



An Roinn Talmhaíochta,  
Bia agus Mara  
Department of Agriculture,  
Food and the Marine



**STRATEGIC BANKING CORPORATION OF IRELAND**  
**COVID-19 CREDIT GUARANTEE SCHEME**  
**OPEN CALL FOR EXPRESSION OF INTEREST**  
**(Published on 17 August 2020)**

**1. Introduction**

The Strategic Banking Corporation of Ireland (“SBCI”) is launching an Open Call for Expression of Interest (the “Call”) to identify and select On-Lenders (the “On-Lenders”) on behalf of the Minister for Business, Enterprise and Innovation (the “Minister”), to deliver the COVID-19 Credit Guarantee Scheme as described in this document. Proposals submitted to the SBCI must conform to the requirements of the Call.

If you’re interested in becoming an On-Lender for the COVID-19 Credit Guarantee Scheme, please read this Guidance Document first.

Interested Applicants should express their interest by completing and submitting an Expression of Interest as per the relevant template included at **Annex 1** to this Call and emailing it to [OpencallCCGS@sbc.gov.ie](mailto:OpencallCCGS@sbc.gov.ie)

**Closing date for receipt of Expressions of Interest for this Call is 2 September 2020 (the “Deadline Date”)**

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## 1.1 The COVID-19 Credit Guarantee Scheme

The COVID-19 pandemic has resulted in a severe disruption to economic activity. The COVID-19 Credit Guarantee Scheme is designed to incentivise finance providers to continue to support economic activity by providing credit support to businesses.

Following engagement with Department of Business, Enterprise and Innovation (“**DBEI**”) and input from the Department of Agriculture, Food and the Marine (“**DAFM**”), the €2bn COVID-19 Credit Guarantee Scheme (“**CCGS**”) was recently established to enable COVID-19 impacted SMEs and Small Mid-Caps to access finance. The CCGS will run separately to the existing Credit Guarantee Scheme initially established in 2012, but more recently amended in 2018.

In order to facilitate and ensure the rapid provision of liquidity to businesses, a portion (€640m) of the CCGS will be allocated to the existing participants in the Credit Guarantee Scheme (being Allied Irish Banks, p.l.c., Bank of Ireland and Ulster Bank). The remainder of the available amount (€1.36bn) will then be allocated following an open-call procedure to all finance providers wishing to participate.

All finance providers will be eligible to apply to participate as On-Lenders in the CCGS, with the aim of promoting competition in the credit market.

The CCGS will be available until 31 December 2020 (the “**Scheme Period**”), however the Minister may extend the Scheme Period at his discretion in the event the application of Sections 3.2 and 3.4 of the Temporary Framework<sup>1</sup> is extended beyond 31 December 2020.

## 1.2 The Strategic Banking Corporation of Ireland

The SBCI was established in September 2014 to ensure that businesses in Ireland have access to stable, lower cost and longer-term funding options and is wholly owned by the Minister for Finance. One of the primary functions of the SBCI is to promote the provision of additional credit to businesses in Ireland, in particular to SMEs, and to encourage competition in the lending market. In designing schemes, the SBCI strives to ensure the efficient use of available EU supports.

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<sup>1</sup> Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, *OJ C 91I*, 20.3.2020, p. 1–9, as last amended by Third amendment to the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, *OJ C 218*, 2.7.2020, p. 3–8.

The SBCI acts as an administrator of the existing Credit Guarantee Scheme and has been appointed by the Minister to act as an administrator of the CCGS. SBCI's role in this Open Call will be to assess and make recommendations to the Minister regarding potential participants in the CCGS.

### 1.3 Opportunity for On-Lenders

The Call for the CCGS is open, and On-Lenders active (or who intend to become active) in SME and Small Mid-Cap business lending are invited to apply, as detailed in **Section 3**.

For the purposes of this Call, an “**On-Lender**” is a financial or credit institution duly authorised to carry out lending activities according to any applicable legislation, established and operating in one or several of the EU27 countries.

The On-Lender must comply with relevant standards and applicable legislation on the prevention of money laundering, the fight against terrorism and tax fraud to which it may be subject.

The On-Lender:

- a) must not be established in a Non-Cooperating Jurisdiction<sup>2</sup>;
- b) must not meet any of the Exclusion Criteria listed in **Annex 1**;
- c) must not perform R&I activities which are related to:
  - (i) illegal activities according to the applicable legislation in the country of the On-Lender; or
  - (ii) Excluded Activities<sup>3</sup>; and
- d) must not have a substantial focus on any Restricted Sector<sup>4</sup>.

## 2. The COVID 19 Credit Guarantee Scheme Details

CCGS is being established by DBEI, with input from DAFM, and will be administrated by SBCI.

The CCGS will have a capacity of up to €2bn to facilitate the provision of Eligible Financial Products to COVID-19 impacted SMEs and Small Mid-Caps. The CCGS is targeted at businesses

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<sup>2</sup> A jurisdiction which does not co-operate with the European Union in relation to the application of the internationally agreed tax standards, or their tax practices do not follow the Commission Recommendation of 6.12.2012 regarding measures intended to encourage third countries to apply minimum standards of good governance in tax matters (C(2012)8805).

<sup>3</sup> Research activities aiming at human cloning for reproductive purposes or research activity intended to modify the genetic heritage of human beings or research activity intended to create human embryos or research activity that is prohibited in Ireland.

<sup>4</sup> Illegal economic activities, tobacco and distilled alcoholic beverages, weapons and ammunition, casinos, human cloning or genetically modified organisms or IT sectors relating to internet gambling, online casinos or pornography or which are intended to enable illegal entry of electronic data networks or illegal download of electronic data.

which have experienced a reduction in actual or projected turnover or profit by a minimum of 15% due to the impact of COVID-19 and have difficulties in accessing credit.

Eligible Financial Products (“**Loans**”) will cover a wide range of products including, but not limited to:

1. overdrafts;
2. working capital facilities;
3. term loan facilities; and
4. asset finance facilities.

CCGS will entail the grant by the Minister of a guarantee to each On-Lender to cover the credit risk of newly originated Loans included in its portfolio (up to a maximum of 80% of the principal of each loan). **Applicants will be required to provide details of the Loan type and Loan prices they would include in its portfolio as part of this Open Call application process.**

The CCGS will cover a total additional portfolio of loans of up to €2bn (the “**Maximum Portfolio Volume**”). Applicants (who are selected and assessed by SBCI and are subsequently approved by DBEI) will be invited to act as an On-Lender for CCGS and will be allocated a portion of the Maximum Portfolio Volume.

The Loans will be subject to certain eligibility criteria and rules which are summarised in **Section 2.1**.

## **2.1 Summary of Loan Details**

### **COVID 19 Credit Guarantee Scheme Features**

- Loans from €10,000 to a maximum of €1,000,000 per borrower, (subject to Loan Amount Criteria, see below for further details). The On-Lender must provide products within this range.
- A discount to the On-Lender’s normal product pricing is expected which reflects the benefit of the 80% uncapped guarantee to be granted by the Minister.
- Terms of between 3 months up to 6 years
- Amounts ≤€250,000 must be on an unsecured basis, (unless it is a requirement of the product feature e.g. asset finance, invoice discount facilities).
- Amounts >€250,000 may be secured however, a personal guarantee may only be sought in circumstances where it is required to capture supporting security, or where it is an uncollateralised personal guarantee and is limited to a maximum of 20% of the initial finance agreement amount.

