



STRATEGIC BANKING CORPORATION OF IRELAND
GROWTH AND SUSTAINABILITY LOAN SCHEME
OPEN CALL FOR EXPRESSION OF INTEREST
(Published on 3 February 2023)

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**”) to deliver the Growth and Sustainability Loan Scheme (“**the Scheme**” or “**GSLs**”) as described in this document. Proposals submitted to SBCI must conform to the requirements of the Call.

If you are interested in becoming an On-Lender for the 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 templates included at **Annex 1** and **Annex 7** to this Call, by e-mail to GSLsopencall@sbc.gov.ie

Closing date for receipt of Expressions of Interest for this Call is 6 March 2023 (the “Deadline Date”)

Contents

1	Introduction	
	1.1 The Growth and Sustainability Loan Scheme 1.2 The Strategic Banking Corporation of Ireland 1.3 Opportunity for On-Lenders	
2	The Scheme Details 2.1 Summary of Loan Details 2.2 Who Can Apply for a Loan? 2.3 Indicative Key Terms between the On-Lender and SBCI	
3	The Selection Process for On-Lenders 3.1 Application Process 3.2 Assessment and Selection Process 3.3 Delivery of Expressions of Interest and Additional Information 3.4 Publishing of Information	
4	Requirements from On-Lenders 4.1 Lending to SMEs/Small Mid-Caps, including primary producers trading in Ireland 4.2 Critical Mass 4.3 Eligible Financial Product Cost/Interest Rate 4.4 Availability of Capital 4.5 Operations, Management Team and Track Record 4.6 Regulation 4.7 Legal Structure	
5	Legal Notice	
	Annex 1 to 7	

1.1 The Growth and Sustainability Loan Scheme

Following on from SBCI's successful launch of the Future Growth Loan Scheme ("FGLS") in 2019, the Department of Enterprise, Trade and Employment ("DETE") and the Department of Agriculture Food and the Marine ("DAFM") have partnered with SBCI, the European Investment Fund ("EIF") and the European Investment Bank ("EIB"), to develop and deliver a new risk sharing product in the form of the Growth and Sustainability Loan Scheme. The Scheme, of up to €500m in value, builds on the successful deployment of the FGLS to support long-term investment that contributes to the growth and sustainability of Irish SMEs and Small Mid-Caps in the economy.

Access to affordable long-term finance is a recurring issue for businesses in Ireland. The current long-term finance offerings from finance providers operating in the Irish market rarely exceed seven years for cash flow-based funding, with loans beyond that term requiring substantial collateral. The Scheme seeks to address this gap in the market in Ireland and is designed to enable SME and Small Mid-Cap business borrowers to invest in their businesses and allow for repayment capacity to build over time as the investment generates returns. To this end, the Scheme provides for long-term loans of between seven and ten years.

Additionally, Government climate policy has set targets for reducing greenhouse gas emissions progressively in Ireland to become carbon neutral by no later than 2050. The Scheme aims to support investments contributing to the climate action and environmentally sustainable transformation of the Irish economy, by supporting access to debt financing.

The Scheme is currently designed to be available until 30 June 2026 (the "**Scheme End Date**"), or until the Scheme amount has been fully utilised, whichever is the earlier.

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 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 any of its schemes, SBCI strives to ensure the efficient use of available EU funding and guarantees.

The SBCI provides wholesale funding and risk-sharing supports through its on-lending partners to deliver a range of eligible financial products to SMEs and other enterprises, ensuring that the benefit of its support is delivered to the ultimate borrowers.

1.3 Opportunity for On-Lenders

On-Lenders active in SME and Small Mid-Cap business lending are invited to apply, as detailed in **Section 3**.

For the purposes of the Call, an “**On-Lender**” is a financial or credit institution that is incorporated, established or operating in Ireland and duly authorised to carry out lending according to applicable legislation. The On-Lender must comply with relevant standards and applicable legislation on illegal activities, activity carried out for illegal purposes, tax evasion, tax avoidance, sanctions, anti-corruption, money laundering, terrorism and fraud to which it may be subject.

The On-Lender:

- a) must not be established in a Non-Cooperating Jurisdiction¹;
- b) must not meet any of the Exclusion Criteria listed in **Annex 1**;
- c) must not perform Research and Innovation activities which are related to:
 - (i) illegal activities according to the applicable legislation in the country of the On-Lender; or
 - (ii) Excluded Activities²; and
- d) must not have a substantial focus on any Excluded/Restricted Sector (see **Annex 6**).

2. The Scheme Details

The Scheme entails the issuance by the SBCI of a guarantee to cover the credit risk of newly originated loans included in the covered portfolio (up to a maximum of 80% of each loan) during the term of the Scheme. The SBCI benefits from a counter guarantee from the European Investment Fund that will ultimately cover 64% of each loan.

The Scheme will cover a portfolio of loans of up to €500m (the “**Maximum Portfolio Volume**”). Successful applicants will be invited to act as an On-Lender for the Scheme and will be allocated a portion of the Maximum Portfolio Volume.

To increase lending competition in the Scheme, the Maximum Portfolio Volume of up to €500m will be sub-divided into two parts being **Portfolio 1**, a maximum of €450m and **Portfolio 2**, a

¹ 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). This includes jurisdictions that have been placed on the EU list of non-cooperative jurisdictions for tax purposes, as adopted by the Council of the European Union and updated from time to time, the latest version of which is available at <https://data.consilium.europa.eu/doc/document/ST-13092-2022-INIT/en/pdf>.

² 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.

maximum of €50m. Applicants who have, or whose group parent has, a long term rating from Moodys, Fitch or S&P rating agencies must apply for an allocation from Portfolio 1. Portfolio 2 will be reserved for applicants who do not have a Moodys, Fitch or S&P long term rating to apply for an allocation. Unless specifically stated, the terms of the Scheme will apply equally to each of Portfolio 1 and 2. If the maximum amount of Portfolio 2 is not allocated by the SBCI then any unallocated amount may, at the SBCI’s discretion, be reallocated to successful applicants for Portfolio 1 or the SBCI reserves the right to conduct an additional open call for any unallocated amount of Portfolio 2.

A minimum of 30% of the total value of the loans under the Scheme will be reserved for climate action and environmental sustainability (“**Climate Action and Environmental Sustainability Loans**” or “**CA & ES Loans**”). Calculation of the percentage of the Scheme volume which is targeted towards CA & ES Loans will be made based on the aggregate of:

- The value of loans to businesses where the purpose of the loan is for **Environmentally Sustainable Measures**; and
- The value of loans to **Green Enterprises** where the purpose of the loan is for Environmentally Sustainable Measures or for the purposes of business growth and resilience of that Green Enterprise.

Details on what will constitute a Green Enterprise and Environmentally Sustainable Measures within the context of the Scheme will be provided by means of a suite of Climate Action and Environmental Sustainability Criteria (“**CA & ES Criteria**”). The CA & ES Criteria will be finalised (once approved by the Minister for Enterprise, Trade and Employment and the Minister for Agriculture, Food and the Marine) in advance of the Scheme launch, when borrowers can input their proposal details to the SBCI Hub to assess their eligibility. An indication of the broad categories under which these criteria will operate include investments for climate change mitigation, investments for climate adaptation, investments related to transition to circular economy, waste prevention and recycling, investments related to environmental impact and sustainable management of natural resources, protection and restoration of biodiversity and ecosystems, nature-based solutions, and agricultural activities.

A borrower’s eligibility under CA & ES Criteria will be captured and assessed via the SBCI Hub prior to the issue of a borrower eligibility code, if that applicant is deemed eligible by the SBCI. On-Lenders will not be required to make this eligibility assessment and a borrower’s SBCI eligibility code will identify approval as a CA & ES Loan application.

