

ANNEX 1¹ to the Call for Expression of Interest No. JER-001/2012/1

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-001/2012/1

Deadline for the submission of the Expression of Interest : 30 July 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-001/2012/1 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):

Appendices
Appendix 1 Applicant Identification

¹ In case of consortia or joint ventures to be completed by the coordinating entity.

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 IDENTIFICATION²

1.1. Applicant identification

INFORMATION REQUIRED	
APPLICANT NAME	
CONTACT DETAILS	Address: Telephone: Fax: Email:
LEGAL FORM	
COMMERCIAL REGISTER	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

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

² In case of consortia or joint ventures to be completed by all participating entities.

Appendix 2 to Expression of Interest

LIST OF DOCUMENTS ATTACHED¹

1) Project proposal²:

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 Greece (including identification of branches facilitating accessibility to disabled persons);
- (cc) Description of Applicant's governing and management bodies and corporate governance structure.

b) Information on the Applicant's present activities:

- (aa) Commitment to SME lending in Greece:
 - (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, etc);
 - (ii) Volume and number of SME loans outstanding on a yearly basis for the last three completed financial years (in addition to data available for the current financial year), as per table below;

SME loans outstanding	2009	2010	2011	2012
Volume				
Number				

- (iii) Volume and number of new SME loans over the last three completed financial years (in addition to data available for the current financial year), as per table below;

New SME loans	2009	2010	2011	2012
Volume				
Number				

¹ In case of consortia or joint ventures to be completed by the coordinating entity.

² 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 EoI, page 3.

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- (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 base rate and margin (of which risk-related margin));
 - (ii) Up-front fees and any other non-interest payments.

Information to be provided in accordance with the framework of the tables 1 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. absorption capacity and time required for full drawdown of the amount requested to Eligible SMEs, how the Financial Instrument will be promoted regionally and nationwide, publicity strategy, procedures for allocation of loans, etc);
- (bb) 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;
- (cc) 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 (on the 50% portion funded by the Financial Intermediary’s resources) to be established under this Financial Instrument - submitted in accordance with the tables that follow:

Table1: Proposed collateral and interest rate to be charged on loans to be included in the new SME loan portfolio originated under the Financial Instrument.

Pricing and Collateral requirements		
Requested level of Collateral (%)		
- For Investment loans		
- For Working Capital loans		
Interest rate (including applicable base rate):	Min	Max
- Base rate		
- Margin (bp)		
(of which risk-related margin(bp))		

Applicants are requested to submit an offer (on the basis of the table above) specifying the requested level of collateral (in terms of LTV before haircuts, collateral offer to be based on asset evaluation; haircuts, in line with internal Credit Risk Policy of the Applicant, to be also submitted) and the corresponding interest rate that will be charged to Eligible SMEs under this Financial Instrument.

The offer will form part of the Quality Assessment Criterion 2.3, presented in Annex 2, Part II, section 2, it will be evaluated on the basis of the methodology explained in

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attached Explanatory notes relating to the evaluation of the Quality Assessment Criteria (cf. Annex 2, Part II), and will become a contractual obligation for the Applicant, if selected.					
Table 2 - Fees to be applied on loans to be included in the new SME loan portfolio originated under the Financial Instrument:					
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"/>	

Applicants are requested to provide their fees policy to be applied on loans under this Financial Instrument. A cap of up to 1.5% on loan amount and an overall cap of EUR 500 will apply.

- (dd) Estimate of the expected timing for initiation of operations following the signature of the Operational Agreement and also timing estimate of the full drawdown of the Financial Instrument to Eligible SMEs.
- (ee) 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. 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 the 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 rules³, not exceed 2% per annum;

³ 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

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- 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 Greece. In addition, particularly during the recapitalisation process of the Greek banking sector following the PSI, Applicants shall provide (i) evidence of their sustainability, as assessed by the Regulator and (ii) confirmation/commitment from the Hellenic Financial Stability Fund (or other equivalent body/organisation) to participate in the planned capital increase, aiming to satisfy capital adequacy requirements set by the Regulator;
- 5) In the case where Financial Intermediaries are externally rated 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, information on the actual external rating(s) of Applicant including the relevant rating report(s). 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.

(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).

The Applicant(s) selected for the second stage of the evaluation process (cf. Explanatory notes relating to the evaluation of the Quality Assessment Criteria - Annex 2, Part II), will be requested to submit additional information to complement their Expressions 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.
- 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 three 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, internal rating, 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-001/2012/1.

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 2008⁶;
 - corruption, as defined in Article 2 (1) of the Council Framework Decision 2003/568/JHA of 22 July 2003⁷;
 - 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 1995⁸;
 - money laundering as defined in Article 1(2) and terrorist financing as defined in Article 1(3) of the Directive 2005/60/EC⁹ 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 difficulty¹⁰;
- 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;

⁶ 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.

⁷ 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.

⁸ Official Journal of the European Union C316 of 27.11.1995.

⁹ 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.

¹⁰ 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 EU guidelines from time to time.

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- 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.

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):

- i) 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* Regulation¹¹ (as specified in Annex 2);
- ii) Complies with all EU and National rules and policies in relation to the goal of protecting and improving the environment and promoting sustainable development;
- iii) Complies with all EU and National rules and policies in relation to gender equality and non-discrimination;
- iv) 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):

¹¹ 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").