- Loans to be available up to 31 December 2020, and the underlying loan documentation must be entered into by the On-Lender with the relevant borrower on or before that date (unless the Scheme Period is subsequently extended by the Minister).
- Up to 12 months interest and / or capital moratoria are possible under the Scheme.  
Such moratoria are:
  - Not mandatory;
  - At the sole discretion of the On Lender.
- The On-Lender's standard credit criteria apply to all borrowers. The Scheme will permit participating finance providers to refinance and rollover Loans e.g.: -
  - Covid related expenses that were initially funded through short term/temporary facilities such as overdrafts
  - an overdraft under the Scheme can be rolled into a term loan provided the cumulative term of both products does not exceed 6 years.

The Temporary Framework requires that all guarantees are granted by 31 December 2020, and this will prevent the restructuring of finance agreements after 31 December 2020, unless the initial finance agreement makes specific provision for such restructuring.

On-Lenders are not permitted to end existing finance agreements (including overdrafts) early or prematurely in order to artificially engineer access to CCGS.

### Risk Premium

A Risk Premium will be charged to the borrower by the On-Lender and will be paid quarterly by the On-Lender to SBCI.

The Risk Premium must be kept separate to the Loan capital and interest repayments. A Blended Premia has been set in accordance with the Temporary Framework for State Aid: -

<b>SMEs</b>	Duration of Loan	1 year	2 year	3 year	4 year	5 year	6 year
	Rate in bps	<b>0.15</b>	<b>0.26</b>	<b>0.29</b>	<b>0.50</b>	<b>0.61</b>	<b>0.68</b>

<b>Small Mid-Caps</b>	Duration Of Loan	1yr	2 year	3 year	4 year	5 year	6 year
	Rate in bps	<b>0.30</b>	<b>0.63</b>	<b>0.73</b>	<b>1.19</b>	<b>1.40</b>	<b>1.55</b>

If the Risk Premium is not paid within six months of the due date, then the On-Lender may elect to accelerate the Loan and demand repayment.

## Loan Purposes

The finance must be used for one or both of the following purposes

- (i) Working Capital;
- (ii) Investment.

As part of the finance agreement application, the SME/Small Mid-Cap will sign a declaration (which is subject to audit) that they meet the eligibility criteria and state aid rules applying. These are outlined in Sections 3.2 and 3.4 of the [Commission's SA Temporary Framework](#).

## Loans cannot be used for: -

- Financing of a Medium Enterprise or a Small Mid-Cap which was in financial difficulty as at 31 December 2019.<sup>5</sup>
- Financing of a Micro Enterprise or a Small Enterprise which as at 31 December 2019:
  - was subject to a collective insolvency procedure under its domestic law; and
  - has received rescue aid, or alternatively, if rescue aid was received, such rescue aid has not since been repaid; and
  - has received restructuring aid, or alternatively, if any restructuring aid was received, it remains subject to a restructuring arrangement.
- Refinance of existing debt unrelated to COVID-19 expenses (e.g. Terms loans/Leases/Hire Purchase/ etc.).
- Finance of specific export operations, or finance contingent upon the use of domestic over imported products, the purpose should not apply to financing the establishment and operation of a distribution network in other States, or current expenditure linked to the export activity.

## Who can apply for a Loan?

The Scheme is open to SME's and Small Mid-Caps operating in all sectors (including Primary Producers) established in Ireland, and definitions of each are set out below.

### An SME is:

- a micro, small or medium-sized enterprise which employs fewer than 250 persons; and

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<sup>5</sup> Having the meaning given to the term "undertaking in difficulty" as defined in Article 2(18) of the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, OJ L 187 of 26.6.2014, p. 1..

- has an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.<sup>6</sup>

**A Primary Producer** means a person engaged in the production, rearing or growing of primary products including harvesting, milking and farmed animal production prior to slaughter. It also includes fishing and the harvesting of wild products.

**A Small Midcap** is not an SME and has up to 499 employees.<sup>7</sup>

## Who cannot apply for a Loan?

SME/Small Mid-Caps that: -

- Are undertakings in financial difficulty as at 31 December 2019.<sup>8</sup>
- Are bankrupt or being wound up or having its affairs administered by the courts.
- In derogation to the above, the Scheme is also available to micro or small enterprises (within the meaning of Annex I of the General Block Exemption Regulation) which were already in difficulty on 31 December 2019 provided that they are not subject to collective insolvency procedures under national law and that they have not received rescue aid, which is not yet fully repaid, or restructuring aid or alternatively, if any restructuring aid was received, it remains subject to a restructuring arrangement.
- Have a substantial focus in any of the Restricted Sectors<sup>9</sup>.

## Borrower Eligibility

The borrower must satisfy certain conditions to be eligible to apply for a Loan: -

- Declare to the On-Lender that on 31 December 2019, it was a viable business and was not in financial difficulty.
- Declare to the On-Lender that it can return to viability in the future.
- Declare that actual or potential turnover/profit has been/will be reduced by a minimum of 15% due to the impact of COVID 19.

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<sup>6</sup> Article 2 of the annex to Recommendation 2003/361/EC

<sup>7</sup> European Investment Fund Agreement Act 2018

<sup>8</sup> Having the meaning given to the term “undertaking in difficulty” as defined in Article 2(18) of the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, OJ L 187 of 26.6.2014, p. 1.

<sup>9</sup> Illegal economic activities, tobacco and distilled alcoholic beverages, weapons and ammunition, casinos, human cloning or genetically modified organisms or IT sectors relating to internet gambling, online casinos or pornography or which are intended to enable illegal entry of electronic data networks or illegal download of electronic data.



## **Loan Amount Criteria**

The overall amount of CCGS Loan(s) per borrower shall not exceed:

(i) double the annual wage bill (including social charges as well as the cost of personnel working on the undertaking's site but formally in the payroll of subcontractors) for 2019, or for the last year available. In the case of undertakings created on or after 1 January 2019, the maximum Loan agreement must not exceed the estimated annual wage bill for the first two years in operation; or

(ii) 25% of total turnover in 2019; or

(iii) in limited cases and with appropriate justification provided by the On-Lender, the amount of the Loan may be increased to cover the liquidity needs for the coming 18 months for SMEs and for the coming 12 months for Small Mid-Caps. The liquidity needs should be established through self-certification by the borrower; and

(iv) shall in any event not exceed €1,000,000.

Criterion (iii) is to be used on an exceptional basis only and more probably for Primary Producers, Micro Enterprises and sole traders. It is expected that On-Lenders should be able to determine Loan amounts based on criteria (i) and (ii).

## **On-Lender validation of Loan Amounts**

- For Loans >€250k, in respect of confirming the maximum amount under criterion (i) or (ii) the borrower must submit to the On-Lender relevant documentation/management accounts supporting the amount. Audited or certified accounts are preferred but not required. The On-Lender must retain this documentation for possible audit or verification by the Minister or relevant audit authority including the European Commission.
- For Loans <=€250k the borrower may self-certify to the On-Lender compliance with the criteria but, (subject to the exception detailed below), must also provide the supporting documents and/or management accounts for possible audit or verification by the Minister or relevant audit authority, including the European Commission. The On-Lender is required to spot check compliance by the borrower with the criteria.