Environmental Sustainability Measures	Activities detailed as eligible under CA & ES Criteria as described in the previous paragraph
--	---

Green Enterprise	A business whose main activity falls into one or more of the specified Environmental Sustainability Measures, provided that the business’ revenues from such activities represent at least 90% of its turnover.
-------------------------	---

The Scheme loans and the borrowers (including Green Enterprises) of the Scheme loans will be subject to certain eligibility criteria and rules which are summarised in **Section 2.1** and set out in **Section 2.2** below.

2.1 Summary of Loan Details

Eligible Loan Purposes

Loans will be allowed for the following purposes:

1. An investment, allowing for the business growth and resilience of an eligible business (including a Green Enterprise) including but not limited to investments in process and organisational innovation (“**Growth and Resilience Investment**”³)
2. An investment in Environmentally Sustainable Measures as will be defined in the CA & ES Criteria.

Loan Features

- Loans from €25,000 to a maximum of €3,000,000 per borrower. State aid limitations on the maximum loan amount may apply depending on the applicable State aid Regulation – see **Annex 4**.
- The On-Lender must provide the full range of loan amounts if applying under Portfolio 1. Applicants for Portfolio 2 may provide a lower maximum amount per borrower than €3,000,000.
- Interest rates must be reflective of the presence of the guarantee and may not exceed the interest rate charged on a comparable transaction not covered by the guarantee. A minimum discount is required relative to comparable unguaranteed lending as outlined in the next bullet.
- A minimum interest rate discount of 1.5% applies for Portfolio 1 and of 1.0% for Portfolio 2. In addition, it is required that On-Lenders will provide an additional incentive of a minimum 0.25% to borrowers utilising the CA & ES Loan option by way of further discounting the applicable interest rate relative to those eligible loans not qualifying as CA & ES Loans (“**Non-Green Qualifying Loans**”). Please note that the discounts do not include the EIF guarantee fee to be applied for each loan. The SBCI expects the overall interest rate discount proposed to incorporate both: (i) the indicative guarantee fee (c.0.70%); and (ii) the minimum interest rate

³ As determined by SBCI as part of its eligibility approval processes

discounts outlined above. For example, in the case of Portfolio 1, the minimum discount inclusive of fee is 2.2% for Non-Green Loans and 2.45% for CA & ES Loans.

- Loan terms between a minimum of 7 years up to a maximum of 10 years are allowed.
- Loans ≤€500,000 to be made on an unsecured basis.
- Loans >€500,000 may be secured, however, a personal guarantee may only be sought in circumstances where it is (i) required to capture supporting security, or (ii) an uncollateralised personal guarantee and is limited to a maximum of 20% of the loan amount.
- Loans under the Scheme to be available from the date of the guarantee with individual On-Lenders to 30 June 2026 at the latest, unless otherwise agreed between SBCI and On-Lenders.
- Capital and interest moratoria (up to 90 days) are to be permitted within the Scheme. Further capital moratoria in line with On-Lender credit policies may be permissible without extension of loan repayment end dates. Moratoria for the Scheme:
 - Are not mandatory;
 - Will be reached upon agreement between the borrower and the On-Lender;
 - Do not apply to loans that have a bullet or balloon repayment profile which extends to more than 3 years of the 7–10-year maturity allowed.
- Loans must be structured as Term Loans denominated in euro.
- The On-Lender's standard credit criteria apply to all loan applications.
- The On-Lender may not make a Scheme loan conditional on the borrower accepting a different facility or service from the On-Lender.
- Refinance of existing borrowings is not allowed.
- The minimum credit grade allowable is B- (S&P) or B3 (Moody's) equivalent at the time of granting the loan⁴.
- Maximum amount of 40% of the On-Lenders' portfolio may be comprised of the industry sector expressed collectively as NACE code Rev 2 Division level A01 - Crop and animal production, hunting and related service activities, A02 - Forestry and Logging and A03 - Fishing and Aquaculture. The maximum sectoral concentration per other industry sector (excluding those listed above) is 20%.

NB – Other rules may apply and will be set out in detail in the draft guarantee agreement provided by the SBCI to successful applicants. In addition, the EIF may apply additional rules subject to its risk assessment of On-Lenders.

⁴ Subject to confirmation on finalisation of the counter guarantee agreement

2.2 Who can apply for a loan?

SMEs⁵ and Small Mid-Cap⁶ enterprises including primary producers (including fisheries and aquaculture) that are:

- i. established or have a branch⁷ in Ireland; and
- ii. economically viable (which determination shall be made by the relevant On-Lender in accordance with its policies and procedures),

Loans to Small Mid-Caps shall not exceed 5% of the value of the Maximum Portfolio Volume.

SMEs

- Micro, small or medium-sized enterprises which employ fewer than 250 persons; and
- Have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.⁸

Small Mid-Cap Enterprises

- Is not an SME; and
- Has up to 499 employees.⁹

Who cannot apply for a loan?

SME/Small Mid-Caps that: -

- In the case of loans granted under the *De Minimis* Regulation¹⁰:
 - SMEs - are subject to, or fulfil the criteria under domestic law for being placed in, collective insolvency proceedings at the request of its creditors;
 - Small Mid-Caps – either (i) are subject to or fulfil the criteria under domestic law for being placed in, collective insolvency proceedings at the request of its creditors, or (ii) have a credit rating that is below B-.
- In the case of loans granted under GBER¹¹, ABER¹² or FIBER¹³: Are undertakings in financial

⁵ As defined in section 2(5) of the Loan Guarantee Schemes Agreements (Strategic Banking Corporation of Ireland) Act 2021

⁶ As defined in section 2(5) of the Loan Guarantee Schemes Agreements (Strategic Banking Corporation of Ireland) Act 2021

⁷ As defined in section 2(5) of the Loan Guarantee Schemes Agreements (Strategic Banking Corporation of Ireland) Act 2021

⁸ Article 2 of the annex to Recommendation 2003/361/EC

⁹ Section 2(5) of the Loan Guarantee Schemes Agreements (Strategic Banking Corporation of Ireland) Act 2021

¹⁰ Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, OJ L 352, 24.12.2013, p. 1–8, as may be amended or replaced;

¹¹ 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, 26.6.2014, p. 1, as may be amended or replaced.

¹² Commission Regulation (EU) 2022/2472 of 14 December 2022 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union, OJ L 327, 21.12.2022, p. 1-81, as may be amended or replaced

¹³ Commission Regulation (EU) 2022/2473 of 14 December 2022 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union, OJ L 327, 21.12.2012, p. 82 -139, as may be amended or replaced.

difficulty¹⁴.

- Are bankrupt or being wound up or having its affairs administered by the courts.
- Have a substantial focus in any of the Excluded/Restricted Sectors (see **Annex 6**)¹⁵
- Other exclusions might apply depending on the applicable State aid Regulation under which the loan is granted – (see **Annex 4**).

Borrower Eligibility

- The borrower must satisfy the conditions detailed in Section 2.1 and Section 2.2 of the Call to be eligible to apply for a loan under the Scheme. General borrower eligibility checks will be conducted by SBCI before the borrower can apply for credit facilities to the On-Lender. The borrower satisfies elements of these conditions by completing an application form on the SBCI Hub which contains self-declarations. If eligible, the SBCI will send the borrower confirmation of their eligibility to apply to a participating On-Lender for a loan under the Scheme (if the borrower's application is ineligible this will be communicated to the borrower as part of the application process on the SBCI Hub). The borrower will need to provide the confirmation of that eligibility to the On-Lender as part of its credit application process.
- Where the borrower is applying for an eligibility code relating to a proposed CA & ES Loan, additional information will be sought from the borrower through a linked external tool, or other documentary evidence as necessary, to generate an assessment of eligibility. Where deemed eligible, the SBCI will generate a code which will enable the On-Lender to distinguish eligibility between an CA & ES Loan and a Non-Green Qualifying Loan. While the On-Lender will not be required to make an eligibility assessment in relation to a CA & ES Loan, a check will be required to ensure that the purpose of the loan for which the borrower applies is consistent with that provided to the SBCI in the eligibility assessment.

