# Annex 1 - Enterprise Finance Guarantee: Expression of Interest to become an accredited EFG lender

Applicants are requested to submit a response (not more than 5 pages) following the format set out below.

To be received by the British Business Bank by 5pm on Friday 29th December 2017.

### Lender details

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| **Applicant Details** |
| Applicant Name: |  |
| Details of Ownership: |  |
| Contact Address: |  |
| Principal Contact(s)(Name(s) and Role(s)): |  |
| Phone - Direct Line:Phone - Mobile: |  |
| E-mail: |  |

### Requested Information

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| **General information** |
| 1 | Please provide a brief background of the applicant organisation, including its principal lending activity. |
| 2 | What are the main lending products provided to UK SMEs, and what are the key terms of these? What is the strategy for UK smaller business lending going forward? |
| 3 | What are your key items of collateral normally considered for a commercial lending application? |
| 4 | Please indicate for which type of lending you intend to use EFG:1. Term lending
2. Revolving facilities
3. Invoice Finance
4. Asset Finance
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| 5 | a) What are the key statutes and regulatory requirements with which you must comply (or will have to comply in the case of a newer lender or a lender wishing to enter a new market segment)?b) Are you in full compliance with the above? Please explain any areas of non-compliance, and how and when you intent to address these areas. |
| 6 | Who would be responsible for the management of EFG in the applicant organisation?  |
| **Information on how you meet the EFG accreditation criteria** |
| A | **Criterion A**: Lending to SMEs trading in the UK. Please provide high level evidence of your track record in the provision of lending to the UK smaller business market (by type of lending if applicable, such as term, revolving, invoice finance, asset finance and whether secured or unsecured), including default rates and performance against target; or if you are a newer lender or a lender entering a new market segment, demonstrate your intention and strategy for UK SME lending.  |
| B | **Criterion B**: Secured Lending. Please confirm that you are active in issuing secured lending to smaller businesses, or planning to be, and in which types of secured lending products.  |
| C | **Criterion C**: Additionality. EFG-backed lending must be additional, so it must be lending that otherwise, following the lender’s normal credit approval processes, would not have happened due to the lack of security. EFG lending is not designed as a substitute for lending which would have otherwise been undertaken by the applicant wholly at their own risk. Please describe at a high level how EFG lending would be additional for you as lender as part of your strategy. |
| D | **Criterion D**: Critical Mass. Please provide us with a forecast on how much EFG-backed lending you think you might originate per year, both in terms of number of deals and average deal size; and compared to your non-EFG smaller business lending. Please provide some background on how you have come up with this forecast. Whilst we normally aim to work with lenders who will be able to originate around £500,000 lending that is EFG-backed per year for three years, we may consider accrediting lenders who forecast being able to originate less than £500,000 per year.  |
| E | **Criterion E**: Availability of Capital. Please demonstrate that you have or will have sufficient capital available to meet your lending forecasts for the next three years, covering secured SME lending both with and without EFG support. Please highlight at this stage if some of your sources of capital come with conditions that may restrict the ability for EFG-backed lending.  |
| F | **Criterion F**: Operations, Management Team and Track Record. Please set out at a high level (and without supporting documentation) that robust and tested systems and processes are in place for making and managing EFG-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 and governance arrangements and management information reporting. Please demonstrate at a high level that you have a competent team, with sufficient expertise to execute the proposed strategy for EFG-backed lending. BBB will test all of these requirements in more detail during Stage 2. |
| G | **Criterion G**: Legal Structure, Regulation and Tax Domicile. Please outline your legal structure and where you are domiciled for tax purposes, and confirm that you hold the necessary regulatory approvals.  |

### Certification and Authority to Submit

I confirm that I am duly authorised to submit this information on behalf of the applicant organisation(s).

I confirm that, to the best of my knowledge, this information provides an accurate representation of the current performance and future intentions of the applicant organisation(s).

I understand that accreditation as an EFG lender is discretionary and that submission of this information does not convey any particular status or entitlement upon the applicant organisation(s).

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| **Name**(Please print in block capitals) |
| **Title / Role**(Please print in block capitals) |
| **Signature** |
| **Date** |