## **Exception to Requirement to Produce Accounts**

In respect of Loans <=€250k, for those Primary Producers, Micro Enterprises and sole traders who cannot produce the required 2019 accounts, they will be permitted to use a statement of their 2019 business current account turnover as a proxy / means of evidencing their 2019 total turnover. Where this method is used, the maximum Loan that may be made available may not

exceed 25% of the turnover of the relevant current account(s), provided that such Loans will be subject to an overall cap of €250k. This statement of turnover will also be used for spot checking by the On-Lender

## 2.2 Key Terms between the On-Lender and DBEI

The key terms and conditions relevant to On-Lenders encompass the following:

- The DBEI guarantee is to the On-Lender, not the borrower.
- DBEI will allocate a portfolio lending limit to each On-Lender under CCGS. On-Lenders cannot exceed this limit without agreement in writing from DBEI.
- Decision-making on a borrower's credit viability is fully devolved to the On-Lender.
- The On-Lender records all eligible transactions on the SBCI web portal. The SBCI web portal records loan and borrower details e.g. the loan amount, term and interest rate. On-Lenders must use the SBCI web portal to enter and update the loan details in a timely and accurate manner. Details of the loan data to be recorded on the SBCI web portal are in **Annex 3**.
- In the event of a borrower defaulting, the On-Lender may claim up to 80% of the outstanding principal while bearing the remaining 20% of the loss.
- Any recoveries made by the On-Lender after making a claim under the guarantee must be repaid on an 80%/20% basis (80% must be repaid to DBEI).
- Claims do not provide for interest that accrues, principal may be claimed only.
- On Lender must display the Risk Premium and the before and after price/cost on the Customer Loan Documentation.
- On Lenders may be required to publish its standard loans rates.
- On-Lenders must ensure that the relevant customer-facing and back office staff in their organisation (e.g. Relationship Managers, Credit Sanctioners etc.) and any intermediaries, are trained to appropriately apply and administer the CCGS, and that they manage internal communication so that all relevant staff receive and understand the information relevant to them.
- On- Lender must work with SBCI and DBEI on joint promotions, accurately convey the terms and conditions of CCGS on all marketing materials and assemble case studies for SBCI/DBEI use, in order to market the Scheme appropriately.
- On-Lenders undergo periodic audits. Samples of transactions will be analysed during the audit to check that the CCGS eligibility rules and processes have been followed.
- Selected On-Lenders are required to enter into a standard form DBEI legal agreement (i.e. the guarantee). Upon review of applications, the successful applicants will be provided with a draft of the legal agreement.
- SBCI holds periodic meetings with On-Lenders, both bilaterally and collectively as appropriate, to discuss scheme performance, best practices and any issues.

### 3. The Selection Process For On-Lenders

DEBI welcomes proposals from any Applicant able to meet the requirements set out in this Call. Applicants must have the necessary capability to lend to eligible businesses and operate within the rules of CCGS.

Applicants are expected to meet the requirements of a 4-stage selection process, as detailed below.

- **Stage 1 - Expression of Interest:** submission (**Annex 1**) outlining in brief how the Applicant meets the requirements for On-Lenders participating in the CCGS. If the Applicant is an existing On-Lender with the SBCI (an “**Existing On-Lender**”), Application Form No. 1 is to be completed. If the Applicant is not an Existing On-Lender, Application Form No. 2 is to be completed.
- **Stage 2 - Eligibility Requirements** – Applicants need to meet minimum requirements to progress to Stage 3, and those minimum requirements are set out in **Annex 2**. Applicants that meet the minimum requirements are then further assessed on the basis of the criteria set out in **Annex 2**.
- **Stage 3 - Initial Allocation** – An initial allocation of the Maximum Portfolio Volume will be determined for Applicants that (i) achieve a minimum score of 100 marks as set out in Phase 1 of **Annex 2** and (ii) an evaluation of two award criteria, being price and the score obtained for the criteria used in Phase 1 of **Annex 2** , as set out in Phase 2 of **Annex 2**.
- **Stage 4 - Due Diligence and Completion (subject to satisfaction of conditions precedent):** Those applicants that have successfully completed Stage 3 will be allowed to immediately deploy to the market subject to:
  - confirmation of DBEI approval; and
  - where required – the Applicant has satisfied SBCI’s independent due diligence process within 2 months of the date of publication of this Call; and
  - completion of the legal documentation within 2 months of the date of publication of this Call.

In the event that any Applicant fails Stage 4 by not obtaining the approval from DBEI and/or failing the due diligence and/or legal agreement requirements within the required timelines, the SBCI will re-allocate the amount of the Maximum Portfolio Volume which was initially allocated to that Applicant under Stage 3 to those applicants that have successfully completed Stage 4 on a pro-rata basis.

**The Expression of Interest submission and due diligence process will vary to take account of (i) whether an Applicant is an Existing On-Lender of SBCI or not and (ii) the size and structure of Applicants.**

Both SBCI or DBEI may request clarification or additional information at any point in the process. SBCI will assess and DBEI will approve applications using a risk and judgement-based approach based on the requirements set out in **Section 3** of this Call.

DBEI shall select one or more Applicants to implement CCGS in accordance with the procedures described in this Call

### **3.1 Application Process**

#### **Stage 1 - Expression of Interest**

Applicants should complete and submit the relevant Expression of Interest form appended to this Call **at Annex 1** via email to:

[OpencallCCGS@sbc.gov.ie](mailto:OpencallCCGS@sbc.gov.ie) *Subject: COVID-19 Credit Guarantee Scheme*

The security of the information provided, the method of transfer and the timely delivery of the application are the sole responsibility of the Applicant.

#### **Requests for Additional Information**

Applicants can make requests for additional information in advance of submitting an Expression of Interest. Any requests for additional information should be submitted to:

[OpencallCCGS@sbc.gov.ie](mailto:OpencallCCGS@sbc.gov.ie) *Subject: COVID-19 Credit Guarantee Scheme – Query*

The SBCI will endeavour to respond to all requests for additional information as soon as possible.

The Expression of Interest form should be used to outline the key elements of the Applicant's proposal and how the Applicant meets the minimum requirements detailed in this Call.

Applicants are encouraged to have a preliminary discussion with SBCI (contact via [ssweeney@sbc.gov.ie](mailto:ssweeney@sbc.gov.ie)) in order to help them ascertain whether participation in the COVID-19 Credit Guarantee Scheme would be potentially viable, before committing effort to preparing an Expression of Interest.

## 3.2 Assessment and Selection Process

### Stage 2 - Eligibility Requirements

Following receipt of an Expression of Interest, SBCI may contact Applicants to discuss the information set out in their Expression of Interest and to seek any clarifications deemed necessary. Applicants may be requested to submit supplementary information.

An Applicant must meet the Minimum Eligibility Criteria (**Annex 2**) to progress to Stage 3, on the basis of both the written information submitted and any discussions held. SBCI will inform Applicants of the outcome of Stage 2 by email.

### Stage 3 – Initial Allocation

#### **Assessment**

Those Applicants that meet the Minimum Eligibility Criteria are then further assessed based on the criteria set out in **Annex 2**. The score of an Applicant will determine its ranking among the other Applicants in this phase of the process.

Allocation is the lower of A and B, where:

$A = (AS / TAS) * \text{the Maximum Portfolio Volume (€1.36bn)}$

$B = \text{the amount of the COVID 19 Credit Guarantee Scheme requested by the Applicant}$

$AS = \text{a successful Applicant's Total Score}$

$TAS = \text{the aggregate of all successful Applicants' Total Scores}$

If the amount allocated to a successful Applicant is greater than the amount requested by that Applicant, the surplus (i.e. A-B) will be allocated to the other Applicants using the same methodology, adjusted for the exclusion of that successful Applicant.

Note: If applicable, SBCI may apply rounding to the nearest €1m for each allocation.