2.3 Indicative Key Terms between the On-Lender and SBCI

Indicative key terms and conditions relevant to On-Lenders include the following:

- The SBCI guarantee is to the On-Lender, not the borrower.
- The amount of the guarantee fee is to be finalised following EIF risk assessment, however On-Lenders should assume a level of approximately 0.70% being the cost charged per annum by the SBCI to the On-Lender for the provision of an 80% guarantee on the outstanding balance of eligible loans. SBCI will allocate a portfolio lending limit to each On-Lender under the Scheme. On-Lenders cannot exceed this limit without agreement in writing from SBCI.

¹⁴ Undertaking in financial difficulty means an undertaking fulfilling the criteria laid down in Article 2, point (18), of Commission Regulation (EU) No 651/2014.

¹⁵ finance to support distilled alcoholic beverages and related products are eligible under the Scheme but are subject to a maximum cap of 20% of On-Lenders allocation, excluding Agriculture..

- Each On-Lender must ensure that the maximum sector concentration limits for loans, outlined in Section 2.1 (Loan Features), are adhered to.
- A minimum of 30% of each On-Lender allocation must consist of CA & ES Loans. Where a borrower seeks a facility incorporating both a CA & ES Loan element as well as a Non-Green Qualifying Loan element, separate loan accounts must be established.
- 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 Hub. The SBCI Hub records loan and borrower details e.g. the loan amount, term and interest rate. On-Lenders must use the SBCI Hub to enter and update the loan details in a timely and accurate manner. Indicative loan data to be recorded on the SBCI Hub are set out in **Annex 3**.
- The On-Lender may approve up to 90 days forbearance in line with their own policy (if no moratoria previously given). Loan restructures may not extend beyond 10 years from the start of the original loan.
- In the event of a borrower defaulting, the On-Lender may claim up to 80% of the outstanding principal from the SBCI as guarantor while bearing the remaining 20% of the loss.
- Any recoveries made by the On-Lender after making a claim under the guarantee must be applied on an 80% / 20% basis (80% must be paid back to SBCI).
- On-Lenders must ensure that the relevant customer-facing and back office staff in their organisation (e.g. Relationship Managers, Credit Approvers etc.) and any intermediaries, are trained to appropriately apply and administer the Scheme, and that they manage their internal communication so that all relevant staff receive and understand the information relevant to them.
- On-Lenders must work with SBCI on joint promotions, accurately convey the terms and conditions of the Scheme on all marketing materials and assemble case studies for SBCI use, to market the Scheme appropriately.
- On-Lenders will undergo periodic audits. Samples of transactions will be analysed during the audit to check that the Scheme rules and processes have been followed.
- SBCI provides training, communications and guidance materials for On-Lenders, both initially following accreditation and intermittently as refresher training where needed.
- Selected On-Lenders are required to enter into a standard form SBCI legal agreement. Upon review of applications, the successful applicants will be provided with a draft of the legal agreement. There may be an opportunity for all successful applicants to mutually agree one legal counsel, see Section 4.7 for more details.
- 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

SBCI 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 the Scheme.

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 Scheme and of **Annex 7** seeking information inputs for EIF / EIB. 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 based on 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 125 marks as set out in Phase 1, **Annex 2** and (ii) an evaluation of pricing criteria as set out in Phase 2, **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 (and on the basis that the timelines outlined below may be extended at SBCI’s sole and absolute discretion):
 - confirmation of SBCI Board approval; and
 - where required – EIF/EIB completing its due diligence and the relevant applicant being confirmed as satisfactory; and
 - where required – the applicant has satisfied SBCI’s due diligence process within 4 months of the date of publication of this Call; and
 - completion of the legal documentation within 5 months of the date of publication of this Call.

If any applicant fails Stage 4 by not obtaining the approval of the SBCI Board and/or failing the due diligence and/or not completing legal agreement requirements within the required timelines, the SBCI may 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 or not and (ii) the size and structure of applicants.

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

GSLSopencall@sbc.gov.ie *Subject: GSLS Scheme 2023*

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:

GSLSopencall@sbc.gov.ie *Subject: GSLS Scheme 2023 – 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 Colin Moran or Paul Christie via GSLSopencall@sbc.gov.ie) in order to help them ascertain whether participation in the Scheme would be potentially viable, before committing time and 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, based on 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.

Applicants in each Portfolio 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:

$A = (AS / TAS) * \text{the Maximum Portfolio Volume (Portfolio 1: €450m, Portfolio 2: €50m)}$

B = the amount of the Scheme requested by the applicant

AS = a successful applicant's Total Score

TAS = 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: SBCI will apply rounding to the nearest €5m for Portfolio 1 and €1m for Portfolio 2, for each allocation.

Stage 4 - Due Diligence and Completion

At this point in the process, the SBCI will communicate to the successful applicants an 'in principle' intention to enter into an agreement subject to satisfaction of any conditions precedent and completion of legal documentation. The SBCI has no obligation to enter into an agreement with a selected applicant.

Applicants are advised that selection as an On-Lender will be subject to a satisfactory risk assessment being undertaken by representatives from the EIF / EIB. Three templates are included at **Annex 7** to facilitate EIF and EIB information requirements, and applicants are requested to complete these templates and return them with their expression of interest. If requested, applicants must facilitate a risk assessment to be undertaken promptly following submission of their applications (likely April 2023). If an On-Lender has successfully undergone EIF due diligence in relation to previous schemes applicants are asked to contact the SBCI. It may be possible in these circumstances that this process can take a more summarised format.

Before being able to commence lending via the Scheme, the applicant will be required to complete a few preparatory steps:

- A guarantee agreement must be signed by the applicant within 5 months of the date of publication of this Call. This is a standard form agreement to be entered into between the SBCI and a successful applicant, with very limited scope to negotiate changes.
- SBCI will provide the applicant with training on the use of the SBCI Hub, as well as general training and communications materials on how the Scheme works, which the applicant may choose to use to train its staff on the terms of each of the Scheme. The applicant is, however, responsible for ensuring that all relevant staff within its organisation are fully trained on how the Scheme works, and that all internal processes reflect the necessary Scheme process requirements.
- The applicant will be required to agree an Operating Model before lending can commence, which will detail the applicant's processes and procedures for delivering the Scheme loans to ensure they are robust and fit for purpose.
- Applicants who are not existing On-Lenders may be subject to a confirmatory due diligence process which would be undertaken by or on behalf of SBCI and which must be completed within 4 months of the date of publication of this Call.

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 GSLSopencall@sbc.gov.ie
- A response will be issued to all applicants via email.
- Any accompanying spreadsheets should be in Microsoft Excel format, 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 may publish the names and associated details of those applicants who have been selected as an On-Lender in respect of the Scheme on its website. The associated details which may be published by SBCI may include the registered address of the successful applicant and the amount allocated to such successful applicant under the Scheme.

4. Requirements from On-Lenders

This section details the requirements for selection as an On-Lender for the Scheme. Applicants must be able to address all points to the full satisfaction of SBCI 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 reserves the right to consider, assess and seek additional relevant information at its discretion.

4.1 Lending to SMEs & Small Mid-Caps, including primary producers trading in Ireland

Applicants should be able to demonstrate their track record in the provision of term loans to SMEs/Small Mid-Caps, including primary producers (including fisheries and aquaculture). Applicants will be expected to have an existing comparable portfolio of at least €25m prior to their application.

