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

Reference number: Call for EoI No. JER-001/2012/1

Introduction

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

The JEREMIE initiative in Greece 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 Sectoral Operational Programmes “Digital Convergence” and “Competitiveness and Entrepreneurship” and the Regional Operational Programmes “Macedonia - Thrace”, “Crete and Aegean Islands”, “Thessaly - Continental Greece - Epirus” and “Attica” for the period 2007-2013¹, defined in detail within the National Strategic Reference Framework 2007-2013 of Greece², the competent national 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. 1083/2006³ (hereinafter, “Reg. 1083/2006”) and in accordance with the provisions of the Funding Agreement (hereinafter, “Funding Agreement”) entered into

¹ Sectoral Operational Programmes “Digital Convergence” approved by E(2007)5339/26.10.2007 and “Competitiveness and Entrepreneurship” approved by E(2007)5338/26.10.2007 and Regional Operational Programmes “Macedonia - Thrace” approved by E(2007)5337/26.10.2007, “Crete and Aegean Islands” approved by E(2007)5439/5.11.2007, “Thessaly - Continental Greece - Epirus” approved by E(2007)5332/26.10.2007 and “Attica” approved by E(2007)5443/26.11.2007.

² Governed by the Law 3614/2007 “Management, control and implementation of development interventions for the programming period 2007-2013” (Government Gazette no. 267 of 03.12.07).

³ 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.

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on 26 June 2007 and amended on 5 October 2010, between the Government of the Hellenic Republic, represented by the Ministry of Economy, Competitiveness and Shipping (hereinafter, “HR”) and the EIF. Relevant rules for implementing Reg. 1083/2006 are set out in the Commission Regulation (EC) No. 1828/2006⁴ (hereinafter, “Reg. 1828/2006”). The cooperation between the HR 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 Greek authorities (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 Programmes for the period 2007–2013, as described in particular in the table below:

Operational programme name	Priority axis name
Sectoral Operational Programme Competitiveness and Entrepreneurship	Improvement of entrepreneurship
Sectoral Operational Programme Digital Convergence	Improvement of Productivity by Utilising Information and Communication Technologies
Regional Operational Programme Macedonia -Thrace	Digital convergence and entrepreneurship in the region of Central Macedonia
Regional Operational Programme Macedonia -Thrace	Digital convergence and entrepreneurship in the region of Western Macedonia
Regional Operational Programme Crete & Aegean Islands	Digital convergence and entrepreneurship in the region of Southern Aegean
Regional Operational Programme Thessaly - Continental Greece - Epirus	Digital convergence and entrepreneurship in Continental Greece

⁴ 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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Regional Operational Programme Attica	Support of innovation competitiveness and digital conversion
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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, which has to be a credit institution authorised to carry out business in Greece under the applicable regulatory framework or joint ventures/consortia of such credit institutions;
Deadline	means 30 July 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;
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;
EIB Group	The EIB Group consists of the European Investment Bank (EIB) and the European Investment Fund (EIF);
ICT	means “Information and Communication Technologies”;
JHF	means the EIF in its capacity acting through the JEREMIE Holding Fund for Greece, appointed under the Funding Agreement;
Operational Agreement	means an agreement entered into between a Financial Intermediary and the 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	means the quality assessment criteria applied by the EIF at

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Criteria	the sole discretion of the EIF to the suitability of the Applicant and/or the proposed Financial Instrument according to the business standards of the 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 HR, or the entity appointed by the HR as new JHF, will assume the full discretion and responsibility to perform the tasks of the JHF and to implement the Operations in Greece, 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.

It is planned to allocate out of the JHF an initial amount of up to EUR 25 million to the Financial Instrument from the Sectoral Operational Programmes "Competitiveness and Entrepreneurship" and "Digital Convergence" and the Regional Operational Programmes "Macedonia - Thrace", "Crete and Aegean Islands", "Thessaly - Continental Greece - Epirus" and "Attica".

