning those matters, or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations or has suspended business activities;
 - b) it is guilty of misrepresentation in supplying information required for selection as a Financial Intermediary; or fail to supply this information;
 - c) it is, to its knowledge, listed in the central exclusion database established under Commission Regulation 1302/2008 of 17 December 2008;

- (2) the Applicant has not been in one of the following situations during the last five (5) years from the date of signature of this form:
 - (a) it has entered into an arrangement with creditors in the context of being bankrupt or being wound up, having its affairs administered by the courts;
 - (b) it or persons having powers of representation, decision-making or control over it have been convicted :
 - (i) of an offence concerning their professional conduct by a judgement which has the force of *res judicata* which would affect their ability to implement the Facility, or
 - (ii) for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity by a judgement which has the force of *res judicata*, where such illegal activity is detrimental to the Union's financial interests;Alternatively, where such judgments exist the undersigned declares that the Applicant can demonstrate that adequate measures have been adopted against the persons having powers of representation, decision making or control over it, who are subject to these judgments;

- (3) the Applicant is established and operating in one or more of the Participating Countries;

- (4) in respect of Guarantees provided under the Facility, the Applicant is duly authorised, if applicable, to carry out financing activities to Final Recipients according to the applicable legislation; or alternatively, in the case of Counter-Guarantees provided under the Facility, the Applicant is duly authorised, if applicable, to issue guarantees according to the applicable legislation; and

- (5) the Applicant does not perform activities which are illegal according to the applicable legislation in the country of the Applicant.

Yours sincerely,

Signature(s):

Stamp of the Applicant (if applicable):

Name and position in capitals:

Applicant's name

Place:

Date (day/month/year):

Appendices

Appendix 1 Applicant Identification

Appendix 2 Information Requirements

Appendix 1 to the Expression of Interest

APPLICANT IDENTIFICATION

INFORMATION REQUIRED	
APPLYING FOR:	<input type="checkbox"/> GUARANTEE <input type="checkbox"/> COUNTER-GUARANTEE
NAME	
LEGAL FORM	
CONTACT DETAILS	Title: Mr/Mrs/other (delete or complete as appropriate) Surname: Forename(s): Function: Address: Telephone: Email:

Appendix 2 to the Expression of Interest

MINIMUM INFORMATION REQUIREMENTS

The points below list the headings for the minimum information needed.

Please add relevant information that might have an impact on your application (specific market environment, product related, specifics regarding your institution, etc.).

A. GENERAL INFORMATION

N.B.: The information required below concerning the activity of the applicant institution and its products should be provided in respect of its activities for SMEs (according to the EU Definition following the Commission Recommendation 2003/361/EC – OJ L124, 20.05.2003, p. 36 as amended from time to time) and other micro, small or medium-sized enterprises not complying with the EU definition but exclusively because detention of shares of the SME by public bodies exceeds the limits defined in Art. 3.4 of the Annex of the Commission Recommendation 2003/361/EC (OJ L124, 20.05.2003, p. 36) (“**Small Public Enterprise**”).

Whenever possible, the information should concentrate on the Financial Intermediary’s activities for SMEs active in the Cultural and Creative Sectors as identified by the NACE codes available in Sub-Annex 1 to the Annex II to the CCS GF Open Call for Expression of Interest or otherwise complying with the Final Recipient Eligibility Criteria mentioned in the Annex II to this call for expression of interest.

Debt Financing means any type of debt financing, including subordinated loans, participating loans, convertible loans, overdrafts, leasing, revolving credit facilities or bank guarantees.

1. FINANCIAL INTERMEDIARY’S ACTIVITY

1.1. General: description of the applying institution (date of establishment, brief history, number of employees, shareholders, list of members of relevant governance bodies etc.), legal status, regulatory framework and applicable regulations, including the supervisory authority, and rating, if applicable (please add reports of rating agencies to the Application, if available).

1.2. Description and standard terms of each Debt Financing product offered to SMEs including purpose, maturity, maximum and average rate of financing (as % of investment), maximum amount, etc.

1.3. Geographical area of operation

1.4. Branch network: number, type and size of branches

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1.5. Previous experience in cooperating with international financial institutions (IFI) such as EIB, EBRD, CoEB.

2. FINANCIAL STANDING

Annual reports for the last available three years (to be annexed to the Application)

For institutions whose losses are covered in full or in part, directly or indirectly, by the State or other public entities (such as regional or local authorities), further information and statements are requested:

- State resources (budgetary resources) available for the SME related activity (guarantee or lending activity, not limited to the product proposed under the CCS GF for cover) and how it's applied (e.g. to operating expenses, loss cover, etc.)
- Planned budgetary resources for SME related activities (guarantee or lending activity, not limited to the product proposed under the EU Guarantee for cover)
- Are the budgetary resources allocated specifically to different products?
- How and when is the budget fixed?
- Are there budgetary/capacity limitations?

3. OPERATING PRINCIPLES

3.1. Credit policy: abstract of internal procedures and guidelines

3.1.1. Origination (including internal SME segmentation, if any)

3.1.2. Risk assessment procedures (internal rating / scoring system) including rating/scoring master scale(s).

3.1.3. Approval procedures

3.1.4. Delegation system

3.1.5. Collateral requirements

3.1.6. Monitoring

3.1.7. Recovery procedures (what steps are taken and when; which departments are involved)

3.2. Risk management: methods utilised for loss forecasting, provisioning and credit risk management on portfolio level

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4. DEBT FINANCING VOLUMES (over the most recent 5 year period) of SME lending (by product/purpose, maturity range, SME segment), whenever possible highlighting the activity in the CCS sectors.