4.2 Critical Mass

The structure of the guarantee means that for participation to be worthwhile for both the On-Lender and SBCI, applicants must be able to demonstrate through evidence-based forecasts the extent to which they intend to use the Scheme. Critical Mass requirements vary depending on the Portfolio an Allocation is being sought. SBCI would expect applicants seeking an Allocation to support a minimum deployment during the availability of the Scheme outlined as follows;

- Portfolio 1 – A minimum of €75m of new lending
- Portfolio 2 -A minimum of €15m of new lending

The terms of the legal agreements with successful applicants will also contain mechanisms to ensure that each On-Lender's portfolio of loans within the Scheme maintain the requirement to have a minimum of 30% of their portfolio in CA & ES Loans.

4.3 Eligible Financial Product Cost/Interest Rate

To reflect the significant coverage under the guarantee, A minimum interest rate discount of 1.5% applies for Portfolio 1 and of 1.0% for Portfolio 2. In addition, it is required that On-Lenders will provide an additional incentive of a minimum 0.25% to borrowers utilising the CA & ES Loan

option by way of further discounting the applicable interest rate relative Non-Green Qualifying Loans. Please note that the discounts do not include the EIF guarantee fee to be applied for each loan. The SBCI expects the overall interest rate discount proposed to incorporate both: (i) the indicative guarantee fee (c.0.70%); and (ii) the minimum interest rate discounts outlined above. The pricing and/or fee details should be provided relating to each product an applicant proposes to distribute under the Scheme. 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 Scheme. 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, highlighting interest rate changes where applicable.

Details of how minimum interest rate discount proposals will be evaluated under the Call are outlined in the applicant Scoring section of **Annex 2**. A template for applicants to complete detailing their pricing proposals is also included within this Annex. Applicants are required to outline the component parts interest rate, including their of their cost of funds as part of this template. Where deemed necessary, future proposed changes in the interest rates charged under the Scheme will require approval from SBCI, who will seek to ensure that any proposals are transparently linked to cost of funding increases and avoid any transfer of State aid benefits from the borrower to the On-Lender.

4.4 Availability of Capital

The applicant must be able to demonstrate that it has or will have sufficient capital available to meet its lending forecasts for the duration of the Scheme, covering lending both with and without the support of the Scheme. If the Applicant currently has SBCI liquidity, this funding cannot be used to fund Scheme loans.

Where the availability of or freedom to deploy capital is subject to conditions which may affect the applicant's ability to deploy capital for lending under the Scheme, 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 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, complaints management 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 Scheme.

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.

4.6 Regulation

Applicants are expected to be appropriately regulated, licensed and 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 regulatory approvals can still apply to become an On-Lender for the Scheme 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 a “standard form” guarantee agreement with the SBCI. The guarantee agreement will be drafted on the basis that the origination and servicing of the loans under the Scheme is undertaken by the same legal entity as the named On-Lender (the “lender of record”), who contracts with the underlying borrower. SBCI can also accommodate a structure whereby two corporate entities from the same corporate group contract to separately originate and service loans under the Scheme.

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 the Scheme loans originated under the loan agreements between the On-Lender and the underlying borrowers
- the On-Lender originates the Scheme 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 Scheme loans, having regard to the standard of care set out in the guarantee agreement
- the On-Lender is responsible for the administration of their inputs to the SBCI Hub and making sure it is kept up-to-date
- the On-Lender maintains adequate and up-to-date records in relation to the loans granted by it under the Scheme.

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

To streamline the legal process for SBCI and all successful applicants, applicants may wish to consider if there is an efficiency / cost benefit in mutually agreeing on the same legal counsel to represent the interests of all applicants in relation to the guarantee agreement. **Applicants are asked to indicate if they would be open to such an approach.**

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 SBCI and the On-Lender, which requires the On-Lender to have a financial interest in the performance of its loan 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 SBCI in modifying its standard form guarantee agreement to accommodate business models other than those contemplated above may be for the account of the applicant. Similarly, to the extent that an On-Lender requests subsequent amendment(s) to the executed guarantee agreement, such costs shall be borne by the On-Lender. These costs will be notified to the applicant in advance, where possible.

Where the 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 is not the lender of record), it will not be considered a suitable On-Lender for the Scheme. 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 Scheme. 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 Scheme.

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 not to continue with the current process and/or cancel or withdraw from the process at any stage and any costs or expenses incurred by applicants will not be reimbursed. SBCI hereby excludes any liability it 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 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 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, applicants must 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 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 remain the responsibility of the SBCI and the Information Commissioner and the courts.

Personal data will be processed in accordance with the privacy notice on SBCI's website <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: 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 Growth and Sustainability Loan Scheme (the “**Scheme**”) to be implemented 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 for the successful delivery of the 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 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 Situation**”), as at the date of this application form:

- a) the Applicant is bankrupt, is subject to insolvency or is being wound up, is having its affairs administered by a liquidator or by the courts, in this context, is in an arrangement with creditors, is having its business activities suspended or a standstill (or equivalent) agreement has been signed with creditors and validated by the competent court when required by the applicable law, or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) in the past five (5) years, the Applicant has been the subject of a final judgment or final administrative decision for being in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the applicable law and where such obligations remain unpaid unless a binding arrangement has been established for payment thereof;
- c) in the past five (5) years, the Applicant or any of the persons having powers of representation, decision-making or control over it has been convicted by a final judgment or a final administrative decision for grave professional misconduct, where such conduct denotes wrongful intent or gross negligence.
- d) in the past five (5) years, the Application or persons having powers of representation, decision-making or control over it has been the subject of a final judgment for:
 - i) fraud;
 - ii) corruption;
 - iii) participation in a criminal organisation;
 - iv) money laundering or terrorist financing;
 - v) terrorist offences or offences linked to terrorist activities, or inciting, aiding, abetting or attempting to commit such offences;
 - vi) child labour and other forms of trafficking in human beings;
- e) the Applicant is under the published list of economic operators excluded or subject to financial penalty, in each case contained in the early detection and exclusion system database (the EDES database available at the official website of the EU) set up and operated by the Commission.

Name(s)
Title / Role(s)
Signature(s)
Date

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 must 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 Scheme being requested by the Applicant – i.e. indicate which Portfolio an Allocation is being sought under, and what amount the Applicant will deploy.
- Applicants must be capable of lending a minimum of €75m under Portfolio 1 or €15m under Portfolio 2, during the duration of the 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 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 Scheme.
- If the Applicant currently has SBCI liquidity, this funding this cannot be used to fund Scheme loans.

Loan Pricing

- Applicants must provide pricing and/or fee details relating to each product that they propose to distribute under the Scheme. Minimum details should reflect interest/fee cost with and without the benefit of the Scheme as well as evidence of historic pricing for the same product on a historic basis, ideally >12 months.
- A minimum interest rate discount of 1.5% applies for Portfolio 1 and of 1.0% for Portfolio 2. In addition, it is required that On-Lenders will provide an additional incentive of a minimum 0.25% to borrowers utilising the CA & ES Loan option by way of further discounting the applicable interest rate relative to Non-Green Qualifying Loans. Please note that the discounts do not include the EIF guarantee fee to be applied for each loan. The SBCI expects the overall interest rate discount proposed to incorporate both: (i) the indicative guarantee fee (c.0.70%); and (ii) the minimum interest rate discounts outlined above.
- For example, in the case of Portfolio 1, the minimum discount inclusive of fee is 2.2% for Non-Green Loans and 2.45% for CA & ES Loans.

- Loan pricing should be clearly outlined in the template provided in **Annex 2**.

Lending Experience

- Applicants should provide high level evidence of their track records of lending to the SME/Small Mid-Cap market including portfolio details e.g. distribution per credit grade, defaults, arrears and region for at least a 5 year period.
- Applicants must demonstrate their ability to manage their pipeline/loan drawdowns to manage the requirement to have at least 30% CA & ES Loans.
- Projected details of the proposed portfolio risk e.g. diversified by sector, geography, size of loans, credit grade. Applicants should provide some background on how they have produced this forecast. Please identify existing SME 'Green' portfolio / sub-portfolios if possible and provide information in relation to the applicant's strategy in relation to supporting SMEs / Small Mid-Caps with credit to support Environmental Sustainability Measures, and if applicable / appropriate, the Applicant's ESG policy.
- Applicants should also provide projected default rates for the full SME portfolio for the coming two years and arrears rates for the full SME portfolio across 30 day, 60 day, and 90 day+ buckets for the last four quarters.

