



Με τη συγχρηματοδότηση της Ελλάδας και της Ευρωπαϊκής Ένωσης



Call for Expressions of Interest (“EoI”) to select a Financial Intermediary 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 for Microfinance

Reference number: Call for EoI No. JER-001/2010/2

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 Programme “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 on 26

¹ Such Operational Programme approved by the European Commission on 26 November 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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June 2007 between the Government of the Hellenic Republic, represented by the Ministry of Economy and Finance (hereinafter, “**HR**”) and 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**”). 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 from the following Operational Programmes for the period 2007–2013:

Operational programme name	Priority axis name
Sectoral Operational Programme Competitiveness and Entrepreneurship	Improvement of entrepreneurship
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).

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 agreement to be entered into by the JHF and the selected Financial Intermediary (hereinafter, “**Operational Agreement**”).

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 authorized to carry out business in Greece under the applicable regulatory framework or joint ventures/consortia of such credit institutions;
Deadline	means 22 December 2010;
Eligibility Criteria	means the criteria with which the Expressions of Interest and the Applicants must comply with and which are listed in Annex 2 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 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);
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 EIF on behalf of the JHF regarding a Financial Instrument on the basis of this Call for Expression of Interest and the selection process;
Quality Assessment Criteria	means the quality assessment criteria applied by EIF at the sole discretion of EIF to the suitability of the Applicant and/or the proposed Financial Instrument according to the business standards of EIF and which are listed in Annex 2 hereof;
Selection Criteria	means the Eligibility Criteria and the Quality Assessment Criteria;
Small and Medium-sized Enterprises or SMEs	means micro, small and medium-sized enterprises as defined in the Commission Recommendation 2003/361/EC;
Micro-enterprises	means micro-enterprises as defined in the Commission Recommendation 2003/361/EC;
Micro-loans or Micro-lending	means loans with maximum amounts not exceeding EUR 25 000 to Micro-enterprises.

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 Agreement will provide for the possible substitution of the European Investment Fund, in order to allow the transfer of the Operational Agreement to the successor entity.

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

The selected Financial Intermediary 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

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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 amount up to EUR 30.33 million to the Financial Instrument.

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

Financial Instrument	Indicative capital allocation (millions EUR)	Applicable Annexes
Funded Risk Sharing Financial Instrument for Microfinance	Up to 30.33	Annex 2 (Financial Instrument: Description and Selection Criteria)

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

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

To be noted that joint ventures and/or consortia can express their interest as long as (i) 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 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, the project description, the supporting documents, the declaration of absence of conflict of interest and the statements regarding situations of exclusion.

Until no later than 17 calendar days before the Deadline, 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.

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 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, EIF will correct the text and inform accordingly.

5. Language

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

6. Submission of Expression of Interest

The Expressions of Interest shall be submitted on or before the Deadline **both** by (i) e-mail **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).

The Deadline for the submission of Expressions of Interest is 22 December 2010.

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

The Expressions of Interest shall indicate the reference number of the Call (No. JER-001/2010/2) 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-001/2010/2) -
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 EIF via e-mail, which shall state the following:

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

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

7. Selection process

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

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

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

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

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

Applicants which are not excluded according to the Eligibility Criteria will go through the EIF selection process based on the Quality Assessment Criteria. The further selection based on the Quality Assessment Criteria, and the due diligence process if any, follows the standard procedures and guidelines applied by EIF to its business. The evaluation of proposals at this phase will be conducted under competitive terms and it is envisaged to select one Applicant. To be noted that in the context of the due diligence process, 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, 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 an Operational Agreement by no means entails any obligation for the EIF and/or the JHF to enter into such Operational Agreement with the relevant Financial Intermediary.

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.

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, within thirty (30) days of receipt of the letter of rejection. Any complaints will be dealt within the framework and in accordance with the [EIB Group complaints policy](#) (for further info please click on the link or visit www.eib.org).

8. Operational Provisions

The Financial Intermediary, with which an Operational Agreement will be eventually signed, shall be required to comply with the EIF anti-fraud policy, available in the website of EIF (www.eif.org), and with the relevant monitoring, reporting, publicity and auditing obligations required by the EU regulations, applicable to ERDF, 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 Agreement.

