

Funded Risk Sharing Product for SMEs, Call for EoI No. JER-012/1



Date: 20 February 2012 – 13 April

Call for Expressions of Interest (“EoI”) to select Financial Intermediaries that will receive resources from the European Investment Fund acting through the JEREMIE Holding Fund for the Calabria Region to implement the Funded Risk Sharing Financial Instrument.

Reference number: Call for EoI No. JER-012/1

Introduction

The JEREMIE initiative is a framework programme providing a series of coherent actions to promote increased access to finance for micro, small and medium-sized enterprises.

The JEREMIE initiative in the Calabria Region is organised through the European Investment Fund (hereinafter, “EIF”) acting through the JEREMIE Holding Fund (hereinafter, “JHF”). Through the JHF, the EIF manages funds made available from the European Regional Development Fund (hereinafter, “ERDF”) and related public expenditure awarded for utilisation under the JEREMIE initiative.

As part of the Regional Operational Programme ERDF 2007-2013 (“Programma Operativo Regionale Calabria FESR 2007-2013”)¹ the competent regional authorities have agreed to dedicate resources to the implementation of the JEREMIE initiative with the EIF, in accordance with Article 44 of the Council Regulation (EC) No. 1083/2006² (hereinafter, “Reg. 1083/2006”) and in accordance with the provisions of the Funding Agreement (hereinafter, “Funding Agreement”) entered into on 11 October 2011 between the Calabria Region (hereinafter, “Calabria Region”) and the EIF. Relevant rules for implementing Reg. 1083/2006 are set out in the Commission Regulation (EC) No. 1828/2006³ (hereinafter, “Reg. 1828/2006”).

¹ Such Operational Programme approved by Decision of the European Commission C(2007) 6322 del 07.12.07.

² Council Regulation (EC) No. 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No. 1260/1999 (Official Journal of the European Union L210 of 31.07.2006), as amended from time to time.

³ Commission Regulation (EC) No 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund (Official Journal of the European Union L371 of 27.12.2006), as amended from time to time, including by Commission Regulation (EC) No 846/2009 of 1 September 2009 amending Regulation (EC) No 1828/2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund (Official Journal of the European Union L250 of 23.09.2009).

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The cooperation between the Calabria Region and the EIF acting through the JHF is governed by the Funding Agreement, which defines the type of cooperation and the operational modalities of the JHF financing expenditure in respect of an operation, as this term is defined in Reg. 1083/2006 (hereinafter, “**Operation**”) comprising contributions to support financial engineering instruments. The EIF acting through the JHF is advised by the Investment Board, members of which are nominated by the authorities of the Calabria Region (hereinafter “**Investment Board**”). The EIF in its capacity, acting through the JHF, acts on the basis of its usual business principles and an investment strategy and planning for the implementation of the JEREMIE initiative.

The JEREMIE initiative is funded by the following Operational Programme for the period 2007-2013, as described in particular in the table below:

Operational programme name	Priority axis name
ERDF Regional Operational Programme for the period 2007–2013	Asse 7: ‘Migliorare le condizioni di contesto e sostenere la competitività dei sistemi produttivi e delle imprese’ (<i>Axis 7: improve the structural conditions and support the competitiveness of both the productive systems and the enterprises</i>).

This Call for Expression of Interest targets financial engineering instruments referred to in Article 44 of Reg. 1083/2006 and is addressed to bodies or firms, whether public or private, which are interested in receiving resources out of the JHF for the activities in respect of Operations (hereinafter “**Financial Intermediaries**”). Such activities shall be carried out in accordance with the contractual agreements to be entered into by the JHF and the selected Financial Intermediaries (hereinafter, “**Operational Agreement(s)**”).

The Financial Intermediaries should express their interest by completing and submitting an Expression of Interest, a template of which is attached hereto as Annex 1.

1. Definitions and Interpretation

In this Call for Expression of Interest, capitalised terms and expressions shall have the meaning attributed to them below, unless otherwise defined above or the context requires otherwise:

Applicant	means a Financial Intermediary applying to this Call for Expression of Interest; the Financial Intermediary has to be a credit institution authorized to carry out business in Calabria Region under the applicable regulatory framework;
Deadline	means 13 April 2012;
Financial Instrument	Funded Risk Sharing;
Eligibility Criteria	means the criteria with which the Expressions of Interest and the Applicants must comply with and which are listed in Annex 2 – Part II hereof;
Expression of Interest	means a proposal sent by an Applicant in response to this Call for Expression of Interest, within the Deadline, to be drafted in accordance with the template attached hereto as Annex 1;

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EIB Group	The EIB Group consists of the European Investment Bank (EIB) and the European Investment Fund (EIF);
JEREMIE	means the initiative “Joint European Resources for Micro to Medium Enterprises” launched by the Commission and the EIF, as member of the European Investment Bank Group, in order to promote increased access to finance for the development of SMEs in the European Union;
JHF	means the EIF in its capacity acting through the JEREMIE Holding Fund for the Calabria Region, appointed under the Funding Agreement;
Operational Agreement	means an agreement entered into between a Financial Intermediary and EIF on behalf of the JHF regarding a Financial Instrument on the basis of this Call for Expression of Interest and the selection process;
Quality Assessment Criteria	means the quality assessment criteria applied by EIF at the sole discretion of EIF to the suitability of the Applicant and/or the proposed Financial Instrument according to the business standards of EIF and which are listed in Annex 2 hereof;
Selection Criteria	means the Eligibility Criteria and the Quality Assessment Criteria;
Small and Medium-sized Enterprises or SMEs	means micro, small and medium-sized enterprises as defined in the Commission Recommendation 2003/361/EC.

2. Holding Fund manager

European Investment Fund, 96 Boulevard Konrad Adenauer L-2968 Luxembourg.
 General internet address of the JEREMIE Holding Fund manager (URL): www.eif.org.

Under the Funding Agreement, the EIF may be substituted in its role as JHF. In the event of such substitution, the Calabria Region, or the entity appointed by the Calabria Region as new JHF, will assume the full discretion and responsibility to perform the tasks of the JHF and to implement the Operations in the Calabria Region, and may take over the Financial Instruments. The Operational Agreements will provide for the possible substitution of the EIF, in order to allow the transfer of the Operational Agreements to the successor entity.

3. Description of the activities expected from the selected Financial Intermediaries

The selected Financial Intermediaries will have to implement a financial engineering instrument briefly described in the table below (hereinafter, “**Financial Instrument**”). A Financial Instrument shall either be set up as an independent legal entity governed by agreements between the co-financing partners or shareholders or as a separate block of finance within a Financial Intermediary. As provided by Reg. 1828/2006, a separate block of finance shall be subject to specific implementation rules within the Financial Intermediary, stipulating, in particular, that separate accounts are kept which distinguish the JHF resources invested in the Financial Instrument, including those contributed by the Operational Programme, from those initially available in the Financial Intermediary.

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It is planned to allocate out of the JHF an amount up to EUR 42 million to the Financial Instrument.

See below list of indicative allocation and the relevant Annex setting out the Selection Criteria and the description of the Financial Instrument.