4.1. Annual number and volume of finance granted.

4.2. Total number and volume of finance outstanding at year-end for the most recent 5 years.

5. POSITION IN THE MARKET

6. INTEREST RATES AND FEES

6.1. Pricing policy with regard to SME Debt Financing (by product/purpose, maturity, SME segment, risk category, etc.).

6.2. Types and Levels of Fees (including up-front fees, commitment fees etc.)

7. IT SYSTEM

7.1 Ability to comply with the Reporting requirements linked to the EU Guarantee

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B.PROPOSAL

1. PROPOSED PRODUCT TO BE COVERED UNDER THE EU GUARANTEE FOR DEBT FINANCING:

N.B.: All information required below concerning the activity of the applicant institution and its products must be provided, specifically and in detail, for:

- (a) SMEs (according to the EU Definition following the Commission Recommendation 2003/361/EC – OJ L124, 20.05.2003, p. 36 as amended from time to time); and
- (b) Small Public Enterprises: Micro, small or medium-sized enterprises not complying with the SME definition but exclusively because detention of shares of the SME by public bodies exceeds the limits defined in Art. 3.4 of the Annex of the Commission Recommendation 2003/361/EC (OJ L124, 20.05.2003, p. 36) and
- (c) Debt Financing with final maturity of at least 12 months; and
- (d) Debt Financing with a principal amount of up to EUR 2,000,000.

- Envisaged volumes with an EU Guarantee over a period of 3 years and indicative focus on which of the CCS sub-sectors; please provide the basis/assumptions for such estimate.
- The envisaged collateral policy for the new product(s) should be detailed including how it fits in the current collateral policy and the requirements under the CCS GF
- The envisaged pricing for the new product(s) should be detailed including how it fits in the current pricing policy
- Implementation strategy: externally (liaising with partners, marketing, etc.) and internally (necessary procedures, systems, etc.). Please also provide an estimate of the expected time needed to prepare for implementation

1.2. DEFAULT RATE / RECOVERY RATE (for the most recent 5 year period, if available) for SME lending, always with regard to the most comparable loan/guarantee product currently offered:

1.2.1 Non-performing loan/guarantee rates (defaulted Debt Financing /outstanding Debt Financing amount)

1.2.2. Average time lags between the granting, the payment default by the borrower and the establishment of the final loss.

1.2.3. Detailed analysis of defaults incurred and recoveries made

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- Default definition used
- Details on annual defaults (before recoveries) and recoveries
- Vintage year analysis: Net cumulative defaults and/or losses, with break-down by portfolio (year of loan granting): e.g. annual and cumulative losses incurred with regard to loans granted in the years 2011, 2012 etc.

EXAMPLE TABLES:

Default rate detail		defaults occurred after 0, 1, 2 ... years (total outstanding when defaulted)						Total default EUR
year of granting	Debt Finance granted in EUR	0	1	2	3	4	5	
Year N-6		%	%	%	%	%	%	
Year N-5		%	%	%	%	%		
Year N-4		%	%	%	%			
Year N-3		%	%	%				
Year N-2		%	%					
Year N-1		%						

Recovery rate detail		recoveries occurred after 0, 1, 2 ... years						Total recoveries in EUR
year of default	Default Amount in EUR	0	1	2	3	4	5	

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Year N-6		%	%	%	%	%	%	
Year N-5		%	%	%	%	%		
Year N-4		%	%	%	%			
Year N-3		%	%	%				
Year N-2		%	%					
Year N-1		%						

2. CAPACITY BUILDING

2.1 Under the CCS GF, Financial Intermediaries are required to declare, at the time of the submission of their application, whether they would like to participate in the offered capacity building support.

The decision of the Financial Intermediaries whether or not to opt in to capacity building is neither a necessary nor a sufficient condition to be selected.

2.2 If the Financial Intermediary opts to receive capacity building, the potential areas of focus of such support should be detailed. Financial Intermediaries will have the option to opt in or out to receive capacity at any time during the Availability Period (as defined in Annex II and III) of the Guarantee Agreement, subject to sufficient EU budget availability.

INFORMATION REQUIRED- CAPACITY BUILDING	
APPLYING FOR CAPACITY BUILDING	<input type="checkbox"/> YES <input type="checkbox"/> NOW <input type="checkbox"/> AT A LATER STAGE DURING THE AVAILABILITY PERIOD
FOCUS OF CAPACITY BUILDING (if applicable)	<i>Describe areas of focus of the Capacity Building</i> <i>Please refer to Annex IV for guidance on the general scope of Capacity Building</i>

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3. MARKETING AND PROMOTION OF EU SUPPORT:

- Please note that the Financial Intermediary will be required to promote the products offered under the CCS GF through its website, including concrete information on how/where to apply and contact points for Final Recipients and that all information and promotional material of the product must clearly point to the support provided by the CCS GF
- Please note that the Financial Intermediary will be required to explicitly inform Final Recipients that financing is made possible through the support of the Cultural and Creative Sectors Guarantee Facility with the financial backing of the European Union under the Creative Europe Programme and that such information needs to be prominently included either in the contractual documentation and/or in an accompanying cover letter and it shall be duly acknowledged by the Final Recipient.