ANNEXES

Annex 1. Expression of Interest

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

ANNEX 1⁵ to the Call for Expression of Interest No. JER-001/2010/2

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-001/2010/2

Deadline for the submission of the Expression of Interest : **22 December 2010**

Expression of Interest for Funded Risk Sharing Financial Instrument for Microfinance

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-001/2010/2 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):

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

Appendixes

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 Community 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 , ETC. – REGISTRATION DETAILS	Denomination of register: Date of registration: Country of registration: Registration number:
VAT	Registration number or Statement of exemption issued by the national VAT authority dated.....enclosed under reference..... Issued by.....

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

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

1.3. Contact person (if different from 1.2)

TITLE	Mr/Ms/other (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 ATTACHED

1) Project proposal¹:

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 and in particular to Micro-lending in Greece:
 - (i) Overall strategy of the Applicant in general and SME lending (including Micro-lending) strategy in particular, positioning vis-à-vis competitors in SME lending (including Micro-lending) segment, product range offered in the SME lending (including Micro-lending) segment, expected impact of current market environment on SME lending (including Micro-lending) (e.g. tighter lending criteria, etc);
 - (ii) Total volume and number of SME loans outstanding in each SME sub-segment (breakdown by Micro-enterprises and small and medium enterprises) on a yearly basis for the last five financial years (including year to date data for the current financial year);
 - (iii) Total volume and number of new SME loans in each SME sub-segment (breakdown by Micro-enterprises and small and medium enterprises) granted by the Applicant annually over the last five financial years (including year to date data for the current financial year);
 - (iv) Share of newly granted loans to Micro-enterprises in the Applicant's total SME and total commercial lending portfolio both in terms of volume and number (on an

¹ SME, Micro-enterprises and Micro-lending related data and information to be provided in accordance with the definition of SMEs, Micro-enterprises and Micro-lending as presented in section 1 "Definitions and Interpretation", under Call for EoI, page 2.

- annual basis over the last five financial years – including year to date data for current financial year);
- (v) Total volume and number of newly granted loans to Micro-enterprises per individual geographical area to which this Financial Instrument will be allocated, as presented under Annex 2, Part 1, section 3 “Indicative Summary of Transaction Terms”, “Geographical allocation” (on an annual basis over the last five financial years – including year to date data for current financial year);
 - (vi) Total volume and number of newly granted Micro-loans (on an annual basis over the last five financial years – including year to date data for current financial year).
- (bb) Current pricing and collateral policy for comparable loans (in terms of maturity, purpose, etc.) to a similar target group, including:
- (i) Interest rate (split into cost of funding and margin over cost of funding);
 - (ii) Up-front fees and any other non-interest payments.
- Information to be provided in accordance with the framework of the tables 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. how the Financial Instrument will be promoted regionally and nationwide, publicity strategy, procedures for allocation of loans, etc);
- (bb) Indicative industry and geographical breakdown of the loans to be granted under the Financial Instrument with the objective of forming a new, well diversified portfolio (with characteristics similar to the Financial Intermediary’s existing portfolio), also taking into consideration the specific features of the Financial Instrument as described in Annex 2;
- (cc) Indicative average expected maturity of the newly granted loans under the Financial Instrument, taking into consideration the provisions of Annex 2 and the objective to provide longer loan maturities to Eligible Micro-enterprises;
- (dd) Lending criteria, proposed pricing and collateral requirements, including the proposed minimum and maximum pricing (i.e. pricing to be submitted in ranges) to be applied on the new loan portfolio to be established under this Financial Instrument - submitted in accordance with the table that follows – and other terms and conditions to be applied for this Financial Instrument, taking into consideration the provisions of Annex 2 and the objective to provide better financing terms to Eligible Micro-enterprises;

Table 1 - Proposed Collateral and interest rate to be charged on loans to be included in the new Micro-loan portfolio originated under the Financial Instrument.

Table 1a

Loans to be awarded on the basis of standard collateral requirements		Category 1 High risk Eligible Micro- enterprises	Category 2 Standard risk Eligible Micro- enterprises
Standard Collateral	Requested level of Collateral (%)		
	Interest rate (including applicable base rate)		
	- of which risk- related margin (bp)		

Applicants are requested to submit an offer (on the basis of the table above) specifying the standard requested level of collateral (i.e. acceptable collateral level for allocation of the loan) and the corresponding interest rate that will be charged to Eligible Micro-enterprises, that meet standard collateral requirements, 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 Note 3 of Annex 2, Part II, and will become a contractual obligation for the Applicant, if selected.