Financial Instrument	Indicative capital allocation (millions EUR)	Applicable Annexes
Funded Risk Sharing Financial Instrument	Up to 42	Annex 2 (Financial Instrument: Description and Selection Criteria)

The Financial Intermediaries shall clearly express their interest for a contribution (in terms of amount requested) of minimum EUR 21 million and may express their interest for a contribution up to the total amount allocated by the JHF to the Financial Instrument.

The indicative capital allocated to the Financial Instrument, as well as the amounts available for contribution by the JHF to the selected Financial Intermediary, may be changed as necessary, at EIF's sole discretion, particularly if the funding available changes during the JHF implementation process or the demand for the Financial Instrument so requires.

To be noted that joint ventures and/or consortia can express their interest as long as (i) at least one member of the joint venture and/or consortia is a credit institution authorised to carry out business in the Calabria Region under the applicable regulatory framework, and (ii) they indicate/nominate one coordinating entity (credit institution) as a contractual counterpart for the EIF for the entire term of the Operational Agreement (in case of selection), and (iii) all members of the joint venture and/or consortia assume joint and several liability for all applicable obligations. Such Applicants are required to submit one, joint Expression of Interest.

4. Expression of Interest

A template for the Expression of Interest is attached hereto as Annex 1, and can also be found at the following addresses: [www.eif.org or www.eif.org/calls_for_expression_of_interest/index.htm or: www.regione.calabria.it/.]

The Expression of Interest includes the Applicant's identification, the project description, the supporting documents, the declaration of absence of conflict of interest and the statement regarding situations of exclusion.

Until no later than **12 March 2012**, the Applicants may request clarifications regarding the Call for Expression of Interest or the nature of the Financial Instrument. Such requests must indicate the Call for Expression of Interest reference number and the name of the Applicant and shall be submitted in English via email to:

Regional Business Development Unit
European Investment Fund
info.rbd@eif.org

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Requests for clarifications from Applicants shall not receive individual replies. Instead, answers to all requests for clarifications received within the relevant deadline will be published together in a clarification document to be posted on the website: www.eif.org.

The EIF will, in principle, not contact any Applicant prior to the Deadline, unless it considers it necessary to clarify issues of a mere technical nature. However, should the EIF discover any errors, inaccuracies, omissions or any other type of clerical defect in the text of the Call for Expression of Interest before the Deadline, the EIF will correct the text and inform accordingly.

5. Language

The Expressions of Interest, including the submitted documents, shall be in English.

6. Submission of Expression of Interest

The Expressions of Interest shall be submitted on or before the Deadline **both** by (i) e-mail (no more than 10 mega bytes per email) **and** (ii) registered mail or professional courier service. The Expressions of Interest sent by registered mail or professional courier service shall consist of a closed single package, and shall contain the Expression of Interest, together with its attachments, in paper form and in removable electronic storage medium (e.g. CD-ROM, USB Memory Stick).

The Deadline for the submission of Expressions of Interest is 13 April 2012.

The Deadline applies (i) in case of e-mails to the reception by EIF and (ii) in case of registered mail or professional courier service to the date of dispatch proven by the post office stamp or a dispatch receipt.

The Expressions of Interest shall indicate the reference number of the Call (No. JER-012/1) and the name of the Applicant and shall be sent to the following address:

Postal Address:

European Investment Fund
Attention: Regional Business Development Unit
96 Boulevard Konrad Adenauer
L-2968 Luxembourg
LUXEMBOURG

The outer envelope (package) shall indicate the following:

“Expression of Interest - Reference number of the Call (No. JER-012/1) - Not to be opened by the reception – To be passed without opening to Regional Business Development Unit”).

E-mail Address:

Attention: Regional Business Development Unit
info.rbd@eif.org

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Prior to the Deadline and in the same manner as specified above, the Applicants may change or amend their Expressions of Interest by clearly indicating the parts to be changed or amended.

Prior or after the Deadline and in the same manner as specified above, the Applicants may withdraw their Expressions of Interest.

After the Deadline, an acknowledgement of receipt will be sent to the relevant Applicants by EIF via e-mail, which shall state the following:

- Unique proposal identifier (Expression of Interest number);
- Reference number of the Call for Expression of Interest;
- Confirmation that the Expression of Interest was received before the Deadline.

The acknowledgement of receipt shall not be construed as a declaration of completeness of the Expression of Interest and the documents submitted therewith, nor any kind of assessment of the same.

7. Selection process

When selecting Financial Intermediaries, EIF is committed to respect fundamental principles, such as:

- i) equal treatment,
- ii) non-discrimination,
- iii) confidentiality, and
- iv) transparency.

The Expressions of Interest will be examined by the EIF, on a comparative basis, using professional analysis and judgment, according to the Selection Criteria.

The EIF will reject those Expressions of Interest which do not comply with the Eligibility Criteria. Financial Intermediaries, whose application is rejected because of non-compliance with any of the elements reflected in the statements regarding situations of exclusion (Appendices 4 and 5 to Annex 1 hereto), may not present themselves for consideration in subsequent Calls for the Expression of Interest unless it is specifically evidenced that the reason for the exclusion no longer exists.

The expiration of the Deadline shall not prevent EIF, in limited cases if deemed necessary, from requesting and receiving from Applicants clarifications on issues of a mere technical or formal nature, *provided that* such clarifications shall neither provide an opportunity to the respective Applicants to unduly improve their applications nor otherwise distort the competition between the Applicants.

Applicants who are not excluded according to the Eligibility Criteria and which have been providing the additional information requested to pre-selected applicants as per Appendix 2 within the deadline determined in such request from EIF will go through the EIF selection process based on the Quality Assessment Criteria in a two-step approach, with the first constituting a desk-based analysis (Quality Assessment Criteria 2.1 and 2.7) and the second being a due diligence process (Quality Assessment Criteria 2.8 and 2.10).

To be preselected for due diligence, a minimum score of 48 is required for the desk-based analysis.

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Following desk-based analysis, the Applicant(s) not preselected for due diligence process will be informed accordingly.

The selection based on the Quality Assessment Criteria, and the due diligence process, if any, follows the standard procedures and guidelines applied by the EIF to its business. The evaluation of proposals at this phase will be conducted under competitive terms and it is envisaged to select one or more Applicants.

If, for any reason, an Operational Agreement is not signed with an Applicant initially selected, the EIF reserves the right to consider increasing the amount negotiated with (an) other Applicant(s) initially selected (in case more than one is selected).

Applicants who are not considered for contractual negotiations may constitute a reserve list, with a validity of maximum one year following notification.

During this period of time and in case the EIF does not proceed further with any of the selected Applicant(s) for contractual negotiations or if additional funding is made available, the EIF reserves itself the right to revert back to the Applicants included in the reserve list and initiate contractual negotiations with any of them, taking into consideration the results of the evaluation and the ranking formed.

In any phase of the selection process, the EIF reserves itself full discretion to consider Financial Intermediaries and no Applicant has any claim or other right or may expect to be ultimately selected for financial support by the JHF. Any negotiation of terms and conditions of Operational Agreements by no means entails any obligation for EIF and/or JHF to enter into such Operational Agreement with the relevant Financial Intermediaries.

Financial Intermediaries which do not receive contributions from the JHF are informed accordingly; the reasons for their Expression of Interest being rejected may be clearly communicated to them upon request.