### Stage 4 - Due Diligence and Completion

At this point in the process, the SBCI will communicate to the successful Applicants the Minister's 'in principle' intention to enter into an agreement subject to satisfaction of any

conditions precedent and completion of legal documentation. The Minister has no obligation to enter into an agreement with a selected Applicant.

Applicants are advised that selection as an On-Lender may be subject to a satisfactory independent due diligence which may include an on-site review. If requested, Applicants must facilitate a risk assessment to be undertaken promptly following submission of their applications.

Those applicants that have successfully completed Stage 3 will be allowed to immediately deploy to the market subject to:

- confirmation of SBCI approval; and
- where required - DBEI has completed its due diligence and the relevant Applicant has been confirmed as being satisfactory;
- where required – the Applicant has satisfied SBCI’s due diligence process within 2 months of the date of publication of this Call; and
- completion of the legal documentation within 2 months of the date of publication of this Call.

Before being able to commence lending via the CCGS the Applicant will be required to complete a number of preparatory steps:

- a legal agreement (being the guarantee) must be signed by the Applicant within 2 months of the date of publication of this Call. This is a standard form agreement to be entered into between the Minister and a successful Applicant, with limited scope to negotiate changes.
- SBCI will provide the Applicant with training on the use of the SBCI web portal, as well as general training and communications materials on how CCGS works, which the Applicant may choose to use to train its staff on the terms of the CCGS. The Applicant is, however, responsible for ensuring that all relevant staff within its organisation are fully trained on how CCGS works, and that all internal processes reflect the necessary CCGS process requirements.
- The Applicant will be required to agree an Operations Manual before lending can commence, which will detail the Applicant’s processes and procedures for delivering the CCGS to ensure they are robust and fit for purpose.

## Note

- SBCI will use all reasonable endeavours to (i) respond promptly to Applicants at each stage of the application process; and (ii) progress all due diligence and legal negotiations which are within its control as quickly as possible.
- SBCI may request additional information to clarify issues or to supplement information at any stage of the application process.
- SBCI reserves the right to reject Expressions of Interest and proposals at any stage of the application process.

### 3.3 Delivery of Expressions of Interest and Additional Information

- Expressions of Interest and follow-on additional information should be submitted by email to [OpencallCCGS@sbc.gov.ie](mailto:OpencallCCGS@sbc.gov.ie)
- A response will be issued to all Applicants via email.
- Any accompanying spread sheets should be in Microsoft Excel, ensuring that no formulas have been hidden or removed. If the document is password protected, the password should be provided separately.
- By submitting an Expression of Interest, Applicants confirm they have read this Call, including the Legal Notice at **Section 5**.

### 3.4 Publishing of Information

From time to time the SBCI and/or DBEI may publish the names and associated details of those Applicants who have been selected as an On-Lender in respect of CCGS on their respective websites. The associated details which may be published by the SBCI or DBEI may include the registered address of the successful Applicant and the amount allocated to such successful Applicant under CCGS.

## 4. Requirements from On-Lenders

This section details the requirements for selection as an On-Lender for the CCGS. Applicants must be able to address all points to the full and absolute satisfaction of SBCI and DBEI in order to progress through the selection process described in **Section 3**, and Applicants are requested to explain how they will meet these requirements in the Expression of Interest application form. If a requirement is unclear to the Applicant, or the Applicant does not have or is unable to disclose the information, this should be raised with the SBCI at the earliest opportunity.

For the avoidance of doubt, satisfying all requirements does not guarantee that an application will be successful, and SBCI and DBEI each reserve the right to consider, assess and seek additional relevant information at their discretion.

#### **4.1 Lending to SMEs/Small Mid-Caps/Primary Producers trading in Ireland**

Applicants should be able to either (i) demonstrate their track record in the provision of Loans to SMEs/Small Mid-Caps in all sectors, including Primary Producers; or (ii) if they are a recent entrant to the SME and Small Mid-Cap lending market, demonstrate a clear intention and strategy to lend to SMEs and Small Mid-Caps.

#### **4.2 Critical Mass**

The structure of the guarantee means that for participation to be worthwhile for both the On-Lender and the Minister, Applicants must be able to demonstrate through evidence-based forecasts the extent to which they intend to use the guarantee. SBCI and the Minister would generally expect Applicants to support a minimum of €500,000 of new lending during the duration of the CCGS.

#### **4.3 Eligible Financial Product Cost/Interest Rate**

To reflect the significant coverage under the guarantee, Applicants are requested to provide a discount to its standard pricing or fee charged for the product(s) that it proposes to deploy under CCGS. The pricing and/or fee details should be provided relating to each product it proposes to distribute under the CCGS. The details provided should include the 'before and after' interest/fee i.e. the price of the Loan with and without the benefit of the CCGS. The Applicant should include data on historic pricing for the same product on a historic basis (ideally greater than 12 months) to support/evidence the discount being proposed.

#### **4.4 Availability of Funding**

The Applicant must be able to demonstrate that it has or will have sufficient funding available to meet its lending forecasts for the duration of the CCGS, covering SME and Small Mid-Cap business lending both with and without the support of the CCGS.

Where the availability of or freedom to deploy funding is subject to conditions which may affect the Applicant's ability to deploy capital for lending under CCGS, this must be declared. In such cases the Applicant should verify the position with the relevant provider(s) of the capital.



## **4.5 Operations, Management Team and Track Record**

Applicants must demonstrate a viable business model and robust operations and systems. For example, where an Applicant's business is loss-making, SBCI and the Minister will need to see the strategy as to how the Applicant plans to reach profitable status over time. Applicants must demonstrate that robust and tested systems and processes are in place for making and managing the proposed loan facilities. This requirement includes, but is not limited to, origination processes, risk management and underwriting capabilities and processes, lending documentation, back-office systems, monitoring and compliance, governance arrangements and management information reporting. Applicants must also be able to demonstrate that they have a competent team, with sufficient expertise to execute the proposed strategy for lending under the CCGS

Applicants must have appropriate standards of reputation and integrity, including appropriate ethical standards in all areas of its proposed operations, together with appropriate processes in place to maintain these. The Applicant must be able to demonstrate this as part of its proposal.

Where a proposal relates to a start-up operation or a move into the SME and Small Mid-Cap lending market, an Applicant is expected to clearly demonstrate how it will access sufficient resources, and further how it will generate or acquire those skills and competencies which will be required to execute the Applicant's proposed lending strategy.

## **4.6 Regulation**

Applicants are expected to have the necessary authorisations and permissions to conduct activities consistent with their lending strategy. Applicants who are in the process of applying for the necessary approvals can still apply to become an On-Lender for CCGS, but obtaining those relevant approvals will be a condition precedent for progression through the process. All Applicants must also be able to demonstrate transparent and appropriate tax structures.

## **4.7 Legal Structure**

All Applicants, if successful, will be required to enter into a "standard form" guarantee agreement with the Minister. The guarantee agreement has been drafted on the basis that the origination and servicing of the loans under CCGS is undertaken by the same legal entity as the named On-Lender (the "lender of record"), who contracts with the underlying borrower. The Minister can also accommodate a structure whereby two corporate entities from the same corporate group contract to separately originate and service loans under the CCGS.