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

Financial Instrument	Indicative initial capital allocation (millions EUR)	Applicable Annexes
Funded Risk Sharing Financial Instrument	25	Annex 2 (Financial Instrument: Description and Selection Criteria)

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Under this Call for Eol, additional capital may be allocated from time to time to the Financial Instrument until 31/12/2015, at EIF's sole discretion, on the basis of additional funds becoming available at JHF level, and which EIF intends to deploy in accordance with the objectives and features of this Call for Eol.

To this extent, the Financial Intermediaries shall clearly express their interest for a capital allocation (in terms of amounts requested) and may express their interest for a capital allocation higher than the total initial amount allocated by the JHF to the Financial Instrument.

To be noted that joint ventures and/or consortia can express their interest as long as (i) each of the joint venture or consortia members is a credit institution authorised to carry out business in Greece under the applicable regulatory framework, (ii) they indicate/nominate one coordinating entity as a contractual counterpart of the JHF for the entire term of the Operational Agreement (in case of selection), and (iii) all members of the joint venture 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 internet addresses: www.eif.org , www.espa.gr.

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

Until no later than 6 July 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

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, no later than 16 July 2012.

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 the Applicant 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 30 July 2012.

The Deadline applies (i) in case of e-mails to the reception by the 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-001/2012/1) 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-001/2012/1) - 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

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 the EIF via e-mail, which shall state the following:

- Reference number of the Call for Expression of Interest;
- Unique proposal identifier (Expression of Interest number);
- 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, the 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 the 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 will go through the EIF selection process based on the Quality Assessment Criteria, as explained in the attached Explanatory notes relating to the evaluation of the Quality Assessment Criteria (cf. Annex 2, Part II). 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 one or more Applicants may be selected.

To be noted that in the context of the evaluation procedure, the EIF may take negotiation positions, which view specifically at the improvement of the access to finance for the benefit of the final beneficiary SMEs.

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 the EIF and/or the JHF to enter into such Operational Agreements 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 will be clearly communicated to them upon request.

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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, which will be dealt within the framework and in accordance with the [EIB Group Complaints Mechanism Policy](#) (further information can be found on <http://www.eib.org/about/cr/complaints/reporting/index.htm>).

N.B.: The Selection Criteria for the Funded Risk Sharing Financial Instrument are subject to approval by the relevant Monitoring Committees of the Operational Programmes. In case of any changes, Applicants will be notified accordingly.

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 the EIF (www.eif.org), and with the relevant monitoring, reporting, publicity and auditing obligations required by the EU regulations, applicable to ERDF, the Greek management and control system - approved by the European Commission - 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 Agreements.

ANNEXES

- Annex 1. Template of Expression of Interest
- Annex 2. Funded Risk Sharing Financial Instrument: Description and Selection Criteria

ANNEX 1⁵ 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):

Stamp of the Applicant (if applicable):

Name and position in capitals:

Applicant's name

Place:

Date (day/month/year):

Appendices

⁵ In case of consortia or joint ventures to be completed by the coordinating entity.

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 IDENTIFICATION⁶

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:

⁶ 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

- 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:
Name and position in capitals:
Applicant's name
Place:

Stamp of the Applicant's (if applicable):

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;

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 EU guidelines from time to time.

Funded Risk Sharing Financial Instrument, Call for EoI No. JER-001/2012/1

- 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;
- 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:

Stamp of the Applicant (if applicable):

Name and position in capitals:

Applicant's name

Place:

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* Regulation¹⁵ (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):

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-001/2012/1

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 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 Greece (i.e. bankable SME risk).

2 Structure

JEREMIE Holding Fund funds will be provided by the EIF (acting in its own name but on behalf of the Hellenic Republic) 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 the EIF the disbursed amount and any interest accrued thereon.

The Financial Intermediary further undertakes to originate a new portfolio of SME loans 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 the 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 the EIF as well as the management and realisation of collateral backing the newly originated SME loan portfolio.

The 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.