Those Applicants, whose Expression of Interest is rejected, shall have the right to submit a written complaint by e-mail and registered mail or professional courier service, to the same address used for the submission of the Expressions of Interest above. Any complaints will be dealt within the framework and in accordance with the [EIB Group complaints policy](#) (for further info please visit www.eib.org).

8. Operational Provisions

The Financial Intermediaries, with which Operational Agreements will be eventually signed, shall be required to comply with the EIF anti-fraud policy, available on the website of EIF (www.eif.org), and with the relevant monitoring, reporting, publicity and auditing obligations required by the EU regulations, applicable to ERDF, and by the Funding Agreement. Such obligations are briefly described in the relevant Financial Instrument description documents, and will be defined in the relevant Operational Agreement.

ANNEXES

Annex 1. Expression of Interest

Annex 2. Funded Risk Sharing Financial Instrument: Description and Selection Criteria

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ANNEX 1⁴ to the Call for Expression of Interest No. JER-012/1

To:

European Investment Fund

Attention: Regional Business Development Unit

96 Boulevard Konrad Adenauer

L-2968 Luxembourg

EXPRESSION OF INTEREST

Call for Expression of Interest No.: JER-012/1

Deadline for the submission of the Expression of Interest : 13 April 2012

Expression of Interest for Funded Risk Sharing Financial Instrument

Applicant submitting the Expression of Interest: _____,
(company name,
registration number)

Dear Sir or Madam,

Herewith we are submitting our Expression of Interest on behalf of (Applicant) in response to the Call for Expression of Interest No. JER-012/1 in the framework of JEREMIE initiative implemented through EIF acting as JEREMIE Holding Fund ("JHF"). Capitalised expressions utilised herein shall have the meaning attributed to them in the above mentioned Call for Expression of Interest.

The undersigned duly authorised to represent the (Applicant), by signing this form certifies/certify and declare(s) that the information contained in this Expression of Interest and its Appendices is complete and correct in all its elements.

The undersigned certifies/certify that the (Applicant) is not in one of the situations which would exclude it from taking part in this Call for Expression of Interest listed out in Appendices 4 and 5 to this Expression of Interest. The undersigned shall, upon request, provide all evidence to that extent.

Yours sincerely,

Signature(s):
Name and position in capitals:
Applicant's name
Place:

Stamp of the Applicant (if applicable):

Date (day/month/year):

⁴ In case of consortia or joint ventures to be completed by coordinating entity.

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Appendices

Appendix 1 Applicant Identification

Appendix 2 List of Documents Attached

Appendix 3 Declaration of Absence of Conflict of Interest

Appendix 4 Statement Regarding Situations of Exclusion - 1

Appendix 5 Statement Regarding Situations of Exclusion - 2: Declaration of Compliance with EU and National Rules and Policies

Appendix 1 to Expression of Interest

APPLICANT IDENTIFICATION⁵

1.1. Applicant identification

INFORMATION REQUIRED	
APPLICANT NAME	
CONTACT DETAILS	Address: Telephone: Fax: Email:
LEGAL FORM	
COMMERCIAL REGISTER , ETC. – REGISTRATION DETAILS	Denomination of register: Date of registration: Country of registration: Registration number:
VAT	Registration number or Statement of exemption issued by the national VAT authority dated.....enclosed under reference..... Issued by.....

1.2. Person authorised to submit the Expression of Interest on behalf of the Applicant and appropriate evidence of such authorisation

INFORMATION REQUIRED	
TITLE	Mr/Mrs/other (delete or complete as appropriate)
NAME	Surname: Forename(s):
FUNCTION	
CONTACT DETAILS	Address: Telephone: Fax: Email:

1.3. Contact person (if different from 1.2)

TITLE	Mr/Mrs/other (delete or complete as appropriate)
NAME	Surname: Forename(s):
FUNCTION	
CONTACT DETAILS	Address: Telephone: Fax: Email:

⁵ In case of consortia or joint ventures to be completed by all participating entities.

Appendix 2 to Expression of Interest

LIST OF DOCUMENTS ATTACHED

1) Project proposal ⁶:

a) Description of the Applicant:

- (aa) Description of the Applicant's institution (date of establishment, number of employees, shareholders etc.), legal status, and applicable regulatory framework;
- (bb) Geographical area of operations and branch network in the Calabria Region.
- (cc) Description of Applicants governing and management bodies and corporate governance structure.

b) Information on the Applicant's present activities:

(aa) Commitment to SME lending in the Calabria Region:

- I. Overall strategy of the Applicant in general and SME lending strategy in particular, positioning vis-à-vis competitors in SME lending segment, product range offered in the SME lending segment, expected impact of current market environment on SME lending (e.g. tighter lending criteria);
- II. Total volume and number of SME loans outstanding in each SME sub-segment (breakdown by industry and by micro, small and medium enterprises) on a yearly basis for the last five financial years (including year to date data for the current financial year), as per table below;

	2007	2008	2009	2010	2011
Micro-enterprises (volume of loans outstanding)					
Micro-enterprises (n° of loans outstanding)					
SMEs (volume of loans outstanding)					
SMEs (n° of loans outstanding)					
Sector 1 (volume of new originated loans)					
Sector 1 (n° of new originated loans)					
[...]					
Sector N (volume of new originates loans)					
Sector N (n° of loans outstanding)					

⁶ SME related data and information to be provided in accordance with the definition of SMEs as presented in section 1 "Definitions and Interpretation", under Call for Eol, page 3.

- III. Total volume and number of new SME loans in each SME sub-segment (breakdown by industry and by micro, small and medium enterprises) granted by the Applicant annually over the last five financial years (including year to date data for the current financial year), as per table below;

	2007	2008	2009	2010	2011
Micro-enterprises (volume of new originated loans)					
Micro-enterprises (n° of new originated loans)					
SMEs (volume of new originated loans)					
SMEs (n° of new originated loans)					
Sector 1 (volume of new originated loans)					
Sector 1 (n° of new originated loans)					
[...]					
Sector N (volume of new originates loans)					
Sector N (n° of new originates loans)					

- IV. Share of newly granted SME loans in the Applicants total commercial lending portfolio both in terms of volume and number (on an annual basis over the last five financial years – including year to date data for current financial year), as per table below;

	2007	2008	2009	2010	2011
Micro-enterprises (% of new originated loans volume to total originated lending book)					
Micro-enterprises (% of n° of new originated loans to total originated lending book)					
SMEs (% of new originated loans volume to total originated lending book)					
SMEs (% of n° of new originated loans to total originated lending book)					

- V. Total volume and number of newly granted loans to SMEs (on an annual basis over the last five financial years – including year to date data for current financial year), as per table below;

	2007	2008	2009	2010	2011
Sector 1 (volume of new originated loans)					
Sector 1 (n° of new originated loans)					
[...]					
Sector N (volume of new originated loans)					
Sector N (n° of new originated loans)					

- (bb) Current pricing and collateral policy for comparable loans (in terms of maturity, purpose, collateral, etc.) to a similar target group, including:
- I. Interest rate (split into cost of funding and margin over the cost of funding);
 - II. Up-front fees and any other non-interest payments.

