New support measures under the EaSI Programme

EMN Webinar
26 August 2020
11.00-12.00 CET

with financial support from the European Union
**Agenda**

1. Introduction
2. Dimitrios Niafas, DG EMPL
3. Per-Erik Eriksson, EIF
4. Questions & Answers
Dimitrios Niafas, DG EMPL

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We’re the European Investment Fund

Improving access to finance for micro-borrowers and micro and social enterprises during the COVID-19 crisis
## Enhanced EaSI GFI terms

### EaSI GFI Main features

**Microfinance**
- SMEs < 10 FTE
- <2m annual turnover
- ≤€25K per loan

**Social enterprises**
- Enterprises with annual turnover < EUR 30m
- ≤€500K per loan

**Capped guarantee**
- Free of charge

**Financing purpose**
- Working capital
- Investment financing

### Amended terms vs. Improved conditions

<table>
<thead>
<tr>
<th>Amended terms</th>
<th>Improved conditions</th>
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</thead>
<tbody>
<tr>
<td>Guarantee/counter guarantee rate</td>
<td>Increased from up to 80% to <strong>up to 90%</strong> for transactions originated during the COVID 19 support period (*)</td>
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<tr>
<td>Cap rate revision</td>
<td>Possibility to increase by up to certain % (still up to max 30% cap rate (triggering a reduction in max portfolio volume))</td>
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<tr>
<td>Reduction of risk retention</td>
<td>Reduced from 20% to <strong>10%</strong> for transactions originated during the COVID 19 support period (*)</td>
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<td>Fixed recovery rate</td>
<td>To be set taking into account, inter alia, expected transactions to be originated during the COVID-19 support period</td>
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<tr>
<td>Guarantee coverage</td>
<td>Extended form 6 to <strong>7 years for microfinance</strong> Redacted from 10 to <strong>11 years for social entrepreneurship</strong></td>
</tr>
<tr>
<td>Coverage of accrued interest</td>
<td>Extended up to <strong>360 days under certain conditions</strong></td>
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<tr>
<td>Commitment fee</td>
<td>Possibility to waive the fee for intermediaries</td>
</tr>
<tr>
<td>Availability period</td>
<td>Possible extension by <strong>6 months</strong> for existing agreements</td>
</tr>
<tr>
<td>Maximum exposure per final recipient</td>
<td>Increased from <strong>€25K</strong> to <strong>€50k</strong> for microfinance Increased from <strong>€500K</strong> to <strong>€1m</strong> for social entrepreneurship</td>
</tr>
</tbody>
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* COVID-19 support period is from 01/04/2020 until 31/03/2021
EaSI GFI COVID-19 support measures

Enhanced EaSI GFI guarantee

Up to 90% guarantee rate available on a loan by loan basis for transactions originated during the COVID-19 support period*

<table>
<thead>
<tr>
<th>Standard</th>
<th>COVID-19 support period terms</th>
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</thead>
<tbody>
<tr>
<td>&lt; 80% Guarantee rate on a loan by loan basis</td>
<td>&lt; 90% Guarantee rate on a loan by loan basis</td>
</tr>
<tr>
<td>Min 20% risk retained by the FI</td>
<td>Min 10% risk retained by the FI</td>
</tr>
<tr>
<td>&lt; 30% Guarantee cap rate</td>
<td>&lt; 30% Guarantee cap rate</td>
</tr>
</tbody>
</table>

Total portfolio of loans

* COVID-19 support period is from 01/04/2020 until 31/03/2021
How to sign up for improved terms

Simple notification-based process leading to a contract amendment for existing financial intermediaries

Where to find documentation  →  I am...  →  I want to benefit from COVID-19 support measures...  →  1  →  2

- an existing financial intermediary in or outside of the EU  →  improved terms through an amendment to an existing guarantee agreement  →  Submit the acceptance letter by 31 October 2020*  →  The agreement is amended (subject to completeness of information)

Call for Expression of Interest  →  a new financial intermediary established in or outside the EU  →  1  →  2  →  3  →  4

- Apply using Annex 1  →  EIF conducts pre-selection  →  EIF conducts due-diligence  →  Approval & agreement

*Only applicable in case of direct guarantees with no bespoke features. Counter-guarantees and transactions with bespoke features will be treated separately, on a case by case basis.

**Please be informed that, as of 23 July 2020, the total amount of applications already received exceeds the EU budget available under the EaSI Guarantee instrument. Any new applications may be considered should additional resources become available.
More information available at www.eif.org
Do you have any questions?

Click on this icon to “raise your hand” and request the right to speak. If possible and time allows, the organiser will unmute you and everybody will be able to hear your question(s) or comment(s).

You can also leave your comments or questions in this chat box. They will be visible to presenters and organisers only.
ANY QUESTIONS?

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