



Cultural and Creative Sectors Guarantee Facility

Rome - 16 December 2016



CCSGF

Introduction



“When bankers get together for dinner, they discuss Art. When artists get together for dinner, they discuss Money”

Oscar Wilde

EIF - International Financial Institution

Part of the EIB Group, a non-profit public bank



“ We have designed and implemented financial solutions for 20 years and so far supported more than 1.5 million SMEs ”



“ We pursue EU policy objectives and financial sustainability ”



1994
Starts providing **guarantees** to financial intermediaries ; in 1997 offer expands to **venture capital**

2000
EIB becomes majority shareholder and makes EIF the “SME risk finance specialist”

2004
EIF starts to manage the first SME focussed fund-of-funds on behalf of an EU Member State

2014
EIF’s role strengthened with capital increase for the benefit of Europe

Shareholders
unique tripartite structure: 63.7% EIB, 24.3% European Commission, 12% 26 public & private financial institutions

Overall EIF commitment of EUR 14bn (outstanding amount) with a strong capital base of **EUR 4.5bn**

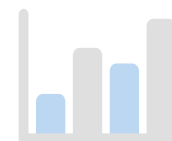
AAA-rated by three major rating agencies

Multilateral Development Bank status, eligible for a zero risk-weight under the Basel II capital framework

“ We provide risk financing to stimulate entrepreneurship, innovation and student mobility in Europe ”



“ To support smart, sustainable and inclusive growth for the benefit of Europe ”



Making finance more accessible to SMEs and Master’s students

Offering ranging from venture capital to guarantees and microfinance

Working with financial intermediaries across the **EU-28 EFTA countries, (potential) candidate countries**

Supporting the market in a countercyclical way

Be Europe’s leading investor in venture and growth capital & a **catalyst** to promote **lending & microfinance**

Support innovation, entrepreneurship and higher education, and bring together **public and private partners**

Fill the financing gap and leverage public funds by attracting **private capital**

Achieve policy objectives and return on capital

Supporting SMEs and student mobility through mobilised resources: EUR 77bn*

*Since start of operations

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Key facts and dates



- Part of **Creative Europe**, EU framework programme for CCS: **€1.46bn overall EU Commitment**
- New EU-level instrument managed by **EIF** on behalf of the **European Commission** (DG Connect and DG Education and Culture)
- Aims to improve access to **debt financing** for SMEs and organisations active in CCS
- CCS account for **4.5%** of EU overall GDP and **3.8%** of total EU job market (**8.5m jobs**)
- Aggregate budget of **€121.4m** (equiv. to between **€600m** and **€1.0bn** worth of financing) to be deployed by the **end of 2020**
- Mandate agreed and signed on **30 June 2016**
- Open call for expression of interest launched on **18 July 2016**



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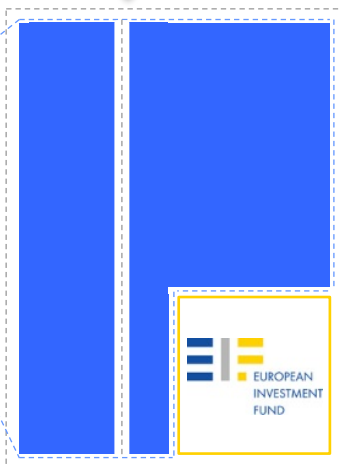
Main features

Financial intermediary's portfolio of CCS related transactions to SMEs and Small Public Enterprises

(Counter-) Guarantee Rate
on a loan-by-loan basis:
usually **70%**



Risk retained by
the Financial
Intermediary
minimum 20%
of the original
portfolio