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	
Name of the Entity	
Name of Applicant	
Principal Contact(s)	
Contact Details	Address (registered office): Telephone: 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 Growth and Sustainability Loan Scheme (the "**Scheme**") to be implemented 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 for the successful delivery of the 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 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 Situation**"), as at the date of this application form:

- a) the Applicant is bankrupt, is subject to insolvency or is being wound up, is having its affairs administered by a liquidator or by the courts, in this context, is in an arrangement with creditors, is having its business activities suspended or a standstill (or equivalent) agreement

has been signed with creditors and validated by the competent court when required by the applicable law, or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;

- b) in the past five (5) years, the Applicant has been the subject of a final judgment or final administrative decision for being in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the applicable law and where such obligations remain unpaid unless a binding arrangement has been established for payment thereof;
- c) in the past five (5) years, the Applicant or any of the persons having powers of representation, decision-making or control over it has been convicted by a final judgment or a final administrative decision for grave professional misconduct, where such conduct denotes wrongful intent or gross negligence.
- d) in the past five (5) years, the Application or persons having powers of representation, decision-making or control over it has been the subject of a final judgment for:
 - i) fraud;
 - ii) corruption;
 - iii) participation in a criminal organisation;
 - iv) money laundering or terrorist financing;
 - v) terrorist offences or offences linked to terrorist activities, or inciting, aiding, abetting or attempting to commit such offences;
 - vi) child labour and other forms of trafficking in human beings;
- e) the Applicant is under the published list of economic operators excluded or subject to financial penalty, in each case contained in the early detection and exclusion system database (the EDES database available at the official website of the EU) set up and operated by the Commission.

Name(s)
Title / Role(s)
Signature(s)
Date

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 Scheme. 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 that are eligible for loans under the Scheme.

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 Scheme, 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 Scheme being requested by the Applicant – i.e. indicate which Portfolio an Allocation is being sought under, and what amount the Applicant will deploy.
- Applicants must be capable of lending a minimum of €75m under Portfolio 1 or €15m under Portfolio 2, during the duration of the Scheme.

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 Scheme. 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 Scheme.

Loan Pricing

- Applicants must provide pricing and/or fee details relating to each product that they propose to distribute under the Scheme. Minimum details should reflect interest/fee cost with and without the benefit of the Scheme as well as evidence of historic pricing for the same product on a historic basis, ideally >12 months.
- A minimum interest rate discount of 1.5% applies for Portfolio 1 and of 1.0% for Portfolio 2. In addition, it is required that On-Lenders will provide an additional incentive of a minimum 0.25% to borrowers utilising the CA & ES Loan option by way of further discounting the applicable interest rate relative to Non-Green Qualifying Loans. Please note that the discounts do not include the EIF guarantee fee to be applied for each loan. The SBCI expects the overall interest rate discount proposed to incorporate both: (i) the indicative guarantee fee (c.0.70%); and (ii) the minimum interest rate discounts outlined above.
- For example, in the case of Portfolio 1, the minimum discount inclusive of fee is 2.2% for Non-Green Loans and 2.45% for CA & ES Loans.
- Loan pricing should be clearly outlined in the template provided in **Annex 2**

Lending Strategy

- Demonstrate an ability to access eligible SMEs/Small Mid-Caps 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.).
- Applicants must demonstrate their ability to manage their pipeline/loan drawdowns to manage the requirement to have at least 30% CA & ES Loans.
- Information detailing plans as well as capacity to generate lending to SMEs/Small Mid-Caps to the portfolio level proposed.
- Plans for launching the Scheme 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 Scheme.
- Information in relation to the applicant's strategy in relation to supporting SMEs / Small Mid-Caps with credit to support Environmental Sustainability Measures, and if applicable / appropriate, the Applicant's ESG policy

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 at least the last 5 years. Please identify existing SME 'Green' portfolio / sub-portfolios if possible as part of the analysis.

- 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. Applicants should also provide projected default rates for the full SME portfolio for the coming two years and arrears rates for the full SME portfolio across 30 day, 60 day, and 90 day+ buckets for the last four quarters.
- Details of team, describing expertise appropriate for meeting the requirements of the Scheme.
- 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 Scheme-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 Scheme.
- 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 Scheme 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

	MINIMUM ELIGIBILITY CRITERIA	System of appraisal (for SBCI use only)
		Yes/No
1.1	The applicant currently lends to Irish SMEs/Small Mid-Caps.	
1.2	The applicant is authorised to carry out lending activities within the State.	
1.3	The applicant and its senior management do not meet any of the Exclusion Criteria (see Annex 1).	
1.4	The applicant is an On-Lender (see Section 1.3).	
1.5	The Expression of Interest is complete including relevant supporting information.	
1.6	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 Scheme.

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 to the applicant to request additional or better information. On receipt of such additional or better information, SBCI will complete the assessment.

Applicant Scoring for Portfolio 1 and Portfolio 2 Allocation - Phase 2		
1	Does the applicant currently lend to SMEs/Small Mid-Caps?	30
2	Is the applicant authorised to carry out lending activities within the State?	20
3	Has the applicant provided sufficient information to assess the quality and plausibility of the proposal for implementation of the Scheme? Particular focus on the applicant’s proposal with regards to its operational readiness, rollout strategy and marketing/publicity of the Scheme and the plan for building a portfolio.	30
4	Ability of the applicant to deploy the size of portfolio indicated in the application. 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.	80
5	Can the applicant evidence an existing portfolio / sub-portfolio of ‘Green’ Loans to SMEs and demonstrate a strategy to support SMEs / Small Mid-Caps in their environmental sustainability journey.	30
6	Financial standing of the applicant as evidenced by external credit rating and/or the SBCI’s financial analysis of the applicant.	30
7	Applicant’s existing market share of SME/Small Mid-Cap sector.	40
Maximum Score • Minimum score of 125 marks required to progress to Allocation – Phase 2		260