Table 1b

Loans to be awarded on the basis of reduced collateral requirements		Category 1 High risk Eligible Micro- enterprises	Category 2 Standard risk Eligible Micro- enterprises
Reduced Collateral	Requested level of Collateral (%)		
	Interest rate (including applicable base rate)		
	- of which risk- related margin (bp)		

Applicants are also requested to submit an offer (on the basis of the table above) specifying the acceptable requested level of reduced collateral and the corresponding interest rate that will be charged to Eligible Micro-enterprises, that do not meet standard collateral requirements but still qualify for loan allocations, under this Financial Instrument. The offer, as for the standard collateral scenario, 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 Note 3 of Annex 2, Part II, and will become a contractual obligation for the Applicant, if selected.

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

Note: Loans to be provided at Euribor based base rates. Applicants, apart from the total interest rate to be charged as indicated in the table above, are also asked to indicate separately the applicable Euribor base rate as well as the expected repayment frequency intended to be applied in the context of this Financial Instrument.

Comments:

Table 2 - Fees to be applied on loans to be included in the new micro-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)		□	□	□	
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Note: The Financial Intermediaries are requested to indicate their fees policy to be applied on loans under this Financial Instrument. The selected Financial Intermediary will be entitled to charge fees to the Eligible Micro-enterprises, in accordance to such indicated fees policy, up to a cap of 1.5% on the loan amount.

- (ee) Estimate of the expected timing for initiation of operations following the signature of the Operational Agreement and also estimate of the full drawdown of the Financial Instrument to Eligible Micro-enterprises.
- (ff) The operational budget of the Financial Instrument:
 - (i) Amount of Applicant's own co-financing offered in addition to JHF funding, in accordance with specifications of Annex 2 (i.e. 50%);
 - (ii) Description of the origin of the sources of co-financing to be contributed by the Applicant in this Financial Instrument (e.g. Applicant's own resources raised in capital markets through bond issues);
 - (iii) Level of annual Management Fees requested - The Management Fees shall be calculated as a percentage of the pro rata share (i.e. on the co-funding contributed by EIF acting through the JHF) of the average outstanding amount (i.e. disbursed and not repaid) of the Micro-loan portfolio, and shall, in accordance with applicable rules², not exceed 2% per annum;

- 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;

² 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 (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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- 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;
- 5)** In the case where Financial Intermediaries are externally rated, information on the actual external rating of Applicant including the relevant rating report(s), provided by at least one of the following rating agencies: (i) Moody's Investor Service Limited, (ii) Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or (iii) Fitch Ratings Ltd. on the Applicant or its mother company. Further, information on any change of the rating within the last two years;
- 6)** Appropriate evidence of the representative's authorisation to act for and on behalf of the Applicant (signatory powers);
- 7)** Declaration on absence of conflict of interest as per template provided in Appendix 3, duly signed;
- 8)** Statement regarding situations of exclusion - 1 as per template provided in Appendix 4, duly signed;
- 9)** Statement regarding situations of exclusion - 2 as per template provided in Appendix 5: Declaration of compliance with Community and National rules and policies, duly signed.

The pre-selected Applicants will be requested to submit additional information to complement their Expressions of Interest before or during 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 (including Micro-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;
- (ii) Non-performing loans (outstanding non-performing loans /outstanding loan amount) as of the end of each financial year and year to date data for the current year) for the past five financial years - both in terms of number and volume;
- (iii) Annual defaults, net losses and bad debt provisions;
- (iv) Recoveries and recovery periods.

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-001/2010/2.

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 2 (1) of the Council Joint Action 98/733/JHA⁹;
 - corruption, as defined in the Council Act of 26 May 1997 and in Article 3 (1) of the Council Joint Action 98/733/JHA;
 - 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 interests¹⁰;
 - money laundering as defined in the Directives 2005/60/EC¹¹ of 26 October 2005 and 2006/70/EC¹² of 1 August 2006, and Directive 2001/97/EC of 4 December 2001¹³;
- ii) has not performed any act which may be qualified as illegal activity 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;

⁹ Joint Action 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 (Official Journal of the European Union L351 of 29.12.1998), as amended from time to time.

¹⁰ Council Act of 26 July 1995 drawing up the Convention on the protection of the financial interests of the European Communities (Official Journal of the European Union C316 of 27.11.1995), as amended from time to time.