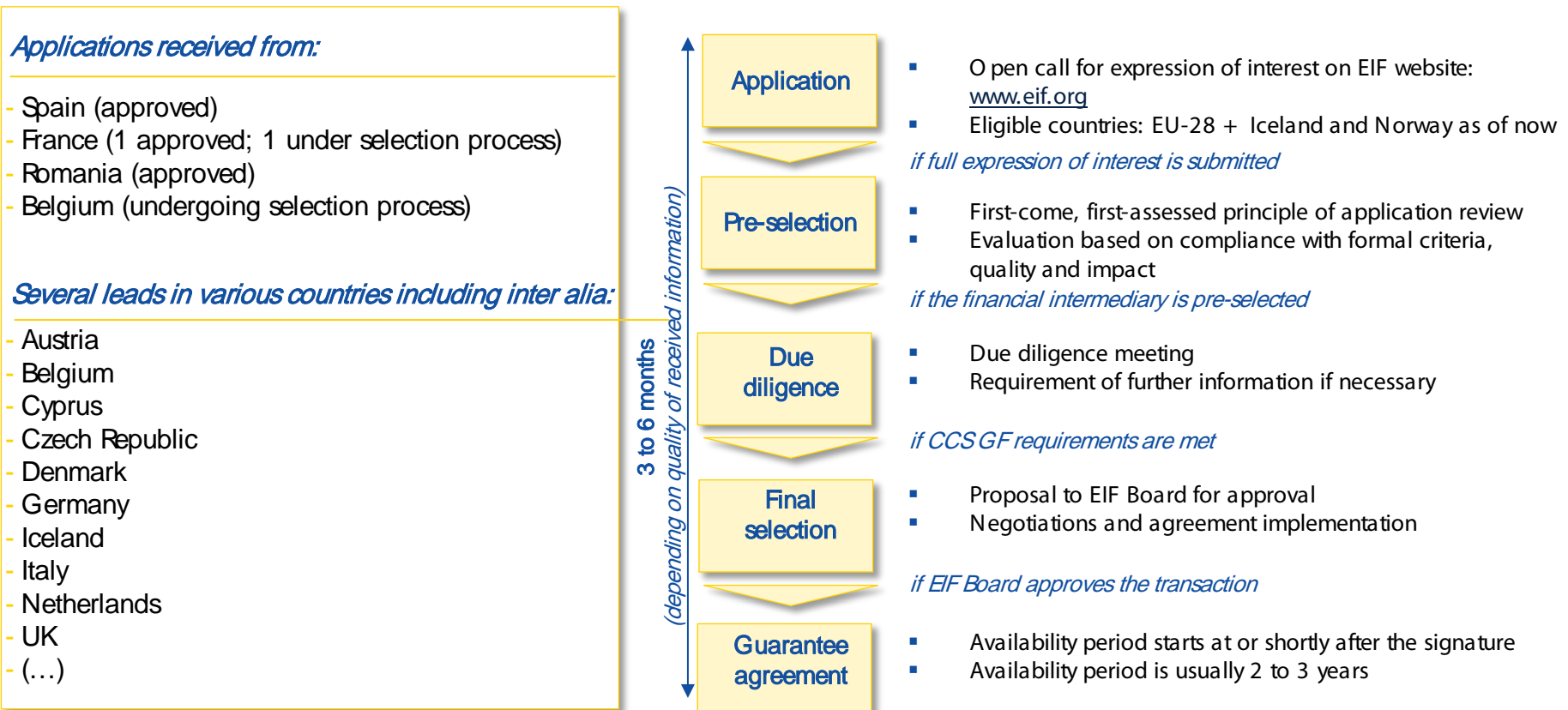


(Counter-) Guarantee
Cap Rate: **25%**
(18% or 10%
based on
EIF's professional
judgement)

CCSGF's capped (counter-) guarantee proposed features

- Structured in the form of **guarantees** or **counter-guarantees**
- **Free-of-charge (counter-) guarantee**
- (Counter-) Guarantee rate typically set at **max. 70%**
- (Counter-) Guarantee cap rate: **25%** (18% or 10% based on EIF's professional judgement)
- (Counter-) Guarantee term: **10 years**
- Pari-passu ranking
- **State aid consistent**
- **Customised capacity building scheme** offered free of charge to financial (sub-) intermediaries

3 applications to be signed expected to support **EUR 120m** of CCS loans with a budget allocation of **EUR 20m**; 2 applications under selection process





http://www.eif.org/news_centre/audiovisual_library/sme-video7.htm

Thank you

- The CCS is defined (EC) as follows:

mean all cultural and creative sectors whose activities are based on cultural values and/or artistic and other creative expressions, whether those activities are market- or non-market-oriented, whatever the type of structure that carries them out, and irrespective of how that structure is financed. Those activities include the development, the creation, the production, the dissemination and the preservation of goods and services which embody cultural, artistic or other creative expressions, as well as related functions such as education or management.

The cultural and creative sectors include inter alia **architecture, archives, libraries and museums, artistic crafts, audio-visual (including film, television, video games and multimedia), tangible and intangible cultural heritage, design, festivals, music, literature, performing arts, publishing, radio and visual arts.**

- A SME is defined (EC) as follow:

means any enterprise with less than 250 employees and having a turnover of less than EUR 50 million or total assets less than EUR 43 million; also not belonging to a group exceeding such thresholds.

- Public Enterprises are also eligible under the CCS GF. A Public Enterprise is defined (EC) as follow:

means a SME not complying with the SME definition above but exclusively because detention of shares of the SME by public bodies exceeds the limits defined in Art. 3.4 of the Commission Recommendation 2003/361/EC (OJ L24, 20.05.2003, p. 36).

Aims to support and produce a positive impact along the **entire value chain**



1. Development & Pre-production

- Author
- Screenplay writing
- Convertible loan for instance

2. Production & Post-production

- Movie producer
- Television programmes, animation and special effects
- Bank guarantee for instance

3. Distribution

- Theater
- Digitalisation equipment (purchase and maintenance)
- Revolver Credit Line/ Leasing/ CapEx loan

4. Preservation

- Footage processing & conversion company
- Storage
- Secured loan



Contact details



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