Information to be provided in accordance with the framework of the tables 1a and 2 presented below, under Section c.

c) Information on the implementation of the Financial Instrument by the Applicant:

- (aa) General implementation strategy (e.g. how the Financial Instrument will be promoted regionally, publicity strategy, procedures for allocation of loans, etc);
- (bb) Indicative industry and breakdown per province of the Calabria Region of the loans to be granted under the Financial Instrument with the objective of forming a new, well diversified portfolio (with characteristics similar to the Financial Intermediary's existing portfolio), also taking into consideration the specific features of the Financial Instrument as described in Annex 2;
- (cc) Indicative average expected maturity of the newly granted loans under the Financial Instrument, taking into consideration the provisions of Annex 2 and the objective to provide longer loan maturities to Eligible SMEs;
- (dd) Lending criteria, proposed pricing and collateral requirements, including the proposed minimum and maximum pricing (i.e. pricing to be submitted in ranges) to be applied on the new loan portfolio to be established under this Financial Instrument - submitted in accordance with the tables that follows - and other terms and conditions to be applied for this Financial Instrument, taking into consideration the provisions of Annex 2 and the objective to provide better financing terms to Eligible SMEs;

Section 1 – Proposed Collateral and interest rate to be charged on loans to be included in the new SME loan portfolio originated under the Financial Instrument.

Section 1a

Loans to be awarded on the basis of standard collateral requirements (without funding provided under this Financial Instrument)		Category 1 High risk Eligible SMEs			Category 2 Standard risk Eligible SMEs		
		Minimum	Maximum	Average	Minimum	Maximum	Average
Standard Collateral	Requested level of Collateral (%) ⁷						
	Interest rate (including applicable base rate)						
	- of which risk related margin						

Applicants are requested to submit an offer (on the basis of table above) specifying the standard requested level of collateral (i.e. acceptable collateral level for allocation of the loan) and the corresponding interest rate that will be charged to Eligible SMEs that meet the standard collateral requirements under this Financial Instrument. The offer will form part of the Quality Assessment Criteria presented in Annex 2-Part II, and will become a contractual obligation for the Applicant, if selected.

⁷ Collateral as a % of the loan approved amount. If the level of collateralisation varies depending on the type of asset, each should be indicated separately.

Section 1b

Loans to be awarded on the basis of standard collateral requirements (with funding provided under this Financial Instrument)		Category 1 High risk Eligible SMEs			Category 2 Standard risk Eligible SMEs		
		Minimum	Maximum	Expected Average	Minimum	Maximum	Expected Average
Standard Collateral	Requested level of Collateral (%) ⁸						
	Interest rate (including applicable base rate)						
	- of which risk related margin						

Applicants are also requested to submit an offer (on the basis of table above) specifying the standard requested level of reduced collateral (i.e. acceptable collateral level for allocation of the loan) and the corresponding interest rate that will be charged to Eligible SMEs that do not meet the standard collateral requirements but still qualify for loan allocations, under this Financial Instrument. The offer will form part of the Quality Assessment Criteria presented in Annex 2-Part II and will become a contractual obligation for the Applicant, if selected.

Base Rate: Euribor rate (1 month, 3 months or 6 months depending on the repayment frequency of each loan allocated under this Financial Instrument).

Note: SMEs loans to be provided at Euribor based Base Rates. Applicants are asked to provide an indication as to the expected repayment frequency intended to be applied in the context of this Financial Instrument.

⁸ Collateral as a % of the loan approved amount. If the level of collateralisation varies depending on the type of asset, each should be indicated separately.

Comments:

<u>Section 2 - Fees to be applied on loans to be included in the new SME loan portfolio originated under the Financial Instrument (as an example please indicate fees for a loan of EUR 200,000 with a maturity of 10 years):</u>					
Nature of fees	Value	Single payment	Monthly	Annual	Comments, remarks
Administration fee		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Fee for the loan granting, loan maturity extension, increase in the loan amount		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Fee for amendment of terms under the loan agreement terms		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other fees, if any (please provide details)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Note: The offer will form part of the Quality Assessment Criterion 2.3, presented in Annex 2-Part II, and will become a contractual obligation for the Applicant, if selected.

- (ee) Estimate of the expected timing for initiation of operations following the signature of the Operational Agreement and also estimate of the full drawdown of the Financial Instrument to Eligible SMEs.
- (ff) The operational budget of the Financial Instrument:
- I. Amount of Applicant's own co-financing offered in addition to JHF funding, in accordance with specifications of Annex 2 (i.e. minimum 50%);
 - II. Description of the origin of the sources of co-financing to be contributed by the Applicant in this Financial Instrument (e.g. Applicant's own resources raised in capital markets through bond issues);
 - III. Level of annual Management Fees requested - The Management Fees shall be calculated as a percentage of the pro rata share (i.e. on the co-funding contributed by EIF acting through the JHF) of the average outstanding amount (i.e. disbursed and not repaid) of the SME loan portfolio, and shall, in accordance with applicable rules⁹, not exceed 3% per annum.

⁹ In particular Article 43, para. 4, of Commission Regulation (EC) No. 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund

- 2) Information on the Applicant's IT systems, reporting mechanisms, monitoring procedures and controls, currently utilised in its normal activity (also to be utilised for the implementation of the Financial Instrument);
- 3) Annual reports for the last three financial years, including audited financial statements;
- 4) Certified copy of banking license or other requisite license or, if not available, other proof of the Applicant's authorisation allowing for the implementation of the Financial Instrument in the Calabria Region;
- 5) In the case where Financial Intermediaries are externally rated, information on the actual external rating of Applicant including the relevant rating report(s), provided by at least one of the following rating agencies: (i) Moody's Investor Service Limited, (ii) Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or (iii) Fitch Ratings Ltd. on the Applicant or its mother company. Further, information on any change of the rating within the last two years;
- 6) Appropriate evidence of the representative's authorisation to act for and on behalf of the Applicant (signatory powers);
- 7) Declaration on absence of conflict of interest as per template provided in Appendix 3, duly signed;
- 8) Statement regarding situations of exclusion - 1 as per template provided in Appendix 4, duly signed;
- 9) Statement regarding situations of exclusion - 2 as per template provided in Appendix 5, duly signed.

The pre-selected Applicant will be requested to submit additional information to complement its Expression of Interest before the due diligence process. This will indicatively include inter alia:

- A. **Detailed information on the Applicant's operating principles and procedures applied to SME lending:**
 - I. Origination;
 - II. Risk assessment procedures (internal rating / scoring system);
 - III. Loan approval procedures;
 - IV. Collateral requirements (valuation, haircuts);
 - V. Monitoring and early warning signals;
 - VI. Recovery procedures (what steps are taken and when; which departments are involved);
 - VII. Risk management: methods utilised for loss forecasting, provisioning and credit risk management on portfolio level;
 - VIII. Summary of changes to the Financial Intermediary's operating principles and procedures due to the current financial crisis.

(Official Journal of the European Union L371 of 27.12.2006) as amended from time to time, including by Commission Regulation (EC) No 846/2009 of 1 September 2009 amending Regulation (EC) No 1828/2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund (Official Journal of the European Union L250 of 23.09.2009).