¹¹ 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.

¹² Commission Directive 2006/70/EC of 1 August 2006 laying down implementing measures for Directive 2005/60/EC of the European Parliament and of the Council 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.

¹³ Directive 2001/97/EC of the European Parliament and of the Council of 4 December 2001 amending Council Directive 91/308/EEC on prevention of the use of the financial system for the purpose of money laundering (Official Journal of the European Communities L 344 of 28.12.2001), as amended from time to time.

Funded Risk Sharing Financial Instrument for Microfinance, Call for EoI No. JER-001/2010/2

- iv) is not the subject of proceedings for a declaration for bankruptcy, for an order for compulsory winding up or administration by the court or of an arrangement with creditors or of any other similar proceedings under national laws and regulations;
- v) is not "a firm in difficulty" within the meaning of Article 2.1 of the Community guidelines on State aid for rescuing and restructuring firms in difficulty¹⁴;
- vi) no member of its senior management has been convicted as a consequence of a judgment which has the force of *res iudicata*, in accordance with the legal provisions of the country of any offence concerning its professional conduct;
- vii) 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;
- 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): _____

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 Community guidelines from time to time.

Appendix 5 to Expression of Interest

STATEMENT REGARDING SITUATIONS OF EXCLUSION - 2

DECLARATION OF COMPLIANCE WITH COMMUNITY 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 Community 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 Community and National rules and policies in relation to the goal of protecting and improving the environment and promoting sustainable development;
- iii) Complies with all Community 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:
applicable):

Stamp of the Applicant's (if

Name and position in capitals:

Applicant's name

Place:

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-001/2010/2

Funded Risk Sharing Financial Instrument for Microfinance: Description and Selection Criteria

Part I: Description of the Financial Instrument

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

1 Rationale

The proposed Financial Instrument for microfinance is specifically destined to support Micro-enterprises as defined in the Commission Recommendation 2003/361/EC in Greece in their start-up and newly established phase (registered from 1 January 2005 onwards), through Micro-loans.

The purpose of the Financial Instrument is twofold; it:

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

Furthermore, the Financial Instrument as proposed aims to:

- a. create or support entrepreneurship at its early stages;
- b. support Micro-lending (up to EUR 25 000), a category which often experiences finance restrictions due to the relatively high administrative costs.

2 Structure

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

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

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

¹⁶ Repaid amounts will be returned to the Holding Fund.

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

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

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 EIF or any entity.

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

Structure	Funded risk sharing financial instrument.
Governing law and language	The terms of the Funded Risk Sharing Financial Instrument for Microfinance shall be in the English language and shall be governed by the laws of England.
Form	Operational Agreement for co-funding of a loan portfolio and risk sharing thereof on a loan by loan basis.
Limitation of liability	Liability of EIF vis-à-vis the Financial Intermediary will be limited to the amounts disbursed 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 rate	EIF and the Financial Intermediary will share the risk on each loan financed by the facility on a <i>pari passu</i> basis. Accordingly, EIF will cover 50% of the losses on a loan by loan basis.
Eligible Micro-enterprises	Micro-enterprises (including individual entrepreneurs/self employed persons) 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). The Financial Instrument will be fully allocated to Micro-