Applicant Scoring for Portfolio 1 and Portfolio 2 Allocation - Phase 2	Marks														
<p>A minimum interest rate discount of 1.5% applies for Portfolio 1 and of 1.0% for Portfolio 2. In addition, it is required that On-Lenders will provide an additional incentive of a minimum 0.25% to borrowers utilising the CA & ES Loan option by way of further discounting the applicable interest rate relative to Non-Green Qualifying Loans. Please note that the discounts do not include the EIF guarantee fee to be applied for each loan. The SBCI expects the overall interest rate proposed to incorporate both: (i) the indicative guarantee fee (c.0.70%); and (ii) the minimum interest rate discounts outlined above. Weighting of scores as follows:</p> <ul style="list-style-type: none"> i. CA & ES Loans: (50% score weighting) ii. Non-Green Qualifying Loans : (50% score weighting) <table border="1" data-bbox="225 853 1235 2027"> <tr> <td data-bbox="225 853 703 891">Loan Category 1</td> <td data-bbox="703 853 1235 891">Loans up to €249,999.</td> </tr> <tr> <td data-bbox="225 891 703 929">Loan Category 2</td> <td data-bbox="703 891 1235 929">Loans greater than or equal to €250,000.</td> </tr> <tr> <td data-bbox="225 929 703 1106">Loan Category Weighting</td> <td data-bbox="703 929 1235 1106">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 data-bbox="225 1106 703 1480">Current Interest Rate</td> <td data-bbox="703 1106 1235 1480"> <p>The current interest rate an applicant has charged for the equivalent loan to be covered under the Scheme, to be supported by satisfactory evidence spanning a period of 12 months or more.</p> <p>Note: If the applicants pricing structure includes fees, then the proposal should reflect the makeup of the entire cost to the borrower.</p> </td> </tr> <tr> <td data-bbox="225 1480 703 1711">Guarantee Fee</td> <td data-bbox="703 1480 1235 1711">To be finalised following EIF risk assessment, (indicatively 0.70%) being the cost charged per annum by the SBCI to the On-Lender for the provision of an 80% guarantee on the outstanding balance of eligible loans.</td> </tr> <tr> <td data-bbox="225 1711 703 1906">Proposed Interest Rate</td> <td data-bbox="703 1711 1235 1906">The proposed interest rate to be charged to borrowers under the Scheme, inclusive of fees if applicable. Proposed interest rate should exclude the indicative guarantee fee</td> </tr> <tr> <td data-bbox="225 1906 703 2027">Discount</td> <td data-bbox="703 1906 1235 2027">The difference between the current and proposed interest rate, expressed in interest rate percentage terms.</td> </tr> </table>	Loan Category 1	Loans up to €249,999.	Loan Category 2	Loans greater than or equal to €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 has charged for the equivalent loan to be covered under the Scheme, to be supported by satisfactory evidence spanning a period of 12 months or more.</p> <p>Note: If the applicants pricing structure includes fees, then the proposal should reflect the makeup of the entire cost to the borrower.</p>	Guarantee Fee	To be finalised following EIF risk assessment, (indicatively 0.70%) being the cost charged per annum by the SBCI to the On-Lender for the provision of an 80% guarantee on the outstanding balance of eligible loans.	Proposed Interest Rate	The proposed interest rate to be charged to borrowers under the Scheme, inclusive of fees if applicable. Proposed interest rate should exclude the indicative guarantee fee	Discount	The difference between the current and proposed interest rate, expressed in interest rate percentage terms.	280
Loan Category 1	Loans up to €249,999.														
Loan Category 2	Loans greater than or equal to €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 has charged for the equivalent loan to be covered under the Scheme, to be supported by satisfactory evidence spanning a period of 12 months or more.</p> <p>Note: If the applicants pricing structure includes fees, then the proposal should reflect the makeup of the entire cost to the borrower.</p>														
Guarantee Fee	To be finalised following EIF risk assessment, (indicatively 0.70%) being the cost charged per annum by the SBCI to the On-Lender for the provision of an 80% guarantee on the outstanding balance of eligible loans.														
Proposed Interest Rate	The proposed interest rate to be charged to borrowers under the Scheme, inclusive of fees if applicable. Proposed interest rate should exclude the indicative guarantee fee														
Discount	The difference between the current and proposed interest rate, expressed in interest rate percentage terms.														

Scoring:

Each applicant to determine the Discount it will apply to the Scheme loans under Loan Category 1 and Loan Category 2 for CA & ES Loans and for Non-Green Qualifying Loans. Marks will be awarded based on the Discount each applicant applies to the Current Interest Rate as follows:

Portfolio 1/Portfolio 2 - Minimum Interest Rate Discount	Marks CA & ES Loans	Marks Non-Green Qualifying Loans
80%	140	140
75%	130	130
70%	120	120
65%	110	110
60%	100	100
55%	90	90
50%	80	80
45%	70	70
40%	60	60
35%	50	50
30%	40	40
25%	30	30
20%	20	20
15%	10	10

Please note that where an applicant submits a pricing discount matrix (i.e. a range of pricing discounts across different loan sizes) the score will be applied against the lowest interest rate discount 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, for CA & ES Loans and for Non-Green Qualifying Loans, therefore creating a Total Score for Phase 2. An example of the calculation for Phase 2 scoring is shown below.

Example Phase 2 Scoring

Scheme Loans	Proposed Interest Rate Equating to Discount of	Score	Weighting	Weighted Score
CA & ES Loans				
Category 1	55%	90	70%	63
Category 2	30%	40	30%	12
				75

Non-Green Qualifying Loans				
Category 1	40%	60	70%	42
Category 2	20%	20	30%	6
				48
Total Weighted Score from a maximum of 280				123
<p>Note 1: Applicants are asked to submit the proposed minimum interest rate discount in a manner that can be transparently tracked throughout the life of the Scheme i.e. Funding Cost should clearly be presented on a (EURIBOR basis 1M, 3M, 6M) plus any additional internal cost allocations if applicable.</p> <p>Note 2: It will be a requirement that throughout the life of the Scheme the applicant adheres to the agreed internal margin(s) above EURIBOR.</p>				

Minimum Interest Rate Discount Proposal Table – to be completed by Applicants (for both CA & ES Loans and Non-Green Qualifying Loans) is displayed below:

	CA & ES Loans		Non-Green Qualifying Loans	
	Loan Category 1 <€250k	Loan Category 2 ≥€250k	Loan Category 1 <€250k	Loan Category 2 ≥€250k
<i>A: Current Interest Rate</i>	<i>E.g. 5.5%</i>	<i>E.g. 4.5%</i>	<i>E.g. 5.5%</i>	<i>E.g. 4.5%</i>
<i>B: Proposed Interest Rate (excluding Guarantee Fee)</i>	%	%	%	%
<i>Discount (A-B)</i>	%	%	%	%
Interest Rate Proposal breakdown				
<i>Proposed Interest Rate Inc Guarantee Fee</i>	%	%	%	%
<i>Consists of</i>				
<i>Indicative Guarantee Fee*</i>	<i>0.70%</i>	<i>0.70%</i>	<i>0.70%</i>	<i>0.70%</i>
<i>Funding Costs **</i>	%	%	%	%
<i>Other [Free text]</i>	%	%	%	%

***Current estimate of fee, if fee decreases then Proposed Interest Rate Inc Guarantee Fee shall be deemed to reduce in line by the same amount**

****Applicants must choose a cost of funds benchmark of either 1M, 3M, or 6M EURIBOR plus set out any additional internal cost allocations if applicable.**

Applicant's Total Score is Phase 1 score + Phase 2 score (i.e. maximum 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 = $(AS / TAS) * \text{the Maximum Portfolio Volume}$ (€450m for Portfolio 1 or €50m for Portfolio 2)

B = the amount of the 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 (Portfolio 1) total score is 390 marks and Applicant B's score is 410 and Applicant C's score is 500, then Applicant A is allocated $390/1,300 * €450m = €135m$.

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 for that portfolio using the same methodology, adjusted for the exclusion of that successful applicant.

ANNEX 3

Indicative Information Requirements under the Scheme*

- Some requirements may evolve as the Scheme moves towards its launch

Fields	Collected by	Details
1) Data outlined below is required on each loan via the SBCI Hub		
Borrower Name	SBCI	
Contact Name	SBCI	
Contact Telephone Number	SBCI	
Contact Email	SBCI	
Registration or Identification Number	SBCI	Company Registration Number, VAT Registration Number or Other Identification
Address	SBCI	Borrower Address
EIRCODE	SBCI	
County	SBCI	
Date of Establishment	SBCI	YYYY
Principal activities in Ireland	SBCI	Y or N
Based in Ireland	SBCI	Y or N
Sector (NACE code)	SBCI	NACE Codes (select from list)
Previous State Aid	SBCI	Value of state aid incurred in the last 3 fiscal years
Number of employees	SBCI	Current number of employees (FTE)
Total turnover	SBCI	Mandatory
Total assets	SBCI	Mandatory
Enterprise Ireland client	SBCI	Y or N
Bord Bia client	SBCI	Y or N
Pre-clearance Reference No.	SBCI	
CA & ES Eligibility Criteria	SBCI	EIF Use Case Criteria – Range 1.1 to 7..2
Additional Renewable or other safe and sustainable zero and low-emission energy generation capacity (MW)	SBCI	Mandatory where applicable
Estimated primary energy savings generated by the projects in kWh/year	SBCI	Mandatory where applicable
Annual greenhouse gases reduced / avoided in tonnes of CO2 equivalent/year	SBCI	Mandatory where applicable
kWh Storage capacity	SBCI	Mandatory where applicable
Borrower Transaction ID	On-Lender	Unique Transaction Identifier (account number)
Borrower internal score/rating	On-Lender	Credit Grade
Principal amount	On-Lender	Loan amount sanctioned