B. Information on the Applicant's total lending portfolio over the last 5 years:

- I. Composition and concentration of the outstanding loan portfolio (sector, internal rating/scoring system, etc.);
- II. Non-performing loans (outstanding non-performing loans /outstanding loan amount) as of the end of each financial year and year to date data for the current year) for the past five financial years - both in terms of number and volume;
- III. Defaults vintage analysis, net losses and bad debt provisions;
- IV. Recoveries vintage analysis and recovery timing.

C. JEREMIE portfolio expected composition:

- I. Composition by SME type
- II. Composition by sector (NACE)
- III. Composition by loan type, expected maturity and average life.

Appendix 3 to Expression of Interest

DECLARATION OF ABSENCE OF CONFLICT OF INTERESTS

The undersigned declares that neither (i) the Applicant nor (ii) he/she/they personally as authorised representative(s) of the Applicant have a direct or indirect interest of such a nature and scale that may affect the performance of the tasks assigned to the Applicant under any Operational Agreement referred to in the Call for Expression of Interest No. JER-012/1.

The undersigned is/are aware that a conflict of interest could arise in particular as a result of economic interests, political or national affinities, family or emotional ties, or any other relevant connection or shared interest.

The Applicant will inform EIF, without delay, of any situation constituting a conflict of interest or which could give rise to a conflict of interest.

Furthermore, the Applicant and the undersigned in his/her/their capacity as duly authorised representative(s) of the Applicant confirm to have read the EIF Anti-Fraud Policy and declare not to have made nor to make any offer of any type whatsoever from which an advantage can be derived under the Operational Agreement and not to have granted nor to grant, not to have sought nor to seek, not to have attempted nor to attempt to obtain, and not to have accepted nor to accept, any advantage, financial or in kind, to or from any party whatsoever, constituting an illegal practice or involving corruption, either directly or indirectly, as an incentive or reward relating to signing of the Operational Agreement.

Yours sincerely,

Signature:

Stamp of the Applicant's (if applicable):

Name and position in capitals:

Applicant's name

Place:

Date (day/month/year):

Appendix 4 to Expression of Interest

STATEMENT REGARDING SITUATIONS OF EXCLUSION -1

The undersigned certifies/certify that the (Applicant) is not in any of the situations which would exclude it from taking part in this Call for Expression of Interest and accordingly declare(s) that the (Applicant):

- i) has never been the subject of a conviction by final judgment for one or more reasons listed below:
 - participation in a criminal organisation, as defined in Article 1 of the Council Framework Decision 2008/841/JHA of 24 October 2008¹⁰;
 - corruption, as defined in Article 2 (1) of the Council Framework Decision 2003/568/JHA of 22 July 2003¹¹;
 - fraud within the meaning of Article 1 of the Convention drawn up on the basis of Article K.3 of the Treaty on European Union, on the protection of the European Communities' financial interests as annexed to the Council Act of 26 July 1995¹²;
 - money laundering as defined in Article 1(2) and terrorist financing as defined in Article 1(3) of the Directive 2005/60/EC¹³ of 26 October 2005;
- ii) has not performed any act which may be qualified as prohibited practices in the meaning of the terms of the EIF Anti-Fraud Policy;
- iii) is not bankrupt or is being wound up, where its affairs are not being administered by the court, where it has not entered into an arrangement with creditors, where it has not suspended business activities or is not in any analogous situation arising from a similar procedure under national laws and regulations;
- iv) is not the subject of proceedings for a declaration for bankruptcy, for an order for compulsory winding up or administration by the court or of an arrangement with creditors or of any other similar proceedings under national laws and regulations;
- v) is not "a firm in difficulty" within the meaning of Article 2.1 of the Community guidelines on State aid for rescuing and restructuring firms in difficulty¹⁴;
- vi) has not and no member of its senior management has been convicted of any offence as a consequence of a judgment which has the force of *res iudicata*, in accordance with the legal provisions of the country;

¹⁰ Which repeals the Joint Action 98/733/JHA of 21 December 1998 adopted by the Council on the basis of Article K.3 of the Treaty on European Union, on making it a criminal offence to participate in a criminal organisation in the Member States of the European Union.

¹¹ Which repeals the Joint Action 98/742/JHA of 22 December 1998 adopted by the Council on the basis of Article K.3 of the Treaty on European Union, on corruption in the private sector.

¹² Official Journal of the European Union C316 of 27.11.1995.

¹³ Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (Official Journal of the European Union L309 of 25.11.2005), as amended from time to time and as complemented by Commission Directive 2006/70/EC of 1 August 2006 laying down implementing measures for Directive 2005/60/EC as regards the definition of 'politically exposed person' and the technical criteria for simplified customer due diligence procedures and for exemption on grounds of a financial activity conducted on an occasional or very limited basis (Official Journal of the European Union L214 of 4.8.2006), as amended from time to time.

¹⁴ Communication from the Commission – Community Guidelines on State aid and restructuring firms in difficulty (Official Journal of the European Union C 244 of 1.10.2004), as amended or substituted by future Union guidelines from time to time.

- vii) has not and no member of its senior management has been guilty of grave professional misconduct;
- viii) has fulfilled obligations relating to the payment of social security contributions in accordance with the legal provisions of the country in which it is established and in the countries where it operates, as applicable;
- ix) has fulfilled obligations relating to the payment of taxes in accordance with the legal provisions of the country in which it is established and in the countries where it operates, as applicable;
- x) is not found to have provided serious misrepresentation in supplying the information required in accordance with the Call for Expression of Interest or has supplied such information.
- xi) there is no court decision in force regarding the violation of the contract on the allocation of other assistance to the Applicant from the resources of the EU budget or the State budget of Italy

The Applicant and the undersigned in his/her/their capacity as duly authorised representative of the Applicant commit to provide all evidence to the above, upon request by the JHF or EIF.

Signature:

Name and position in capitals:

Applicant's name

Place:

Stamp of the Applicant (if applicable):

Date (day/month/year):

Appendix 5 to Expression of Interest

STATEMENT REGARDING SITUATIONS OF EXCLUSION - 2

DECLARATION OF COMPLIANCE WITH EU AND NATIONAL RULES AND POLICIES

The undersigned certifies/certify that the (Applicant) is not in any of the situations which would exclude it from taking part in this Call for Expression of Interest and accordingly declare(s) that the (Applicant):

1. Complies with all EU and National rules and policies in relation to Competition and confirms its willingness and readiness to undertake its responsibility for ensuring that loans originated under this Financial Instrument respect the provisions of *De Minimis* Regulation¹⁵ (as specified in Annex 2);
2. Complies with all EU and National rules and policies in relation to the goal of protecting and improving the environment and promoting sustainable development;
3. Complies with all EU and National rules and policies in relation to gender equality and non-discrimination;
4. Confirms its willingness and readiness to respect the information and publicity provisions applicable to this Financial Instrument.

Yours sincerely,

Signature:

Name and position in capitals:

Applicant's name

Place:

Stamp of the Applicant's (if applicable):

Date (day/month/year):

¹⁵ Commission Regulation (EC) No 1998/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to de minimis aid (Official Journal of the European Union L379 of 28.12.2006, p.5), as amended, (the "De Minimis Regulation").