Summary description of Funded Risk Sharing Structure

The JEREMIE funds are provided to the Financial Intermediary in principle and unless the EIF otherwise decides, on an ex-post financing basis in accordance with the actual utilisation.

Once funds are drawn 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 interest rate of the SME loan 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.

Repayments from SMEs are collected by the Financial Intermediary and, as regards the JEREMIE funded portion are transferred to the JHF on a monthly basis. For as long as such repayments remain deposited within the Financial Intermediary (awaiting transfer to the JHF) they shall be earning a deposit rate.

3 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 the EIF or any entity.

When used in this section, the term “EIF” means the 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 SME loan portfolio and risk sharing thereof on a loan by loan basis.
Limitation of liability	Liability of the EIF vis-à-vis the Financial Intermediary will be limited to the outstanding amount to such Financial Intermediary under the relevant Operational Agreement.
Co-financing rate	The Financial Intermediary shall provide co-financing of 50% on a loan by loan basis.
Risk sharing	The EIF and the Financial Intermediary will share the risk on each SME loan financed by the facility on a <i>pari passu</i> basis (i.e. the EIF will cover 50% of the losses on an eligible SME loan).
Eligible SMEs	Micro (including individual entrepreneurs/self employed persons), small and medium 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 restructuring firms in difficulty (OJ C 244, 1.10.2004, p. 2), as amended, restated,

	<p>supplemented and/or substituted from time to time.</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>The EIF will require from the EIF counterpart appropriate specific assurance on the control of legal, regulatory and ethical issues 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 Community;</p> <p>In case the Financial Instrument is implemented within the scope of the De</p>
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Funded Risk Sharing Financial Instrument, Call for EoI No. JER-001/2012/1

	<p>Minimis Regulation, the following additional excluded sectors will also apply:</p> <p>i. Excluded sectors presented in Article 1 (c-g) of the De Minimis Regulation.</p> <p>Eligible SMEs must have at least a permanent establishment in Greece.</p> <p>NOTE: In the event of increase in the JEREMIE capital allocation with contributions earmarked for ICT sector companies or ICT related investments, additional criteria in relation to eligible NACE codes and eligible forms of financing will apply.</p>														
<p>Geographical allocation</p>	<p>The JEREMIE funds will be geographically allocated as follows :</p> <table border="1" data-bbox="495 583 1308 1094"> <thead> <tr> <th>Regions</th> <th>Initial Amount (in EUR m)</th> </tr> </thead> <tbody> <tr> <td>Attica</td> <td>10</td> </tr> <tr> <td>Central Macedonia</td> <td>4</td> </tr> <tr> <td>Western Macedonia</td> <td>0.5</td> </tr> <tr> <td>Southern Aegean</td> <td>0</td> </tr> <tr> <td>Continental Greece</td> <td>0.5</td> </tr> <tr> <td>Eastern Macedonia and Thrace, Thessaly, Epirus, Ionian Islands, Western Greece, Peloponnese, Northern Aegean, Crete.</td> <td>10</td> </tr> </tbody> </table> <p>Additional JEREMIE capital allocations will be geographically split in accordance with the origin of the relevant funds, i.e. Operational Programmes contributing to the capital increase.</p> <p>Loans for purposes under item A. below (cf. "Eligible forms of SME financing") will be allocated on the basis of the location of the investment, while loans for purposes B. and C. will be allocated on the basis of the location of the permanent establishment of the Eligible SMEs which benefits from the SME Loan, as per the budget allocations presented in the table here above.</p>	Regions	Initial Amount (in EUR m)	Attica	10	Central Macedonia	4	Western Macedonia	0.5	Southern Aegean	0	Continental Greece	0.5	Eastern Macedonia and Thrace, Thessaly, Epirus, Ionian Islands, Western Greece, Peloponnese, Northern Aegean, Crete.	10
Regions	Initial Amount (in EUR m)														
Attica	10														
Central Macedonia	4														
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Southern Aegean	0														
Continental Greece	0.5														
Eastern Macedonia and Thrace, Thessaly, Epirus, Ionian Islands, Western Greece, Peloponnese, Northern Aegean, Crete.	10														
<p>Eligible forms of SME financing</p>	<p>SME Loans shall be granted only in order to finance:</p> <p>A. investments in tangible and in intangible assets; or</p> <p>B. working capital related to development or expansion activities that are ancillary (and linked) to activities referred to in (A) above (which ancillary nature shall be evidenced, inter alia, by the business plan of the SME and the amount of the financing); and/or</p> <p>C. working capital related to the establishment, strengthening or expansion of new or existing business activity of an SME (such as purchase of raw materials, stocks and other manufacturing inputs, labour, inventories and overheads, funding to finance trade receivables, non-consumer sales receivables);</p> <p>but in each case excluding pure financial activities or real estate</p>														