	<p>enterprises in the start-up and newly established phase (registered from 1 January 2005 onwards).</p> <p>A number of industries will be supported, except:</p> <ul style="list-style-type: none"> a. Arms production and arms trading; b. Tobacco; c. Gambling; d. Human cloning; e. Genetically modified organisms; f. Undertakings active in the primary production of fishery, aquaculture¹⁷ and agricultural products, as listed in Annex I to the Treaty on the Functioning of the European Union; <p>In the case where the financial instrument is implemented within the scope of the De Minimis Regulation, the following additional excluded sectors will also apply:</p> <ul style="list-style-type: none"> g. Excluded sectors presented in Article 1 (c-g) of the De Minimis Regulation. <p>The seat of the eligible Micro-enterprises is in Greece.</p>														
<p>Geographical allocation</p>	<p>The JEREMIE funds will be geographically allocated as follows :</p> <table border="1" data-bbox="549 1160 1425 1711"> <thead> <tr> <th>Regions</th> <th>Amount (in EUR m)</th> </tr> </thead> <tbody> <tr> <td>Attica</td> <td align="right">13.7</td> </tr> <tr> <td>Central Macedonia</td> <td align="right">6.2</td> </tr> <tr> <td>Western Macedonia</td> <td align="right">0.59</td> </tr> <tr> <td>Southern Aegean</td> <td align="right">0.15</td> </tr> <tr> <td>Continental Greece</td> <td align="right">0.51</td> </tr> <tr> <td>Eastern Macedonia and Thrace, Thessaly, Epirus, Ionian Islands, Western Greece, Peloponnese, Northern Aegean, Crete.</td> <td align="right">9.18</td> </tr> </tbody> </table> <p>Investment loans will be allocated on the basis of the location of the investment, while loans linked to development or expansion activities will be allocated on the basis of the seat of the Eligible Micro-enterprises, as</p>	Regions	Amount (in EUR m)	Attica	13.7	Central Macedonia	6.2	Western Macedonia	0.59	Southern Aegean	0.15	Continental Greece	0.51	Eastern Macedonia and Thrace, Thessaly, Epirus, Ionian Islands, Western Greece, Peloponnese, Northern Aegean, Crete.	9.18
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Eastern Macedonia and Thrace, Thessaly, Epirus, Ionian Islands, Western Greece, Peloponnese, Northern Aegean, Crete.	9.18														

¹⁷ In the case where an eligible loan is provided within the scope of the De Minimis Regulation, undertakings active in the fishery and aquaculture sectors (not only in the primary production) are not eligible.

Funded Risk Sharing Financial Instrument for Microfinance, Call for EoI No. JER-001/2010/2

	<p>per the budget allocations presented in the table here above.</p> <p>The JEREMIE funds should be utilized for investments, development or expansion of the Eligible Micro-enterprises activity within Greece.</p>
Eligible forms of Micro-enterprise financing	Investment, development and/or expansion loans may finance tangible and intangible assets, as well raw materials, stocks, goods and services with the exception of salaries, rent and other operating costs. The underlying loans need to have a fixed repayment schedule - i.e. credit lines are not eligible.
Currency of Micro-loans	Loans to be denominated in EUR only.
Micro-loan Maturity	Minimum 48 months and maximum 60 months, including a grace period of 12 months (for capital repayment). Only amortising loans are eligible.
Micro-Loan and Amount	<p>A Micro-loan shall be a loan with a maximum amount not exceeding EUR 25 000 to a Micro-enterprise.</p> <p>Eligible Micro-enterprises 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 25 000 is respected.</p>
Availability period	Up to 12 months from the date of signature of the Operational Agreement.
Origination Model	Newly originated Micro-loans to be covered by the Financial Instrument are automatically included in the portfolio subject to pre-set loan inclusion criteria defined on a loan-by-loan basis.
Risk sharing arrangements	Cover of losses on a loan by loan and <i>pari passu</i> basis by EIF acting through the JHF and the Financial Intermediary. EIF's repayment claim under the Operational Agreement will be reduced accordingly.
Loss Cover	EIF's liability will be limited to its share of the residual losses (on the principal amount only) calculated at the applicable risk sharing rate.
Default definition	Applicable default definition of the Financial Intermediary in the context of Basel II.
Disbursement under the Operational Agreement	<p>Disbursement in several tranches, either ex ante or ex post, based on actual utilisation.</p> <p>Decision on whether funding will be provided to the Financial Intermediary ex ante or ex post will be taken by</p>