ANNEX 2 to the Call for Expression of Interest No JER-012/1

Funded Risk Sharing Financial Instrument: Description and Selection Criteria

Part I: Description of the Financial Instrument

Capitalised expressions utilised herein shall have the meaning attributed to them in the above mentioned Call for Expression of Interest.

1 Rationale

The proposed Financial Instrument is specifically destined to support SMEs as defined in the Commission Recommendation 2003/361/EC in Calabria Region through loans.

The purpose of the Financial Instrument is twofold. It:

- 1) provides funding to the Financial Intermediary to support new SME lending; and
- 2) shares the risk of new SME loans.

SME loan portfolios to be established on the basis of the Financial Instrument are geared towards Eligible SMEs which are sound, well-performing and within the normal credit risk spectrum of SMEs in the Calabria Region (i.e. bankable SME risk).

With the objective of strengthening entrepreneurship and promoting knowledge-based growth in the Calabria Region, the Financial Instrument will be allocated to SMEs with a particular emphasis on SMEs belonging to regional networks, defined under 'Legge 122/2010 di conversione del Decreto Legge del 31 maggio 2010, n. 78'.

2 Structure

JEREMIE Holding Fund funds will be provided by EIF (acting in its own name but on behalf of the Calabria Region) to selected Financial Intermediaries pursuant to individual Operational Agreements. Subject to the risk-sharing element set out below, the Financial Intermediary undertakes to repay to EIF the disbursed amount and any interest accrued thereon.

The Financial Intermediary further undertakes to originate a new SME loan portfolio partly funded from the initially disbursed funds¹⁶. The origination, due diligence, documentation and execution of the SME loans will be performed by the Financial Intermediary in accordance with a pre-set origination model agreed with EIF but otherwise applying all normal standard procedures of the Financial Intermediary.

In this context, the Financial Intermediary shall have the sole direct client credit relationship with each SME.

Each Financial Intermediary will be responsible (in compliance with its internal operating guidelines) for the handling of payments, the ongoing monitoring, the reporting to EIF as well as the management and realisation of collateral backing the newly originated SME loan portfolio.

EIF's repayment claim under the Operational Agreement will be decreased, contingently on losses occurring under the originated SME portfolio (under agreed conditions and at a predetermined ratio), thereby providing a risk-sharing element to the Financial Intermediary.

¹⁶ Repaid amounts will be returned to the Holding Fund.

3 Summary description of Funded Risk Sharing Structure:

In the situation of ex-ante financing¹⁷, the JEREMIE funds are provided to the Financial Intermediary in advance and in tranches. For as long as they remain undrawn to Eligible SMEs, they shall be remunerated on the basis of a commercial deposit rate agreed between the EIF and the Financial Intermediary. Once disbursed to SMEs, and hence the risk sharing element is activated, the JEREMIE funds shall be remunerated on the basis of the interest amounts actually paid by the SMEs on the SME Loans. The relevant interest rate shall be the weighted average of (i) the rate charged by the Financial Intermediary, in accordance to its submitted offer, and (ii) the interest rate required by the JHF (which could be equal or lower to the rate (i)).

Repayments from SMEs are collected by the Financial Intermediary and, as regards the JEREMIE funded portion are regularly transferred to the JHF. For as long as such repayments remain deposited within the Financial Intermediary (awaiting transfer to the JHF) they shall be earning the same deposit rate as described here above for the funds not yet channelled to SMEs.

4 Indicative Summary of Transaction Terms

These indicative terms are an outline of the principal terms and conditions for the Financial Instrument described herein, which are subject to change and non-exhaustive. This document is intended to provide a basis for discussions and does not constitute an offer nor a binding commitment – either implicit or explicit – on the part of EIF or any entity.

When used in this section, the term “EIF” means EIF acting through the JHF.

Structure	Funded risk sharing financial instrument.
Governing law and language	The terms of the Funded Risk Sharing Financial Instrument shall be in the English language and shall be governed by the laws of England.
Form	Operational Agreement for co-funding of a loan portfolio and risk sharing thereof on a loan by loan basis.
Limitation of liability	Liability of the EIF vis-à-vis each Financial Intermediary will be limited to the amounts disbursed to such Financial Intermediary under the relevant Operational Agreement.
Co-financing rate	In addition to the funding provided through the JHF, the Financial Intermediary shall provide co-financing of at least 50% on a loan by loan basis.
Risk sharing rate	The EIF and the Financial Intermediary will share the risk on each loan financed by the facility on a <i>pari passu</i> basis. Accordingly, the EIF will cover up to 50% (in line with the co-financing rate proposed) of the losses on a loan by loan basis.
Eligible SMEs	Micro (including individual entrepreneurs/self employed persons), small and medium-sized enterprises as defined in the Commission Recommendation 2003/361/EC, excluding “firms in difficulty” within the meaning of Art. 45 of Reg. 1828/2006 and within the meaning of Article 2.1 of the Community guidelines on State aid for rescuing and

¹⁷ As described in the term sheet, ex post financing is also possible. The EIF will decide on financing format of the transaction(s) on a case by case basis.

	<p>restructuring firms in difficulty (OJ C 244, 1.10.2004, p. 2), as amended or substituted by future EU guidelines.</p> <p>A number of industries will be supported, except:</p> <p>a. Illegal Economic Activities</p> <p><i>Any production, trade or other activity, which is illegal under the laws or regulations of the home jurisdiction for such production, trade or activity.</i></p> <p><i>Human cloning for reproduction purposes is considered an Illegal Economic Activity.</i></p> <p>b. Tobacco and Distilled Alcoholic Beverages</p> <p><i>The production of and trade in tobacco and distilled alcoholic beverages and related products.</i></p> <p>c. Production of and Trade in Weapons and Ammunition</p> <p><i>The financing of the production of and trade in weapons and ammunition of any kind.</i></p> <p>d. Casinos</p> <p><i>Casinos and equivalent enterprises.</i></p> <p>e. IT Sector Restrictions</p> <p><i>Research, development or technical applications relating to electronic data programs or solutions, which</i></p> <p><i>(i) aim specifically at:</i></p> <p><i>(a) supporting any activity included in the EIF Restricted Sectors referred to under 2. a to d above;</i></p> <p><i>(b) internet gambling and online casinos; or</i></p> <p><i>(c) pornography,</i></p> <p><i>or which</i></p> <p><i>(ii) are intended to enable to illegally</i></p> <p><i>(a) enter into electronic data networks; or</i></p> <p><i>(b) download electronic data.</i></p> <p>f. Life Science Sector Restrictions</p> <p><i>When providing support to the financing of the research, development or technical applications relating to</i></p> <p><i>(i) human cloning for research or therapeutic purposes; or</i></p> <p><i>(ii) Genetically Modified Organisms (“GMOs”),</i></p> <p><i>EIF will require from the EIF counterpart appropriate specific assurance on the control of legal, regulatory and ethical issues</i></p>
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¹⁸ Commission Regulation (EC) No 1998/2006 of 15.12.2006 on the application of Articles 87 and 88 of the Treaty to de minimis aid (Official Journal of the European Union L379 of 28.12.2006, p.5), as amended, (the “De Minimis Regulation”).