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	<p>development when undertaken as a financial investment activity or the provision of consumer finance.</p> <p>SME loans must be fully amortizing loans. Loans with a bullet or balloon repayment schedule (i.e. entire or partial repayment of principal amount only at loan maturity) are only allowed for short term working capital loans (categories (B) and (C) above). Revolving facilities are not eligible.</p> <p>Leasing financing may be considered by the JHF in the future. In such case, details will be discussed directly with selected Applicants.</p> <p>Refinancing, restructuring, and/or partial disbursements of an existing committed loan is not eligible.</p> <p>SME loans must finance expenditure which is eligible pursuant to Article 7 of EC regulation 1080/2006.</p>
Currency of SME-loans	SME loans to be denominated in EUR only.
SME Loan Maturity	Minimum 12 months and maximum 120 months, including a grace period of up to 1/3 of the loan maturity (for capital repayment) with up to 24 months.
SME Loan and Amount	<p>The SME loan amount to an Eligible SME shall not exceed EUR 500 000, subject to State aid rules.</p> <p>Eligible SMEs could potentially apply more than once for loans allocated in the context of this Financial Instrument provided that the maximum aggregated loan amount of EUR 500 000 is respected.</p> <p>The maximum SME loan amount may be increased, at JHF's sole discretion.</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.
Availability period	Up to 24 months from the date of signature of the Operational Agreement, with possibility of extension, at EIF's sole discretion, for up to 12 more months.
Origination Model	Newly originated SME loans to be covered by the Financial Instrument are 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. The EIF's repayment claim under the Operational Agreement will be reduced accordingly.
Loss Cover	The 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. At any time, the EIF's liability for coverage of such losses shall not exceed outstanding principal amount of the Financial Instrument at such time.

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SME Loan Default definition	Default definition in line with Capital Requirements Directive.
Disbursement under the Operational Agreement	Disbursement ex post, on a monthly basis, based on actual utilisation. 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.
Security on SMEs – Assignment Agreement	The Financial Intermediaries will be requested to provide security on the SME loans extended under the JEREMIE Operational Agreement. In particular, the EIF and the Financial Intermediaries will enter into an "Assignment Agreement" pursuant to which the Intermediaries assign to the EIF any claims they have under any SME loans to be included in the portfolio.
Repayment of the Financial Instrument under the Operational Agreement	Repayments would occur monthly 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. The 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.
Loss Recoveries	The Financial Intermediary shall take recovery actions (including enforcement of any security) in relation to each defaulted SME loan co-financed by the Financial Instrument in accordance with its internal guidelines and procedures. Recoveries with respect to losses on such SME loans by the Financial Intermediary shall be shared between the EIF and the Financial Intermediary according to the risk sharing arrangement.
Pricing and Collateral requirements	SME 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). The JHF will apply a 0% interest rate on the portion of the loan supported by JEREMIE resources thereby reducing the overall interest rate to be charged to the Eligible SMEs.