The key terms of the guarantee agreement include (amongst other matters) the following:

- the guarantee agreement is given to the relevant On-Lender in relation to CCGS Loans originated under the loan agreements between the On-Lender and the underlying borrowers
- the On-Lender originates the CCGS Loan and is the primary entity responsible for servicing the lending
- the On-Lender acts in accordance with its standard policies when originating and administering the CCGS loans, having regard to the standard of care set out in the guarantee agreement
- the On-Lender is responsible for the administration of the SBCI web portal and making sure it is kept up-to-date
- the On-Lender maintains adequate and up-to-date records in relation to the Eligible Financial Products granted by it under the CCGS.

In general, DBEI will not undertake individual negotiations with On-Lenders on the standard form guarantee agreement.

If an Applicant has a business model that does not fit the standard form guarantee agreement, then its application will be considered using a risk and judgement-based approach which will appraise (among other matters) the risk sharing and alignment of interests between the Minister and the On-Lender, which requires the On-Lender to have a financial interest in the performance of its portfolio.

The SBCI will inform Applicants at the Expression of Interest stage if their lending model does not fall within the structure of the standard form guarantee agreement.

If an Applicant is invited to progress to Stage 4 – Due Diligence and Completion, any additional costs incurred by the SBCI and/or the Minister in modifying the standard form guarantee agreement to accommodate business models other than those contemplated above may be for the account of the Applicant. These costs will be notified to the Applicant in advance.

Where an Applicant utilises a platform which pairs borrowers and individual lenders but does not itself provide credit to underlying borrowers or assume the rights of the person who provided the credit, (i.e. it's not the lender of record), it will not be considered a suitable On-Lender for CCGS. This means that an institutional investor lending through a platform, rather than the platform itself, should be accredited as an On-Lender, with the platform entering into

suitable arrangements to be able to originate loans under the CCGS. Applicants must be able to demonstrate that the platform that they originate loan facilities through is capable of ring-fencing institutional funds and complying with the other requirements of the CCGS.

## **5. Legal Notice**

Applicants who submit an Expression of Interest are deemed to acknowledge and accept the terms and conditions set out in this Call, including this Section.

SBCI reserves the right at any time to amend the current process, to postpone the current process, not to continue with the current process and/or to cancel or withdraw from the current process at any stage and any costs or expenses incurred by Applicants will not be reimbursed. SBCI hereby excludes any and all liability either it or the Minister may have whatsoever for any costs, expenses or losses incurred by any Applicant who decides to take part in this Call.

SBCI reserves the right to reject any and all submissions and/or proposals at any time. SBCI reserves the right to amend any timetable and/or other aspects of the current process at its discretion. SBCI may request clarification of information and additional information regarding a response and/or may also request video conference or face to face meetings. Refusal to provide such clarification or information or to attend such meetings may cause a submitted response to be rejected and the entire submission subsequently treated as if it had been withdrawn. Where no reply to a request for information or for clarification or a meeting is received within ten business days of such request, SBCI may assume that the submission has been withdrawn in its entirety.

Applicants should note that information received by the SBCI and DBEI as part of the application process, including personal data (if any), may be published or disclosed in accordance with access to information legislation.

These are primarily the Freedom of Information Act 2014, the European Communities (Access to Information on the Environment) Regulations 2007 to 2018 and data protection regulations and legislation, including but not limited to the Data Protection Acts 1988 to 2018 (as amended) and the European Union's General Data Protection Regulation ((EU) 2016/679). In view of this, should Applicants consider that any information should be treated as confidential and/or commercially sensitive, it would be helpful if Applicants could set out why they consider this to

be the case in each instance. Automatic confidentiality disclaimers generated by IT systems will not, in themselves, be regarded as binding.

If the SBCI and/or DBEI receives a request for disclosure of information provided pursuant to this Call, full account will be taken of any explanation, but no assurance can be given that confidentiality will be maintained in all circumstances.

Decisions on disclosure shall remain the responsibility of the SBCI and DBEI, and ultimately the Information Commissioner and the courts.

Personal data will be processed in accordance with the privacy notice on each of SBCI's and DBEI's respective websites.

Please follow the below link to access SBCI's Data Protection Notice

<https://sbci.gov.ie/data-protection-notice>

## ANNEX 1

### Application Form No. 1 Expression of Interest for an Existing SBCI On-Lender

Information required	
Name of the Entity	
Name of Applicant	
Principal Contact(s)	
Contact Details	Address (registered office): Telephone: Fax: E-mail:

#### Certification and Authority to Submit

Dear Sirs,

We are submitting our Expression of Interest on behalf of [*Insert name of Applicant*] (the "**Applicant**") in response to the Open Call for Expression of Interest in the COVID-19 Credit Guarantee Scheme to be administered by the SBCI (the "**Call**").

The undersigned is/are duly authorised to submit this application form on behalf of the Applicant and by signing this form certifies/certify and declare(s) that:

- a) the information contained in this application and any supporting documentation is complete and accurate in all respects;
- b) if selected, the Applicant commits to complying with all requirements set by the SBCI and/or DBEI for the successful delivery of the COVID-19 Credit Guarantee Scheme;
- c) the Applicant is authorised to carry out lending activities to businesses in the State; and
- d) the Applicant is an On-Lender, as defined in **Section 1.3** of the Call.

I understand that selection as an On-Lender for the COVID-19 Credit Guarantee Scheme is subject to the terms of the Call and that submission of this information does not confer any particular status or entitlement upon the Applicant.

The undersigned further declares that the Applicant is **not** in one of the following situations of exclusion, (the “**Exclusion Criteria**”), as at the date of this application form: -

- a) the Applicant is bankrupt or being wound up, is having its affairs administered by the courts, in this context, has during the last five (5) years, entered an arrangement with creditors, suspended business activities, been 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;
- b) during the last five (5) years, the Applicant or persons having powers of representation, decision-making or control over it, has been convicted of an offence concerning its professional conduct by a judgment which has the force of res judicata, which would affect its ability to implement the COVID-19 Credit Guarantee Scheme. 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 this judgment;
- c) during the last five (5) years, the Applicant or persons having powers of representation, decision-making or control over it has been the subject of a judgment which has force of res judicata for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity. 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 this judgment;
- d) guilty of misrepresentation in supplying information to the SBCI required for selection as an On-Lender, or fails to supply this information;
- e) listed in the central exclusion database set up and operated by the Commission of the European Union under Commission Regulation (EC, Euratom) No 1302/2008 of 17 December 2008 on the central exclusion database.

<b>Name(s)</b>
<b>Title / Role(s)</b>
<b>Signature(s)</b>
<b>Date</b>

## **Information to be supplied by the Applicants:**

Applicants should seek to address each of the sections as closely as possible. Where any requested information is unavailable, or cannot be disclosed, Applicants should make this clear in their proposal. Applicants are requested to submit a response (not more than 5 pages) following the format set out below.

### Organisation Structure

- Brief background of the organisation including its principal lending activity.
- Brief outline of the key terms and price for its main business lending products.
- What is the strategy for SME/Small Mid-Cap business lending going forward?
- Confirm regulatory approvals required and if in place.

### Funding Structure

- The amount of the COVID-19 Credit Guarantee Scheme being requested by the Applicant – i.e. the portion of the Maximum Portfolio Volume (being €1.36bn) which the Applicant will deploy.
- Applicants must be capable of lending a minimum of €500,000 during the duration of the COVID-19 Credit Guarantee Scheme.

### Availability of Capital

- Applicants must have or will have sufficient capital available to meet its lending forecasts both with and without the support of the COVID-19 Credit Guarantee Scheme. Applicants should highlight at this stage if some of their sources of capital come with conditions that may restrict their ability to deploy capital for lending under the COVID-19 Credit Guarantee Scheme.