	<p><i>linked to such human cloning for research or therapeutic purposes and/or Genetically Modified Organisms;</i></p> <p>g. Undertakings active in the fishery and aquaculture sectors, as covered by Council Regulation (EC) No 104/2000;</p> <p>h. Undertakings active in the primary production of agricultural products, as listed in Annex I to the Treaty on the functioning of the European Union;</p> <p>In case the Financial Instrument is implemented within the scope of the <i>De Minimis</i> Regulation, the following additional excluded sectors will also apply:</p> <p>a. Excluded sectors presented in Article 1 (c-g) of the <i>De Minimis</i> Regulation¹⁸.</p> <p>The eligible micro, small and medium enterprises must be established and operating in the Calabria Region.</p>
Eligible forms of SME financing	Investment, development and/or expansion loans may finance tangible and intangible assets, as well raw materials, stocks, goods, services, etc ¹⁹ , with the exception of salaries, rent and other operating costs. The underlying loans need to have a fixed repayment schedule - i.e. credit lines are not eligible.
Currency of SME loans	Loans to be denominated in EUR only.
SME Loan Maturity	Minimum 12 months and maximum 10 years, including a grace period of up to 1/3 of the loan maturity (for capital repayment), if any. Only amortising loans are eligible.
SME Loan Amount	<p>The maximum loan amount to an Eligible SME shall not exceed EUR 500,000.</p> <p>Eligible SMEs could potentially apply more than once for loans allocated in the context of this Financial Instrument provided that the maximum total loan amount shall not exceed 1% of the Maximum Loan Portfolio covered by the Financial Instrument. In any case the aggregate principal amount of all loans made to a single Eligible SME under the Financial Instrument may not exceed EUR 500,000.</p>
SME Portfolio Criteria	The Financial Instrument will also foresee the definition of SME Portfolio Criteria (e.g. maximum single industry concentrations (expressed by NACE code – Rev.2.Division), maximum concentrations for bullet and/or balloon loans, etc.), aimed at ensuring a certain risk profile of the Financial Instrument.
Maximum Loan Portfolio	The maximum aggregate notional amount of newly originated loans that may be co-financed by the JHF and the Financial Intermediary and covered by the Financial Instrument, as agreed in the Operational Agreement.
Availability Period	Up to 36 months from date of signature of the Operational

¹⁹ Further forms of eligible SME financing (e.g. working capital) may be communicated to the Financial Intermediaries.

	Agreement.
Origination Model	Newly originated SME loans to be covered by the Financial Instrument are automatically included in the portfolio subject to pre-set loan inclusion criteria defined on a loan-by-loan basis.
Risk sharing arrangements	Cover of losses on a loan by loan and <i>pari passu</i> basis by EIF acting through the JHF and the Financial Intermediary. EIF's repayment claim under the Operational Agreement will be reduced accordingly.
Loss Cover	EIF will cover losses incurred by the Financial Intermediary on the SME loans co-financed by the Financial Instrument calculated under the risk sharing arrangement. EIF's liability will be limited to its share of the residual losses (on the principal amount only) calculated at the applicable risk sharing rate.
Default definition	Applicable default definition of the Financial Intermediary in the context of Basel II/ Default definition in line with Capital Requirements Directive.
Disbursement under the Operational Agreement	Disbursement in several tranches, either ex ante or ex post, based on actual utilisation. Decision on whether funding will be provided to the Financial Intermediary ex ante or ex post will be taken by EIF on the basis of EIF's assessment regarding the credit ability of the selected Financial Intermediary (as concluded during the evaluation/due diligence process). In case of non or partial build-up of the SME loan portfolio, prepayment clauses shall apply.
Financial covenants and counterparty risk mitigants	On the basis of EIF's assessment of the counterparty risk of the selected Financial Intermediary (as concluded during the evaluation/due diligence process), the EIF will request appropriate financial covenants and undertakings by the selected Financial Intermediary under the Operational Agreement. The EIF reserves the right to determine the collateral or risk mitigants to be provided by the selected Financial Intermediary under the Operational Agreement, including, subject to local law requirements, rating triggers, pledges or negative pledges.
Repayment under the Operational Agreement	Repayments would occur regularly (e.g. quarterly) mirroring (i) principal repayments (on a pro rata basis on the basis of the co-financing rate) and (ii) any recovered amount (according to the risk sharing rate), of the underlying SME loans. EIF's repayment claim will be reduced/written-off in proportion to the losses occurring under the risk-shared portfolio (according to the co-financing rate). Re-utilisation of the JEREMIE funds is not possible.
Pricing and collateral requirements	Loans provided under this Financial Instrument will be offered to the Eligible SMEs on the basis of the pricing and collateral policy submitted by the selected Financial Intermediary under the Expression of Interest (c.f. quality assessment criteria). To be noted that the JHF will not apply any interest rate on the

	amounts lent to the Financial Intermediary for as long as these amounts are on-lent to the Eligible SMEs under loans, thereby allowing a reduction of the overall interest rate to be charged to the Eligible SMEs.
Other terms and conditions (if applicable)	Other terms and conditions for the new SME loans originated under the Financial Instrument should be applied by the Financial Intermediary in accordance with the policies submitted under the Expression of Interest.
Management Fees	Financial Intermediaries might receive a Management Fee in accordance with applicable rules ²⁰ but not exceeding 3% on an annual basis for their origination and servicing of the portfolio. The Management Fee shall be calculated as a percentage of the pro rata share (i.e. on the co-funding contributed by the EIF acting through the JHF) on the average outstanding amount (i.e. disbursed and not repaid) of the SME loan portfolio.
Interest due	The Financial Intermediary shall pay interest at a commercial interest rate, as agreed with the EIF under the Operational Agreement on the following funds provided under the Financial Instrument: <ol style="list-style-type: none"> 1. Funds disbursed to the Financial Intermediary, but not yet disbursed to SMEs (in the case of funding provided ex ante to the Financial Intermediary); 2. Repayments collected by the Financial Intermediary from SMEs but not yet transferred to the EIF.
Reporting	Financial Intermediaries shall provide the EIF with quarterly information in a standardised form and scope, which will be defined by EIF. An indicative reporting template is provided along this Call for information. Regular controls and verifications will be performed by EIF in order to ensure compliance with the specifications and provisions of this Financial Instrument.
State Aid requirements	In case the Financial Instrument is implemented within the scope of the <i>De Minimis</i> Regulation ²¹ , the Financial Intermediaries shall be responsible for ensuring compliance of the underlying loans with the provisions of such regulation (taking into consideration existing National rules and procedures).

²⁰ In particular Article 43, para. 4, of the Commission Regulation (EC) No. 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund (Official Journal of the European Union L371 of 27.12.2006) as amended from time to time, including by Commission Regulation (EC) No 846/2009 of 1.9.2009 amending Regulation (EC) No 1828/2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund (Official Journal of the European Union L250 of 23.09.2009).

²¹ Commission Regulation (EC) No 1998/2006 of 15.12.2006 on the application of Articles 87 and 88 of the Treaty to *de minimis* aid (Official Journal of the European Union L379 of 28.12.2006, p.5), as amended, (the "*De Minimis* Regulation").