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Additional interest due on the Financial Instrument	<p>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:</p> <ul style="list-style-type: none"> • Repayments (principal, default interest, recoveries) collected by the Financial Intermediary from SMEs but not yet transferred to the EIF.
Other terms and conditions (if applicable)	<p>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.</p>
Management Fees	<p>Financial Intermediaries might receive a Management Fee in accordance with applicable rules¹⁷, but not exceeding 2% on an annual basis, for their origination and servicing of the portfolio.</p> <p>The Management Fee shall be calculated as a percentage of the pro rata share (i.e. on the co-funding contributed by EIF acting through the JHF) on the average outstanding amount (i.e. disbursed and not repaid) of the portfolio of SME loans.</p>
Reporting	<p>Financial Intermediaries shall provide the EIF with quarterly information in a standardised form and scope, which will be defined by the EIF.</p> <p>An indicative reporting template is provided along this Call for information.</p> <p>Regular controls and verifications will be performed by the EIF in order to ensure compliance with the specifications and provisions of this Financial Instrument.</p> <p>Further to the quarterly reporting obligations, a monthly KPI report (e.g. applications received, approvals, disbursements, rejections, etc.) shall be also provided by the Financial Intermediary.</p>
State Aid requirements	<p>In the case where the financial instrument is implemented within the scope of the De Minimis Regulation, 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). 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 De Minimis Regulation.</p>

¹⁷ 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 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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Monitoring and Audit	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 Hellenic 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.
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 and in particular this Financial Instrument known to the SMEs in Greece.</p> <p>In particular, the selected Financial Intermediaries 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 Funded Risk Sharing Instrument for SMEs”); • 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 five biggest newspapers and in the three biggest financial newspapers; • Include promotional banner concerning the Financial Instrument in relevant TV advertisements; • Make available promotional leaflets in all branches promoting this Financial Instrument; • All documents concerning this Financial Instrument, including amongst others, loan applications, loan agreements, promotional material to the SMEs, etc, will contain a statement mentioning that part of the financing comes from European Regional Development Fund (ERDF) and also national resources - Appropriate text and logos is envisaged to be provided to the selected Financial Intermediary during the phase of contractual negotiations; • Financial benefit: Any financial benefit to the SMEs achieved through this financial instrument should be identified at the time of signature of the loan contract and formally communicated to the SME. The financial benefit achieved should also be used as a marketing tool from the Financial Intermediary. • Publicity provisions relating to the Final Beneficiaries (i.e. Eligible SMEs) shall be described within the Operational Agreement.
Additional Structural Fund	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 been presented in this Annex, here above (e.g.

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requirements	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.
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Part II: Selection Criteria for the Funded Risk Sharing Financial Instrument

System of
appraisal
Yes/ No

1. ELIGIBILITY CRITERIA

- 1.1. Credit institution authorised to carry out business in Greece under the applicable regulatory framework.

To be noted that joint ventures and also consortia can express their interest as long as (i) each of the joint venture or consortia members is a credit institution authorised to carry out business in Greece under the applicable regulatory framework, (ii) they indicate/nominate one coordinating entity 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.

Note: Applicants for which, at any stage, the process for recalling or cancelling their authorisation to carry out business in Greece has started, or is about to start, are not eligible.

- 1.2. Ability to deliver nationwide geographical coverage in Greece.
- 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. 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). In case of externally rated Financial Intermediaries, actual external ratings will be also considered.	15
2.2. General quality of the project proposal and implementation strategy, taking into consideration absorption capacity and also funds utilisation under the existing JEREMIE FRSP agreements (where applicable), submitted under the Expression of Interest.	30
2.3. Pricing policy and collateral requirements of the Financial Intermediary, to be charged under the Financial Instrument, as submitted under the Expression of Interest (collateral and maximum interest rates, for the avoidance of doubt including applicable base rate, will be compared) – table 1 presented in Appendix 2 section 1 (to be automatically calculated in accordance with the methodology explained below).	40
2.4. Level of Management Fees requested by the Financial Intermediary.	15
2.5. 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 loan portfolio and the rate of its non performing loans, etc. Also assessment of the Financial Intermediary’s organisational structure and corporate governance.	Qualify/Not Qualify
2.6. Detailed assessment of the Financial Intermediary’s credit worthiness 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. Assessment of the administrative capacity of the Financial Intermediary: 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.	Qualify/Not Qualify