### Loan Pricing

- Applicants must provide pricing and/or fee details relating to each product that they propose to distribute under the CCGS. Minimum details should reflect interest/fee cost with and without the benefit of the CCGS as well as evidence of historic pricing for the same product on a historic basis, ideally >12 months.

### Lending Experience

- Applicants should provide high level evidence of their track record of lending to the SME/Small Mid-Cap market including portfolio details e.g. distribution per credit grade, defaults, arrears and region.

- Projected details of the proposed portfolio risk e.g. diversified by sector, geography, size of loans and credit grade. Applicants should provide some background on how they have come up with this forecast.

#### Financial Details

- Details of Financial Standing. Please complete the table below.
- Copies of annual reports (including full set of financial statements with independent auditor's report) for the last three years.

EUR: - '000	Year (N-3)	Year (N-2)	Year (N-1)
Net profit			
Return on equity (%)			
Total assets			
Total Loan Book			
Total SME/Small Midcap Loan Book (in % of Total Loan Book)			
Cost/income (%)			
Shareholders' equity			
Tier 1 capital ratio (%) (or applicable equivalent, if relevant)			
Solvency ratio (%) (or applicable equivalent, if relevant)			



**Application Form No. 2**

**Expression of Interest for potential New On-Lender**

Information required	
<b>Name of the Entity</b>	
<b>Name of Applicant</b>	
<b>Principal Contact(s)</b>	
<b>Contact Details</b>	Address (registered office): Telephone: Fax: E-mail:

**Certification and Authority to Submit**

Dear Sirs,

We are submitting our Expression of Interest on behalf of [*Insert name of Applicant*] (the “**Applicant**”) in response to the Open Call for Expression of Interest in the COVID-19 Credit Guarantee Scheme to be administered by the SBCI, (the “**Call**”).

The undersigned is/are duly authorised to submit this application form on behalf of the Applicant and by signing this form certifies/certify and declare(s) that:

- a) the information contained in this application and any supporting documentation is complete and accurate in all respects;
- b) if selected, the Applicant commits to complying with all requirements set by the SBCI and/or DBEI for the successful delivery of the COVID-19 Credit Guarantee Scheme;
- c) the Applicant is authorised to carry out lending activities to businesses in the State, or is in the process of applying for such authorisation; and
- d) the Applicant is an On-Lender, as defined in **Section 1.3** of the Call.

I understand that selection as an On-Lender for the COVID-19 Credit Guarantee Scheme is subject to the terms of the Call and that submission of this information does not confer any particular status or entitlement upon the Applicant.

The undersigned further declares that the Applicant is **not** in one of the following situations of exclusion, (the “**Exclusion Criteria**”), as at the date of this application form: -

- a) the Applicant is bankrupt or being wound up, is having its affairs administered by the courts, in this context, has during the last five (5) years, entered an arrangement with creditors, suspended business activities, been 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;
- b) during the last five (5) years, the Applicant or persons having powers of representation, decision-making or control over it, has been convicted of an offence concerning its professional conduct by a judgment which has the force of res judicata, which would affect its ability to implement the COVID-19 Credit Guarantee Scheme. 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 this judgment;
- c) during the last five (5) years, the Applicant or persons having powers of representation, decision-making or control over it has been the subject of a judgment which has force of res judicata for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity. 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 this judgment;
- d) guilty of misrepresentation in supplying information to the SBCI required for selection as an On-Lender, or fails to supply this information;
- e) listed in the central exclusion database set up and operated by the Commission of the European Union under Commission Regulation (EC, Euratom) No 1302/2008 of 17 December 2008 on the central exclusion database.

<b>Name(s)</b>
<b>Title / Role(s)</b>
<b>Signature(s)</b>
<b>Date</b>

## **Information to be supplied by the Applicants:**

This template is designed for use by all sizes of financial providers that wish to apply to become an On-Lender under the CCGS. Some of the guidance points listed under each section below may not be relevant to all Applicants and can therefore be excluded on the basis of non-relevance in the relevant Applicant's submission, as applicable.

Subject to the foregoing paragraph, Applicants should seek to address each of the sections as closely as possible. Where any requested information is unavailable, or cannot be disclosed, Applicants should make this clear in their proposal.

Proposals should be focused on lending to viable SMEs/Small Mid-Caps in all sectors, including Primary Producers, that are eligible for loans under the CCGS.

### Organisation Structure

- Brief background of the organisation (date of establishment, number of employees, capital structure and shareholders, organisational structure, distribution network, number of branches, etc.) including its principal lending activity.
- Brief outline of the key terms and price for its main business lending products.
- Description of internal organisation set-up (and roles) for the implementation of the CCGS, including the team (or unit) and/or internal mechanisms.
- Outline of legal structure and tax structure, to include a group structure diagram where there is more than one company.
- Name of the lender of record, the servicer of the loans (if different from the lender of record) and the originating entity (again, if different from the lender of record).
- Confirm regulatory approvals required and if in place.

### Funding Structure

- The amount of the CCGS being requested by the Applicant – i.e. the portion of the Maximum Portfolio Volume (being €1.36bn) which the Applicant will deploy.
- Applicants must be capable of lending a minimum of €500,000 during the duration of the CCGS.

### Availability of Capital

- Please demonstrate that you have or will have sufficient capital available to meet your lending forecasts both with and without the support of the CCGS. Please highlight at this stage if some of your sources of capital come with conditions that may restrict your ability to deploy capital for lending under the CCGS.

### Loan Pricing

- Applicants must provide pricing and/or fee details relating to each product that they propose to distribute under the CCGS. Minimum details should reflect interest/fee cost with and without the benefit of the CCGS as well as evidence of historic pricing for the same product on a historic basis, ideally >12 months.

### Lending Strategy

- Demonstrate an ability to access eligible SMEs/Small Mid-Caps in all sectors, including Primary Producers, by describing the distribution channels already in place or which will be put in place (including number of branches, number of employees, business segments, etc.).
- Information detailing plans as well as capacity to generate lending to SMEs/Small Mid-Caps in all sectors, including Primary Producers, to the portfolio level proposed.
- Plans for launching the CCGS to the market including necessary pre-implementation actions (adoption of IT systems, loan documents, marketing etc.) to facilitate compliance with the indicative rules of the CCGS.

### Lending Experience

- Applicant's share of the SME and Small Mid-Cap lending market, main competitors, trends and outlooks.
- SME/Small Mid-Cap lending volumes - current and budgeted. Track record of ability to originate loans.
- Details of Applicant's business lending portfolio e.g. distribution per credit grade, region, subset of SME/Small Mid-Cap sector, if available, historic performance of existing portfolio by reference to default/loss rates and credit rating profile for the last 5 years.
- Applicant's strategy in relation to the SME/Small Mid-Cap sector (positioning, strengths and weaknesses, core products).
- Projected details of the proposed portfolio risk e.g. diversified by sector, geography, size of loans, credit grade.
- Details of team, describing expertise appropriate for meeting the requirements of the CCGS.
- Details of prior/proven experience (inclusive of compliance with relevant operational and reporting requirements) with the deployment of other similar products.

### Team, Systems and Processes

- Applicants to set out at a high level (and with supporting documentation) of robust and tested systems and processes are in place for making and managing CCGS-supported lending facilities. This requirement includes, but is not limited to, origination processes, risk management and underwriting capabilities and processes, loan documentation, back-office

systems, monitoring and compliance, governance arrangements and management information reporting.