	<p>In this context, they shall be responsible for the calculation of the Gross Grant Equivalent (“GGE”) and also for following the appropriate monitoring procedure as this is stipulated in article 3 of the <i>De Minimis</i> Regulation.</p> <p>For the calculation of the GGE, the Financial Intermediaries will be required to match each Eligible SME loan with the reference table presented in the Commission’s Communication 2008/C 14/02, as it is amended from time to time.²²</p>
Monitoring and Audit	<p>Financial Intermediaries and the relevant SMEs (final beneficiaries) shall agree to allow and to provide access to their premises and to documents related to the relevant Financial Instrument for the representatives of the Italian Republic, the European Commission (including the European Anti-Fraud Office (OLAF)), the Court of Auditors of the European Communities, the EIF and any other authorised bodies duly empowered by applicable law to carry out audit and/or control activities. To that effect, the Financial Intermediaries shall also include appropriate provisions in each agreement with the SMEs.</p> <p>Financial Intermediaries shall agree to comply with monitoring and audit controls and prescriptions contained in the specific manual called “Descrizione dei sistemi di gestione e controllo a norma dell’art. 21 del Regolamento (CE) n. 1828/2006 della Commissione dell’8 dicembre 2006”.</p>
Publicity	<p>Financial Intermediaries, in line with applicable law and Structural Funds publicity provisions, shall carry out adequate marketing and publicity campaigns aimed at making the JEREMIE initiative known to the SMEs in the Calabria Region.</p> <p>In particular, the selected Financial Intermediary will be contractually required to:</p> <ul style="list-style-type: none"> • Product labelling: The name of the product should clearly point to JEREMIE (e.g. “JEREMIE Co-financing Instrument”); • Promote JEREMIE and the Financial Instrument through its website; • Insert a promotional billboard inside all branches promoting this Financial Instrument; • Make at least two promotional publications in the newspapers; • Make available promotional leaflets in all branches promoting this Financial Instrument; • Comply with the Communication Plan of the Regione Calabria (Piano di Comunicazione – POR Calabria FESR 2007/2013 – CCI N° 20007 IT 161 PO 008 – approved on 9 April 2008). • All documents concerning this Financial Instrument, including amongst others, loan applications, SME loan agreements, promotional material to the SMEs, etc, will contain a statement mentioning that part of the financing comes from European

²² Requirement needed if the pricing is below market terms only, i.e. in case of discount.

	<p>Regional Development Fund (ERDF) and also national resources</p> <ul style="list-style-type: none"> - Appropriate text and logos is envisaged to be provided to the selected Financial Intermediary during the phase of contractual negotiations; • Financial benefit: The financial benefit, if any, encouraged by the competitive offer submitted under this Expression of Interest, should be identified at the time of signature of the loan contract and formally communicated to the SME. The financial benefit offered should also be used as a marketing tool from the Financial Intermediary.
Additional Structural Fund requirements	<p>This Financial Instrument is funded by EU structural funds and it is therefore subject to structural funds regulation and requirements, some of which have already being presented in this Annex, here above (e.g. Monitoring and Audit, Publicity, Reporting etc). It should be noted however that more detailed information on actions necessary to ensure compliance of operations linked to this Financial Instrument with all structural funds requirements (e.g. retention of documents, environmental protection, equality and non discrimination) will be provided to and discussed with the selected Financial Intermediaries during the contractual negotiations process.</p>

Part II: Selection Criteria for the Financial Instrument

1. ELIGIBILITY CRITERIA		System of appraisal
		Yes/ No
1.1.	<p>Credit institution authorised to carry out business in Calabria Region under the applicable regulatory framework.</p> <p>To be noted that joint ventures and/ consortia can express their interest as long as (i) at least one member of the joint venture and/or consortia is a credit institution authorised to carry out business in the Calabria Region under the applicable regulatory framework, and (ii) they indicate/nominate one coordinating entity (credit institution) as a contractual counterpart for the EIF for the entire term of the Operational Agreement (in case of selection) , and (iii) all members of the joint venture and/or consortia assume joint and several liability for all applicable obligations. Such Applicants are required to submit one, joint Expression of Interest.</p>	
1.2.	Ability to deliver in the Calabria Region.	
1.3.	The Expression of Interest is prepared in accordance with Annex 1 to the Call for Expression of Interest. All necessary supporting documents are provided (in the form requested if specified).	
1.4.	The Expression of Interest is duly signed.	
1.5.	The Expression of Interest is completed and submitted in English.	
1.6.	The Expression of Interest is submitted both by registered mail and e-mail.	
1.7.	The Expression of Interest is submitted within the Deadline.	
1.8.	The Expression of Interest addresses all the items of the Financial Instrument, including any special conditions set out in the relevant parts of the Financial Instrument description (Part I of this Annex).	

2.	QUALITY ASSESSMENT CRITERIA	MAX SCORE
2.1.	<p>In case of externally rated Financial Intermediaries, actual external rating by at least one of the following rating agencies: (i) Moody's Investor Service Limited, (ii) Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or (iii) Fitch Ratings Ltd, taking into account any change of the rating within the last two years.</p> <p>In case of other Financial Intermediaries, the quality of key financial ratios (a preliminary assessment of the financial standing and credit ability of the Financial Intermediaries will be performed on the basis of key financial ratios calculated from the audited financial statements submitted).</p>	10
2.2.	Commitment of the Financial Intermediary to put in place the Financial Instrument in the Calabria Region. Priority will be given to Applicants who propose the largest number of lending transactions in relation to the amount provided by the Financial Intermediary. General quality of the project proposal and implementation strategy submitted under the Expression of Interest.	10
2.3.	Pricing policy of the Financial Intermediary, to be charged on its funded portion under the Financial Instrument, as submitted under the Expression of Interest, taking into account any reduction on its standard pricing policies.	12
2.4.	Ability to operate in all the provinces of the Calabria Region, reaching urban as well as rural and remote areas, coupled with a good knowledge of the territory and a wide network (so-called Filiali or Sportelli) of financial activities throughout the Calabria Region.	12
2.5.	<p>Other terms and conditions to be applied on this Financial Instrument, as submitted by the Financial Intermediary under the Expression of Interest.</p> <p>Financial Intermediaries are invited to consider offering improved other terms and conditions (compared to their standard policies).</p>	12
2.6.	Co-financing rate, i.e. percentage of the funding to be provided by the Financial Intermediary (minimum 50%).	12
2.7.	Level of Management Fees requested by the Financial Intermediary.	12
2.8.	Detailed assessment of the Financial Intermediary's financial standing with regard to capital adequacy, provisions, liquidity, other financial ratios, its capacity to service outstanding loan portfolio, the quality of its existing SME portfolio and the rate of its non performing loans, etc. Also assessment of the Financial Intermediary's organisational structure and corporate governance.	5
2.9.	Detailed assessment of the Financial Intermediary's credit ability and risk management with regard to credit policy (internal procedures and guidelines), origination, risk assessment (rating/scoring), loan approval procedures, collateral requirement, recovery procedures, risk management and monitoring, etc.	10
2.10.	Quality of IT systems, reporting mechanisms, monitoring procedures and controls and assessment of overall ability of the Financial Intermediary's to comply with the Financial Instrument's reporting and monitoring requirements.	5