Explanatory notes relating to evaluation of the Quality Assessment Criteria

Note 1 – Method of evaluation:

First stage:

Items 2.1-2.4 will be evaluated first. Applicants who score lower than 45 points will be automatically rejected. From those Applicants who score 45 points and higher, only the Applicant with the highest score will qualify to the second evaluation stage, subject to submission of the additional information requested as per Appendix 2 within the deadline determined by the EIF in a formal request. The remaining ones will form part of the Reserve List (valid till 31/12/2015) and will be informed accordingly.

Note: In the case where two or more Applicants score equally, priority will be given to the Applicant(s) with which no funds utilisation triggering events have occurred under any JEREMIE agreement with EIF (where applicable).

Second stage:

Items 2.5-2.6 will be subsequently evaluated in line with the EIF's standard rules and procedures (i.e. "due diligence").

The Applicant qualifying from EIF's due diligence shall be accordingly selected for contractual negotiations of Operational Agreement.

The EIF reserves the right to decide on the allocation of funding available for this Financial Instrument, on the basis of the results of the evaluation procedure. This will consider, in particular, the willingness and ability to absorb the funding available (or the respective funding portion allocated) and will also consider, without limitation, assessment elements like the origination capacity in building up a new SME portfolio.

In case all the initial capital is not allocated to the Applicant qualified from EIF's due diligence or if, for any reason, an Operational Agreement is not signed with the Applicant initially selected, the next Applicant in the Reserve List will be evaluated under the second stage procedure, subject to the timely submission of the additional information requested as per Appendix 2.

In case more funding becomes available until 31/12/2015, the EIF has the discretion to consider either:

- (i) additional capital allocations to the Applicant(s) already selected for contractual negotiations or having signed an Operational Agreement with the EIF under the Financial Instrument or
- (ii) proceeding to the second evaluation stage with the next Applicant included in the Reserve List taking into consideration the results of the evaluation procedure and the ranking formed.

To be noted that under point (i), the EIF will take into consideration specific funds utilisation milestones that will be set in the Operational Agreements with the selected Applicant(s) as well as the overall contribution/amount requested by the Financial Intermediaries under their Expression of Interest.

Note 2 – Scoring of items 2.1-2.2

Score for items 2.1-2.2 will be awarded on the basis of the qualitative analysis performed by the EIF.

Note 3 – Scoring of item 2.3

Step 1: All offers will be compared individually, for each financial parameter (maximum collateral and maximum interest rate), i.e. 2 different comparisons.

For each comparison, the lowest offer will be compared to each individual offer (i.e. Lowest offer of all Applicants/Offer of Applicant being measured), resulting to the best offer (i.e. lowest value) achieving a rating of 1. Inferior offers will hence score proportionately lower than 1.

The individual ratings of the 2 comparisons will be subsequently aggregated and the Applicants will be ranked in descending order – The one with the highest score ranking first.

Step 2: The aggregated results will define the score awarded for this Quality Assessment Criterion, in accordance with the following principle:

Rank 1: Awarded full points

Rank 2: Awarded 85% of the points

Rank 3: Awarded 70% of the points

Rank 4: Awarded 55% of the points

Subsequent rankings will apply the same logic with 15% marks being deducted for each lower ranking accordingly.

Note 4 – Scoring of item 2.4

Applicants will be ranked in descending order in accordance to their submitted offer. The Applicant with the lowest offer will receive maximum points. Subsequent rankings will receive points as follows:

Rank 2: Awarded 80% of the points

Rank 3: Awarded 60% of the points

Rank 4: Awarded 40% of the points

Subsequent rankings will apply the same logic with 20% marks being deducted for each lower ranking accordingly.