	<p>the EIF on the basis of EIF's assessment regarding the credit worthiness of the selected Financial Intermediary (as concluded during the evaluation/due diligence process).</p>
<p>Financial covenants and counterparty risk mitigants</p>	<p>On the basis of EIF's assessment of the counterparty risk of the selected Financial Intermediary (as concluded during the evaluation/due diligence process), EIF will request appropriate financial covenants and undertakings by the selected Financial Intermediary under the Operational Agreement.</p> <p>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.</p>
<p>Repayment under the Operational Agreement</p>	<p>Repayments would occur regularly (e.g. quarterly) mirroring (i) principal repayments (on a pro rata basis on the basis of the co-financing rate), (ii) interest payments (on a pro rata basis relating to the risk sharing rate / co financing rate and also the pricing applied), as well as, (iii) any recovered amount (according to the risk sharing rate), of the underlying Micro-loans. EIF's repayment claim will be reduced/written-off in proportion to the losses occurring under the risk-shared portfolio.</p> <p>Re-utilisation of the JEREMIE funds is not possible.</p>
<p>Additional interest due on the Financial Instrument – In addition to the interest described under "Repayment under the Operational Agreement"</p>	<p>The Financial Intermediary shall pay interest at a commercial interest rate as agreed with EIF under the Operational Agreement on the following funds provided under the Financial Instrument:</p> <ol style="list-style-type: none"> 1. Funds disbursed to the Financial Intermediary, not yet drawn down to Micro-enterprises (in the case of funding provided ex ante to the Financial Intermediary); 2. Repayments collected by the Financial Intermediary from Micro-enterprises but not yet transferred to the EIF.
<p>Pricing and collateral requirements</p>	<p>Micro-loans provided under this Financial Instrument will be offered to the Eligible Micro-enterprises on the basis of the pricing and collateral policy submitted by the selected Financial Intermediary under the Expression of Interest (c.f. quality assessment criteria). To be noted that the JHF intends to apply a reduced pricing on the portion of the loan supported by JEREMIE resources thereby reducing the overall interest rate to be charged to the</p>

	<p>Eligible Micro-enterprises. The JHF reserves the right to decide at a later stage, and before the signature of the Operational Agreement with the selected Financial Intermediary, the level of such interest rate reduction.</p> <p>Note on fees (cf. Table 2, Annex 1, Appendix 2): The selected Financial Intermediary will be entitled to charge fees to the Eligible Micro-enterprises, in accordance to the fees policy submitted under the Expression of Interest, <u>up to a cap of 1.5% on the loan amount.</u></p> <p>Note on collateral (cf. Tables 1a and 1b, Annex 1, Appendix 2): The use of primary residence as a collateral is not allowed under this Financial Instrument.</p>
<p>Other terms and conditions (if applicable)</p>	<p>Other terms and conditions for the new Micro-loans originated under the Financial Instrument should be applied by the Financial Intermediary in accordance with the procedures and policies submitted under the Expression of Interest.</p>
<p>Management Fees</p>	<p>Financial Intermediaries might receive a Management Fee in accordance with applicable rules¹⁸, 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) of the average outstanding amount (i.e. disbursed and not repaid) of the Micro-loan portfolio.</p>
<p>Reporting</p>	<p>The Financial Intermediary shall provide EIF with quarterly information in a standardised form and scope, which will be defined by EIF.</p> <p>An indicative reporting template is provided along this Call for information.</p> <p>Regular controls and verifications will be performed by EIF in order to ensure compliance with the specifications and</p>

¹⁸ 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).

	provisions of this Financial Instrument.
State Aid requirements	<p>In the case where the financial instrument is implemented within the scope of the De Minimis Regulation, the Financial Intermediary 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, it 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> <p>For the calculation of the GGE, the Financial Intermediary will be required to match each loan allocated to Eligible Micro-enterprises with the reference table presented in the Commission’s Communication 2008/C 14/02, and as it is amended from time to time.</p>
Monitoring and Audit	<p>The Financial Intermediary and the relevant Micro-enterprises (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, EIF and any other authorised bodies duly empowered by applicable law to carry out audit and/or control activities. To that effect, the Financial Intermediary shall also include appropriate provisions in each agreement with the Micro-enterprises.</p>
Publicity	<p>The Financial Intermediary, in line with applicable law and Structural Funds publicity provisions, shall carry out adequate marketing and publicity campaigns aimed at making the JEREMIE initiative known to the Micro-enterprises in Greece.</p> <p>In particular, the selected Financial Intermediary will be contractually required to:</p> <ul style="list-style-type: none"> • Product labelling: The name of the product should clearly point to JEREMIE (e.g. “JEREMIE Microfinance Instrument”); • Promote JEREMIE and the Financial Instrument through its website; • Insert a promotional billboard inside all branches promoting this Financial Instrument; • Make at least two promotional publications in the five biggest newspapers and in the three biggest

	<p>financial newspapers;</p> <ul style="list-style-type: none"> • 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 Micro-enterprises, 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: In the case where a financial benefit to the Micro-enterprises is achieved through this financial instrument, this should be identified at the time of signature of the loan contract and formally communicated to the Micro-enterprise. 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 Micro-enterprises) shall be described within the Operational Agreement.
<p>Additional Structural Fund requirements</p>	<p>This Financial Instrument is funded by EU structural funds and it is therefore subject to structural funds regulation and requirements, some of which have already been presented in this Annex, hereabove (e.g. Monitoring and Audit, Publicity, Reporting etc). It should be noted however that more detailed information on actions necessary to ensure compliance of operations linked to this Financial Instrument with all structural funds requirements (e.g. retention of documents, environmental protection, equality and non discrimination) will be provided to and discussed with the selected Financial Intermediary during the contractual negotiations process.</p>

Part II: Selection Criteria for the Microfinance 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.