- Each Applicant to demonstrate at a high level that it has a competent team, with sufficient expertise to execute the proposed strategy for lending under the CCGS.
- Information regarding internal credit risk assessment criteria and management procedures for financing the SME/Small Mid-Cap sector.
- Other information relevant to the Applicant’s SME/Small Mid-Cap sector financing activity.
- Ability to report the data required to be provided to the SBCI under the CCGS as set out in **Annex 3**.

### Financial Details

- Details of Financial Standing. Applicant to complete the table below.
- Copies of annual reports (including full set of financial statements with independent auditor’s report) for the last three years.
- Confirmation that taxes are up-to-date.

EUR: - '000	Year (N-3)	Year (N-2)	Year (N-1)
Net profit			
Return on equity (%)			
Total assets			
Total Loan Book			
Total SME/Small Midcap Loan Book (in % of Total Loan Book)			
Cost/income (%)			
Shareholders’ equity			
Tier 1 capital ratio (%) (or applicable equivalent, if relevant)			
Solvency ratio (%) (or applicable equivalent, if relevant)			

## ANNEX 2

	<b>MINIMUM ELIGIBILITY CRITERIA</b>	<b>System of appraisal (for SBCI use only)</b>
		<b>Yes/No</b>
<b>1.1</b>	The Applicant currently lends or intends to lend to Irish SMEs/Small Mid-Caps in all sectors, including Primary Producers.	
<b>1.2</b>	The Applicant is either (i) authorised to carry out lending activities within the State; or (ii) is in the process of obtaining such authorisation.	
<b>1.3</b>	The Applicant has Capital availability to fund the level of portfolio proposed.	
<b>1.4</b>	The Applicant and its senior management do not meet any of the Exclusion Criteria (see <b>Annex 1</b> ).	
<b>1.5</b>	The Applicant is an On-Lender (see <b>Section 1.3</b> ).	
<b>1.6</b>	The Expression of Interest is complete including relevant supporting information.	
<b>1.7</b>	The Expression of Interest has been submitted on or before the Deadline Date.	

## Applicant Assessment

Below are the maximum scores for each category of the assessment. The weightings that each section has been assigned is based on the importance of that section to the selection of an On-Lender for the CCGS.

All applications will be assessed using these guidelines. If the SBCI is of the view that it does not have sufficient information to score the Applicant, it will revert back to the Applicant to request additional or better information. On receipt of such additional or better information, SBCI will complete the assessment.

<b>Applicant Scoring – Phase 1</b>		
<b>1</b>	Does the Applicant currently lend or intend to lend to SMEs/Small Mid-Caps?	30
<b>2</b>	Is the Applicant authorised to carry out lending activities within the State?	20
<b>3</b>	Has the Applicant provided sufficient information to assess the quality and plausibility of the proposal for implementation of CCGS. Particular focus on the Applicant’s proposal with regard to its operational readiness, rollout strategy and marketing/publicity of the CCGS and the plan for building a portfolio.	50
<b>4</b>	Ability of the Applicant to deploy the size of portfolio indicated in the application within the Scheme Period.	50
<b>5</b>	Experience and ability of the Applicant to provide finance to SMEs/Small Mid-Caps including Applicant’s track record in loan origination and credit management.	50
<b>6</b>	Financial standing of the Applicant as evidenced by external credit rating and/or the SBCI’s financial analysis of the Applicant.	30
<b>7</b>	Applicant’s existing/proposed market share of SME/Small Mid-Cap sector.	30
<b>Maximum Score</b> • <b>Minimum score of 100 marks required to progress to Allocation – Phase 2</b>		<b>260</b>

<b>Applicant Scoring for Allocation - Phase 2</b>		<b>Marks</b>												
<p>Applicant to determine the maximum interest rate it will apply to the Loans along two categories, marks to be awarded as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Loan Category 1</td> <td>Loans up to €250,000</td> </tr> <tr> <td>Loan Category 2</td> <td>Loans greater than €250,000.</td> </tr> <tr> <td>Loan Category Weighting</td> <td>This is a 70:30 weighting that will be applied when scoring the Maximum Interest Rate proposed by the Applicant for Loan Category 1 and Loan Category 2 respectively.</td> </tr> <tr> <td>Current Interest Rate</td> <td> <p>The current interest rate an Applicant is charging for the equivalent loan to be covered under CCGS, to be supported by satisfactory evidence spanning a period of 12 months or more.</p> <p><b>Note: If the Applicant's pricing structure includes Fees, then the proposal should reflect the make-up of the entire cost to the borrower.</b></p> </td> </tr> <tr> <td>Proposed Interest Rate</td> <td>The proposed interest rate to be charged to borrowers under the CCGS, inclusive of Fees if applicable</td> </tr> <tr> <td>Discount</td> <td> <p>The difference between the Current and Proposed Interest Rate, expressed in comparative terms.</p> <p>E.g. The Current Interest Rate is 6%, the Proposed Interest Rate is 3%, therefore 50% discount is applied.</p> </td> </tr> </table>		Loan Category 1	Loans up to €250,000	Loan Category 2	Loans greater than €250,000.	Loan Category Weighting	This is a 70:30 weighting that will be applied when scoring the Maximum Interest Rate proposed by the Applicant for Loan Category 1 and Loan Category 2 respectively.	Current Interest Rate	<p>The current interest rate an Applicant is charging for the equivalent loan to be covered under CCGS, to be supported by satisfactory evidence spanning a period of 12 months or more.</p> <p><b>Note: If the Applicant's pricing structure includes Fees, then the proposal should reflect the make-up of the entire cost to the borrower.</b></p>	Proposed Interest Rate	The proposed interest rate to be charged to borrowers under the CCGS, inclusive of Fees if applicable	Discount	<p>The difference between the Current and Proposed Interest Rate, expressed in comparative terms.</p> <p>E.g. The Current Interest Rate is 6%, the Proposed Interest Rate is 3%, therefore 50% discount is applied.</p>	<b>280</b>
Loan Category 1	Loans up to €250,000													
Loan Category 2	Loans greater than €250,000.													
Loan Category Weighting	This is a 70:30 weighting that will be applied when scoring the Maximum Interest Rate proposed by the Applicant for Loan Category 1 and Loan Category 2 respectively.													
Current Interest Rate	<p>The current interest rate an Applicant is charging for the equivalent loan to be covered under CCGS, to be supported by satisfactory evidence spanning a period of 12 months or more.</p> <p><b>Note: If the Applicant's pricing structure includes Fees, then the proposal should reflect the make-up of the entire cost to the borrower.</b></p>													
Proposed Interest Rate	The proposed interest rate to be charged to borrowers under the CCGS, inclusive of Fees if applicable													
Discount	<p>The difference between the Current and Proposed Interest Rate, expressed in comparative terms.</p> <p>E.g. The Current Interest Rate is 6%, the Proposed Interest Rate is 3%, therefore 50% discount is applied.</p>													



**Scoring:**

Each Applicant to outline the Current and Proposed Interest Rate it will apply to Loans under Loan Category 1 and Loan Category 2 – marks will be awarded based on the Discount, as follows:

Discount to Current Interest Rate	Marks
80%	280
75%	260
70%	240
65%	220
60%	200
55%	180
50%	160
45%	140
40%	120
35%	100
30%	80
25%	60
20%	40
15%	20

Please note that where an Applicant submits 1) a pricing matrix (i.e. a range of pricing across different loan sizes) or 2) both fixed and variable rates, the score will be applied against the highest interest rate on that matrix.