Maturity (months)	On-Lender	Period starting from signature date of Borrower Transaction to scheduled final payment date
Grace Period (months)	On-Lender	Interest only period
Interest Rate / Margin	On-Lender	Margin charged by OL - expressed as a decimal number rather than a percentage
Signature Date	On-Lender	Date of loan agreement (dd/mm/yyyy)
First Disbursement Date	On-Lender	Date of first principal drawdown (dd/mm/yyyy)
First Instalment Date	On-Lender	Date of first principal repayment (dd/mm/yyyy)
Payment Frequency	On-Lender	Drop down menu - Repayment of a Final Recipient Transaction granted
On-Lender Rating Scale	On-Lender	Provided by OL during set up phase
LGD	On-Lender	Static Data - Provided by OL during set up phase
Type of Security taken	On-Lender	
Value of Security taken	On-Lender	
2) On-going Quarterly Reporting		
Borrower Transaction ID	On-Lender	Unique Transaction Identifier (account number)
Cumulative Disbursement	On-Lender	Actual total disbursed amount of each loan
Outstanding Principal amount	On-Lender	Current balance
Interest Rate / Margin	On-Lender	
Borrower Internal Score/Rating	On-Lender	Credit Grade
On-Lender Rating Scale	On-Lender	
Repayment Date	On-Lender	Date of full repayment of the outstanding principal (dd/mm/yyyy)
End of Disbursement	On-Lender	Y or N field (Y = Loan fully drawn, N = Loan not yet fully drawn)
Delinquent Borrower Transaction	On-Lender	Y or N field (Y = In arrears at quarter end, N = No arrears)
Delinquent Period	On-Lender	If field above "Y" then include number of days in arrears
Defaulted Borrower Transaction	On-Lender	Y or N field (Y = defaulted [arrears 90 days+], N = No arrears/arrears < 90 days)
Date of Defaulted Borrower Transaction	On-Lender	Date of default/restructure/acceleration (dd/mm/yyyy)

ANNEX 4

Indicative State Aid Rules applicable to the Scheme

This Scheme is subject to the State aid rules set out in:

- 1) the General Block Exemption Regulation - Commission Regulation (EU) No 651/2014 hereinafter referred to as “GBER”;
- 2) the Agriculture Block Exemption Regulation - Commission Regulation (EU) No 2022/2472) hereinafter referred to as “ABER”;
- 3) The Fishery Block Exemption Regulation – Commission Regulation (EU) No 2022/2473 hereinafter referred to as “FIBER”;
- and
- 4) the De Minimis Regulation – Commission Regulation (EU) No 1407/2013 hereinafter referred to as “De Minimis”.

The Scheme will operate under a combination of De Minimis, Article 17 GBER, Article 29 GBER, Article 14 ABER, Article 17 ABER, Article 33 FIBER and Article 46 FIBER. The rules that apply will depend on the borrower and the loan type. The following table provides a **summary** of the State aid rules and other restrictions applicable to the Scheme:

Loan	Loan Purpose	Category of borrowers	Excluded undertakings/loan purposes	State aid thresholds
Art 17 GBER	Long term investment in 1) setting up a new establishment or extension of an existing one; 2) diversification of output into new additional products; 3) fundamental change in production process; 4) acquisition of assets of an establishment where the establishment would have otherwise closed had it not been purchased.	<ul style="list-style-type: none"> • SMEs 	<ul style="list-style-type: none"> • Undertakings active in the primary agricultural production sector • Undertakings active in the fishery and aquaculture sector • Small Mid-Caps 	<ul style="list-style-type: none"> • Maximum aid amount is EUR 7.5m per undertaking per investment project • Maximum aid intensity is 10% of eligible costs for medium enterprises and 20% of eligible costs for small enterprises.
Art 29 GBER	Long term investment in process and organizational innovation.	<ul style="list-style-type: none"> • SMEs • Undertakings active in the fishery and aquaculture sector 	<ul style="list-style-type: none"> • Those businesses investing but not innovating in terms of process and organization. 	<ul style="list-style-type: none"> • Maximum aid amount is EUR 7.5m per undertaking per project • Maximum aid intensity is 50% of eligible costs
Art 14 ABER	Long term investment linked to primary agricultural production.	<ul style="list-style-type: none"> • SMEs active in the primary agricultural production sector 	<ul style="list-style-type: none"> • Land purchase • Livestock • Working capital • Drainage • Biofuels • Annual plants 	<p>€500K per project for primary agriculture</p> <p>Maximum aid intensity is 40% of eligible costs</p>

Art 17 ABER	Long term investment in connection with the processing and marketing of agricultural products.	<ul style="list-style-type: none"> SMEs active in the processing and marketing of agricultural products 	<ul style="list-style-type: none"> Land purchase Livestock Working capital Drainage Annual plants Biofuels Small Mid-Caps 	<p>Maximum aid amount is EUR 7.5m per undertaking per project</p> <p>Maximum aid intensity is 40% of eligible costs</p>
ART 33 FIBER	Aid for investments increasing productivity or positivity impacting the environment in aquaculture	<ul style="list-style-type: none"> SMEs active in fisheries or aquaculture 	<ul style="list-style-type: none"> Undertakings in financial difficulty Aid to export related activities Aid to increase the fishing capacity of a vessel Aid for the acquisition of equipment that increases the ability of a vessel find fish For the acquisition of fishing vessels N.B this list is a summary of key exclusions. There are others in Schedule 1 of the Regulation 	<p>Maximum aid intensity is 50% of eligible costs</p> <p>For operations positively impacting the environment the maximum aid intensity is 80%.</p>
ART 46 FIBER	Aid for the processing of fishery and aquaculture products	<ul style="list-style-type: none"> SMEs active in fisheries or aquaculture 	<ul style="list-style-type: none"> Undertakings in financial difficulty Aid to export related activities Aid to increase the fishing capacity of a vessel Aid for the acquisition of equipment that increases the ability of a vessel find fish For the acquisition of fishing vessels 	<p>Maximum aid intensity is 50% of eligible costs.</p>
De minimis	Long term investment.	<ul style="list-style-type: none"> SMEs/Small Midcaps 	<ul style="list-style-type: none"> Undertakings active in the primary agricultural production sector Undertakings active in the fishery and aquaculture sector 	<p>€200k in a 3-year fiscal period.</p>
<p><i>N.B. The above table is a summary only. For the complete text on State aid rules, please refer to the relevant regulation.</i></p>				

ANNEX 5

Sectors Excluded under the Scheme by the Irish Authorities (indicative only and subject to change by SBCI)

NACE Code	Description
AGRICULTURE, FORESTRY AND FISHING	
11500	Growing of tobacco
MINING & QUARRYING	
50000	Mining of coal and lignite
51000	Mining of hard coal
52000	Mining of lignite
60000	Extraction of crude petroleum and natural gas
61000	Extraction of crude petroleum
62000	Extraction of natural gas
62010	Natural gas liquefaction
62030	Regasification of natural gas
63000	Compound derivatives from waste recycling (for energy use)
70000	Mining of metal ores
71000	Mining of iron ores
72000	Mining of non-ferrous metal ores
72100	Mining of uranium and thorium ores
72900	Mining of other non-ferrous metal ores
80000	Other mining and quarrying
81000	Quarrying of stone, sand and clay
81100	Quarrying of ornamental and building stone, limestone, gypsum, chalk and slate
81200	Operation of gravel and sand pits; mining of clays and kaolin
89000	Mining and quarrying n.e.c.
89200	Extraction of peat
89100	Mining of chemical and fertiliser minerals
89300	Extraction of salt
89900	Other mining and quarrying n.e.c.
90000	Mining support service activities
91000	Support activities for petroleum and natural gas extraction
99000	Support activities for other mining and quarrying
MANUFACTURING	
120000	Manufacture of tobacco products
142000	Manufacture of articles of fur
190000	Manufacture of coke and refined petroleum products
191000	Manufacture of coke oven products
192000	Manufacture of refined petroleum products
205100	Manufacture of explosives