- 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 specifies at least the items listed in Article 43.3 of Commission Regulation (EC) No 1828/2006¹⁹, as described in Appendix 2 to Annex 1 hereof.
- 1.9. The Expression of Interest addresses all the items of the Financial Instrument, including any special conditions set out in the

¹⁹ 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).

relevant parts of the Financial Instrument description (Part I of this Annex).

2. QUALITY ASSESMENT CRITERIA	Max score
<p>2.1. In case of externally rated Financial Intermediaries, actual external rating by at least one of the following rating agencies: (i) Moody’s Investor Service Limited, (ii) Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. or (iii) Fitch Ratings Ltd, taking into account any change of the rating within the last two years.</p> <p>In case of other Financial Intermediaries, the quality of key financial ratios (a preliminary assessment of the financial standing and credit ability of the Financial Intermediaries will be performed on the basis of key financial ratios calculated from the audited financial statements submitted).</p>	10
<p>2.2. General quality of the project proposal and implementation strategy submitted under the Expression of Interest.</p>	15
<p>2.3. Pricing policy and collateral requirements of the Financial Intermediary, to be charged under the Financial Instrument (maximum risk margins will be compared), as submitted under the Expression of Interest (cf. tables 1a and 1b presented in Annex 1, Appendix 2; to be calculated in accordance with the methodology explained below).</p>	32
<p>2.4. Level of Management Fees requested by the Financial Intermediary.</p>	8
<p>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 and Micro-loan portfolio and the rate of its non performing loans, etc. Also assessment of the Financial Intermediary’s organisational structure and corporate governance.</p>	15
<p>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, etc.</p> <p>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.</p>	20

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 eliminated. From those applicants who score 45 points and higher, the three highest will qualify to the second evaluation stage.

Second stage: Items 2.5-2.6 will be subsequently evaluated. Applicants who score lower than 70 points overall (first + second stage) will be automatically eliminated. The EIF may select one Applicant – the one with the highest overall score (scoring above the minimum acceptable score of 70 points) - and initiate contractual negotiations accordingly.

Reserve list: Those Applicants who score more than 70 points but are not selected for contractual negotiations of an Operational Agreement will form a reserve list (valid for 1 year following notification of inclusion in the reserve list).

In case more funding becomes available within 1 year from the launching of the Call for Expression of Interest, the EIF has the discretion to consider either (i) higher allocations to the Applicant with the highest overall score (i.e. the one initially selected for contractual negotiations of Operational Agreement) or ii) initiating contractual negotiations with any of the Applicant(s) included in the reserve list taking into consideration the results of the evaluation procedure and the ranking formed.

If, for any reason, no Operational Agreement is signed with the initially selected Applicant, the EIF reserves the right to approach one of the Applicants inserted in the reserve list.

Note 2 – Scoring of items 2.1-2.2 and 2.5-2.6

Score for items 2.1-2.2 will be awarded on the basis of the initial qualitative analysis performed by the EIF. Score for items 2.5-2.6 will be awarded on the basis of the detailed full diligence performed by the EIF.

Note 3 – Scoring of item 2.3

Step 1: All offers will be compared individually, for each Category of Eligible Micro-enterprises (1&2) and each financial parameter (collateral and maximum risk margin for both scenarios), i.e. $2 * 4 = 8$ 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 8 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 90% of the points

Rank 3: Awarded 80% of the points

Rank 4: Awarded 70% of the points

Subsequent rankings will apply the same logic with 10% marks being deducted for each lower ranking accordingly.

Note 4 – Scoring of item 2.4

Applicants will be ranked in descending order in accordance with their submitted offer. The Applicant with the lowest offer will receive maximum points.

Subsequent rankings will receive points in accordance with the principle presented above (i.e. Rank 2 will be awarded 90% of the maximum points etc).