The Loan Category Weighting will then be applied to each of the marks awarded for Loan Category 1 and Loan Category 2, therefore creating a Total Score for Phase 2.

**For example:**

If Applicant A submits a Proposed Interest Rate for Loan Category 1 equating to a 50% Discount and Loan Category 2 equating to a 20% Discount, the Applicant will score 124 marks out of a possible 280 marks available. Calculated as follows: 160 marks at a 70% weighting plus 40 marks at a 30% weighting.

- **Applicant's Total Score is Phase 1 score + Phase 2 score (i.e. a maximum of 540)**
- Successful Applicants will be allocated a share of the Maximum Portfolio Volume in accordance with the following methodology:

**Allocation is the lower of A and B, where:**

**A** = (AS / TAS) \* the Maximum Portfolio Volume (€1.36bn) for the purpose of this calculation)

**B** = the amount of the COVID 19 Credit Guarantee Scheme requested by the Applicant

**AS** = a successful Applicant's Total Score

**TAS** = the aggregate of all successful Applicants' Total Scores

**For example**

If Applicant A's total score is 270 marks and Applicant B's score is 380 and Applicant C's score is 450, then Applicant A is allocated  $270/1100 * €1.36bn = €334m$ .

If the amount allocated to a successful Applicant is greater than the amount requested by that Applicant, the surplus (i.e. A-B) will be allocated to the other successful Applicants using the same methodology, adjusted for the exclusion of that successful Applicant.

## Annex 3

### Information Requirements under the COVID-19 Credit Guarantee Scheme

#### Initial Loan Reporting

##### Weekly Reporting

Each week Bank bulk uploads a file of loans drawn in the previous week to the SBCI Portal (as per the table below)

Each quarter Bank bulk uploads the update on all drawn loans to capture typical quarterly data (as per the quarterly tables outlined further below)

**Each week the Applicant will be required to provide summary data on the loan applications submitted to its credit unit (e.g. No. of applications/amounts)**

Field	Definition
Eligibility Criteria verified/evidenced? verified/evidenced	Yes/No
GDPR/Right to contact Consents obtained	Yes/No
Is this new debt or debt transferred from another Lender/refinance of Covid expenses?	Must be one of these: - (Debt transferred from another Lender/refinance of Covid expenses, New debt related to Covid)
Consent to share data with DEBI and relevant parties?	Yes/No
NACE Code	Must be an eligible NACE Code
Purpose of Debt	Must be one of these (Working Capital, Purchase of Equipment, New Product or Process, Fit-out of Premises, Other)
Credit Grade	
Credit Grade Rating Scale	
Final Recipient Type	SME, MidCap
Number Of Employees	
Forecast No. of Employees after Loan	

Annual Turnover	Must be in euro (format numeric, full amount)
Balance Sheet	
Loan Eligibility Criteria	Must be one of these (Double annual wage bill, 25% of 2019 turnover, liquidity requirements)
Debt Product Provided:	Term Loan, Overdraft, Lease, Invoice Finance, Performance Bond, Trade Finance
Risk Premium	Percentage
All in Lender Rate	
Discount to Product Price	
Facility Term (months):	> = 3 months, <= 72 months Validation on entry
Grace Period	Number of months I/O or moratorium provided (<= 24 months Validation on entry
Loan Facility Repayment Type	Must be valid value (Interest & Principal, Interest & Bullet Payment)
Loan Facility Amount:	> = €10,000, <= €1,000,000 Validation on entry
Borrower Name	
Registration or Identification Number	
Borrower Legal Form	Must be one of these: - (Private Limited Company, Sole Trader, Partnership, Limited Liability Partnership.
Borrower Address Line1	
Borrower Address Line2	
Borrower Address Line3	
Eircode	
Borrower County:	Carlow,Cavan,Clare,Cork,Donegal,Dublin,Galway,Kerry,Kildare,Kilkenny, Laois,Leitrim,Limerick,Longford,Louth,Mayo,Meath,Monaghan,Offaly, Roscommon, Sligo, Tipperary, Waterford, Westmeath, Wexford, Wicklow, Dublin 1,Dublin 2,Dublin 3,Dublin 4,Dublin 5,Dublin 6,Dublin 6W, Dublin 7,Dublin 8,Dublin 9,Dublin 10,Dublin 11,Dublin 12,Dublin 13,Dublin 14,Dublin 15,Dublin 16,Dublin 17,Dublin 18,Dublin 20, Dublin 22,Dublin 24
Borrower Country:	Auto populates

Borrower - NUTS Code:	Auto populates
Borrower Gender	Only for primary agriculture that is a personal borrower Must be one of these:- ( Male, Female, Non Binary, Prefer not to say)
Borrower DOB	Only for primary agriculture that is a personal borrower 11/01/1987
Year of establishment:	Must be a valid year (1901 to <= Current Year)"
Contact Name	Alphanumeric
Contact Telephone No.	
Contact Email Address	
Account No.	
Confirmation On Lender Premium DD Set Up	Yes/No
Date Facility Offer letter signed by Customer:	DD/MM/YYYY
Date of Drawdown:	DD/MM/YYYY
Type of Security	Commercial Property, Personal Guarantee, Unsecured Personal Guarantee, Shares and Other Securities, Solicitors Undertaking, Lien on Deposit, 1st Legal Charge over Residential Investment Property, Raw Materials or Stock, Personal Vehicle or Other Asset, Personal Life Insurance or Other Policy, Debenture or Floating Charge, Chattel Mortgage
Value of Security Taken	
Is Collateral Linked	Yes/No
Is Security Perfected	Yes/No

**Quarterly reporting**

<b>Fields</b>	<b>Definition</b>
Account Number	(Loan Account No.)
Cumulative Disbursement	Total disbursed amount
End of Disbursement	Y or N (Y=Fully drawn, N=Not fully drawn)
Outstanding Principal Amount	Outstanding Balance
Interest Rate	%
Credit Grade	Internal Credit Grade
Delinquent Transaction	Y or N (Y=In arrears at quarter end, N=No arrears)
Delinquent Period	No. of days in arrears
Defaulted Transaction	Y or N (Y=defaulted (arrears 90days+), N=No arrears/arrears<90days)
Date of Defaulted Transaction	Date of Default/restructure/acceleration
Repayment Date	Date of full repayment of the outstanding principal (dd/mm/yyyy)
Premium Amount Collected	Premium (in Euro) collected during relevant quarter
Premium Period	Period (in number of calendar days) to which the Premium relates
File Creation Date	Date the file was created
File Quarter Date	Quarter that the file relates to

## Annex 4

### Sectoral exclusions under the COVID-19 Credit Guarantee Scheme

The following sectors (as identified by NACE Code) are excluded from the Scheme:

<b><u>NACE Code</u></b>	<b><u>Sectors Excluded from COVID-19 CGS</u></b>
61000	Extraction of crude petroleum
62000	Extraction of natural gas
91000	Support activities for petroleum and natural gas extraction
	<b>MANUFACTURING</b>
120000	Manufacture of tobacco products
254000	Manufacture of weapons and ammunition
304000	Manufacture of military fighting vehicles
	<b>CONSTRUCTION</b>
410000	Construction of buildings
412000	Construction of residential and non-residential buildings
	<b>REAL ESTATE ACTIVITIES</b>
681000	Buying and selling of own real estate
	<b>ARTS, ENTERTAINMENT AND RECREATION</b>
920000	Gambling and betting activities
	<b>FINANCIAL AND INSURANCE ACTIVITIES</b>
641000	Monetary intermediation