244600	Processing of nuclear fuel
244610	Uranium enrichment
244620	Irradiated fuel reprocessing
254000	Manufacture of weapons and ammunition
304000	Manufacture of military fighting vehicles
ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	
351140	nuclear energy
351141	pilot plants
351142	demonstration plants
351143	commercially-rated power stations
CONSTRUCTION	
410000	Construction of buildings
411000	Development of building projects
412000	Construction of residential and non-residential buildings
412010	urban infrastructure
412011	urban renewal
412012	public buildings
412013	exhibitions, trade fairs and conferences
412014	housing
412020	urban development schemes
412021	sundry infrastructure
412022	development of industrial estates
412023	composite infrastructure
429010	industrial estates and buildings (turnkey factories)
431200	Site preparation
WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	
463000	Wholesale of food, beverages and tobacco
463500	Wholesale of tobacco products
472600	Retail sale of tobacco products in specialised stores
TRANSPORTATION AND STORAGE	
522210	sea port installations/river development works
522220	acquisition of vessels
522240	Acquisition of fishing boats
FINANCIAL AND INSURANCE ACTIVITIES	
641100	Central banking
641900	Other monetary intermediation
641910	banks
641920	mutual banks or credit cooperatives
641930	savings banks
641940	Development Banks and Financing Institutions
641941	Development Banks and Financing Institutions Multilateral
641941	Development Banks and Financing Institutions Multilateral - International
641941	Development Banks and Financing Institutions Multilateral - Regional
REAL ESTATE ACTIVITIES	
680000	Real estate activities

681000	Buying and selling of own real estate
PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	
840000	Public administration and defence; compulsory social security
841000	Administration of the State and the economic and social policy of the community
841100	General public administration activities
841200	Regulation of the activities of providing health care, education, cultural services and other social services, excluding social security
841300	Regulation of and contribution to more efficient operation of businesses
842100	Foreign affairs
842000	Provision of services to the community as a whole
842200	Defence activities
842300	Justice and judicial activities
842400	Public order and safety activities
842500	Fire service activities
843000	Compulsory social security activities
ARTS, ENTERTAINMENT AND RECREATION	
920000	Gambling and betting activities
ACTIVITIES OF HOUSEHOLDS AS EMPLOYERS	
970000	Activities of households as employers of domestic personnel
980000	Undifferentiated goods- and services-producing activities of private households for own use
981000	Undifferentiated goods-producing activities of private households for own use
982000	Undifferentiated service-producing activities of private households for own use
990000	Activities of extraterritorial organisations and bodies
841100	General public administration activities
841200	Regulation of the activities of providing health care, education, cultural services and other social services, excluding social security
841300	Regulation of and contribution to more efficient operation of businesses
842100	Foreign affairs
842200	Defence activities
842300	Justice and judicial activities
842400	Public order and safety activities
842500	Fire service activities
843000	Compulsory social security activities

ANNEX 6

Excluded / Restricted Sectors

A. EIF Restricted Sectors

1. **Illegal Economic Activities**

- Any production, trade or other activity, which is illegal under the laws or regulations of the home jurisdiction for such production, trade or activity (“Illegal Economic Activity”).
- Human cloning for reproduction purposes is considered an Illegal Economic Activity.

2. **Tobacco and Distilled Alcoholic Beverages**

- The production of and trade in tobacco and distilled alcoholic beverages and related products. (**Note:** finance to support distilled alcoholic beverages and related products are eligible under the Scheme but are subject to a maximum cap of 20% of On-Lenders allocation of the total Scheme size).

3. **Production of and Trade in Weapons and Ammunition**

- The financing of the production of and trade in weapons and ammunition of any kind. This restriction does not apply to the extent such activities are part of or accessory to explicit European Union policies.

4. **Casinos**

- Casinos and equivalent enterprises.

5. **IT Sector Restrictions**

Research, development or technical applications relating to electronic data programs or solutions, which:

(i) aim specifically at:

- (a) supporting any activity included in the Restricted Sectors referred to under 1. to 4. (inclusive) above.
- (b) internet gambling and online casinos; or
- (c) pornography,

or which:

(ii) are intended to enable to illegally:

- (a) enter into electronic data networks; or
- (b) download electronic data.

6. **Life Science Sector Restrictions**

When providing support to the financing of the research, development or technical applications relating to:

- (i) human cloning for research or therapeutic purposes; and
- (ii) Genetically Modified Organisms (“GMOs”).

B. EIB Group Excluded Sectors

1. Production or activities involving harmful or exploitative forms of forced labour¹⁶ /harmful child labour¹⁷.
2. Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements.
3. Any business relating to pornography or prostitution.
4. Production or trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES).
5. Production or use of or trade in hazardous materials such as radioactive materials (except for medical isotopes and materials for diagnostics and treatment in healthcare provision), unbounded asbestos fibres and products containing PCBs¹⁸.
6. Cross-border trade in waste and waste products unless compliant with the Basel Convention and the underlying national and EU regulations but for the avoidance of doubt, use of waste as a fuel in district heating is not excluded.
7. Unsustainable fishing methods (i.e. drift net fishing in the marine environment using nets in excess of 2.5 km in length and blast fishing).
8. Production or trade in pharmaceuticals, pesticides/herbicides, chemicals, ozone depleting substances¹⁹ and other hazardous substances subject to international phase-outs or bans.
9. Destruction of Critical Habitats²⁰.

¹⁶ Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty

¹⁷ Harmful child labour means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, moral or social development. In addition any labour that is performed by a person which has not yet reached the age of 15 is considered to be harmful, unless the local legislation specifies compulsory school attendance or the minimum age for working to be higher; in such cases, the higher age will be applied for defining harmful child labour

¹⁸ Polychlorinated biphenyls

¹⁹ Ozone Depleting Substances: Chemical compounds, which react with and delete stratospheric ozone, resulting in "holes in the ozone layer". The Montreal Protocol lists ODs and their target reduction and phase-out dates.

²⁰ Critical habitat is a subset of both natural and modified habitat that deserves particular attention. Critical habitat includes areas with high biodiversity value that meet the criteria of the World Conservation Union ("IUCN") classification, including habitat required for the survival of critically endangered or endangered species as defined by the IUCN Red List of Threatened Species or as defined in any national legislation; areas having special significance for endemic or restricted-range species; sites that are critical for the survival of migratory species; areas supporting globally significant concentrations or numbers of individuals of congregatory species; areas with unique assemblages of species or which are associated with key evolutionary processes or provide key ecosystem services; and areas having biodiversity of significant social, economic or cultural importance to local communities. Primary Forest or forests of High Conservation Value shall be considered Critical Habitats. For the purpose of this Agreement, the environment and social requirements attached hereto are understood and agreed to provide reasonable and satisfactory assurance of the avoidance of destruction of critical habitat.

ANNEX 7

EIF and EIB Information Templates

The following EIF / EIB templates, to facilitate their information requirements from applicants, are listed below and are available, published separately on the SBCI website.

Applicants are requested to complete these templates and return them with their expression of interest.

Note: If an On-Lender has successfully undergone EIF due diligence in relation to previous schemes, they are asked to contact the SBCI, as it may be possible that this process can then take a more summarised format.

EIB

1. EIB Qualitative Information Questionnaire

EIF

1. EIF Performance Track Record Questionnaire
2. EIF Expected GSLS Scheme Portfolio Characteristics