



ANNEX 1¹ to the Call for Expression of Interest No. JER-007/2010/1

To:

European Investment Fund

Attention: Regional Business Development Unit
96 Boulevard Konrad Adenauer
L-2968 Luxembourg

Call for Expression of Interest No.: JER-007/2010/1

Deadline for the submission of the Expression of Interest :

17 May 2010

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-007/2010/1 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

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

¹ In case of consortia or joint ventures (or the so-called ATI "Associazione Temporanea d'Impresa" - temporary entrepreneurial association) to be completed by coordinating entity.

Appendix 1 to Expression of Interest

APPLICANT IDENTIFICATION²

1.1. Applicant identification

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

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

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

1.3. Contact person (if different from 1.2)

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

² In case of consortia or joint ventures (or the so-called ATI "Associazione Temporanea d'Impresa" - temporary entrepreneurial association) to be completed by all participating entities.

Appendix 2 to Expression of Interest

LIST OF DOCUMENTS ATTACHED

Project proposal ³:

1. Description of the Applicant:
 - 1.1. Description of the Applicant's institution (date of establishment, number of employees, shareholders etc.), legal status, and applicable regulatory framework;
 - 1.2. Geographical area of operations and branch network in the Campania Region.
 - 1.3. Description of Applicants governing and management bodies and corporate governance structure.
2. Information on the Applicant's present activities:
 - 2.1. Commitment to SME lending in the Campania Region:
 - 2.1.1. 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;
 - 2.1.2. Total volume and number of SME loans outstanding in each SME sub-segment (breakdown by industry and by micro, small and medium enterprises) on a yearly basis for the last five financial years (including year to date data for the current financial year);
 - 2.1.3. Total volume and number of new SME loans in each SME sub-segment (breakdown by industry and by micro, small and medium enterprises) granted by the Applicant annually over the last five financial years (including year to date data for the current financial year);
 - 2.1.4. Share of newly granted SME loans in the Applicants total commercial lending portfolio both in terms of volume and number (on an annual basis over the last five financial years – including year to date data for current financial year);
 - 2.1.5. Total volume and number of newly granted loans to SMEs, in particular to innovative SMEs, active in sectors such as information technology, automotive, biotech, aerospace, food farming (transformation of agricultural products), energy saving and renewable energy (on an annual basis over the last five financial years – including year to date data for current financial year);
 - 2.2. Current pricing and collateral policy for comparable loans (in terms of maturity, purpose, collateral, etc.) to a similar target group, including:
 - 2.2.1. Interest rate (split into cost of funding and margin over the cost of funding);
 - 2.2.2. Up-front fees and any other non-interest payments.

³ 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.

2.2.3.

Information to be provided in accordance with the framework of Table A presented below.

Table A

Loans provided in the ordinary course of business (without funding provided under this Financial Instrument)	Category 1 High risk Eligible SMEs	Category 2 Standard risk Eligible SMEs
Requested level of Collateral (%)		
Risk Margin (bp)		

2.3. Information on the implementation of the Financial Instrument by the Applicant:

- 2.3.1. General implementation strategy (e.g. how the Financial Instrument will be promoted regionally, publicity strategy, procedures for allocation of loans, etc);
- 2.3.2. Indicative industry and breakdown per province of the Campania Region of the loans to be granted under the Financial Instrument with the objective of forming a new, well diversified portfolio (with characteristics similar to the Financial Intermediary's existing portfolio), also taking into consideration the specific features of the Financial Instrument as described in Annex 2;
- 2.3.3. 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;
- 2.3.4. Lending criteria, proposed pricing and collateral requirements (including the proposed minimum and maximum pricing to be applied on the new loan portfolio to be established under this Financial Instrument, submitted in accordance with Table B) and other terms and conditions to be applied for this Financial Instrument, taking into consideration the provisions of Annex 2;
- 2.3.5.

Table B

Loans provided with funding provided under this Financial Instrument	Category 1 High risk Eligible SMEs	Category 2 Standard risk Eligible SMEs

Requested level of Collateral (%)		
Risk Margin (bp)		

Applicants are requested to submit an offer (on the basis of Table B) specifying the acceptable requested level of collateral and the corresponding risk margin that will be charged to Eligible SMEs under this Financial Instrument. The offer, as for the standard collateral scenario, will form part of the Quality Assessment Criteria, presented in Annex 2-Part II, and will become a contractual obligation for the Applicant, if selected.

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

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

Comments:

Table C

<u>Fees to be applied on loans to be included in the new SME loan portfolio originated under the Financial Instrument (as an example please indicate fees for a loan of EUR 200,000 with a maturity of 8 years):</u>					
Nature of fees	Value	Single payment	Monthly	Annual	Comments, remarks
Administration fee		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Fee for the loan granting, loan maturity extension, increase in the loan amount		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Fee for amendment of terms under the loan agreement terms		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other fees, if any (please provide details)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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

2.3.6. Estimate of the expected timing for initiation of operations following the signature of the Operational Agreement and also estimate of the full drawdown of the Financial Instrument to Eligible SMEs.

2.3.7. The operational budget of the Financial Instrument:

- Amount of Applicant's own co-financing offered in addition to JHF funding, in accordance with specifications of Annex 2 (i.e. minimum 50%);
- Description of the origin of the sources of co-financing to be contributed by the Applicant in this Financial Instrument (bearing in mind that such co-financing cannot be provided by public sources);
- 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 of the SME loan portfolio, and shall, in accordance with applicable rules⁴, not exceed 3% per annum. Upon acceleration of the loan portion of the Financial Instrument and further conditions of the Operational Agreement being met, the guarantee feature of the Financial Instrument may be continued, whereupon the Management Fee payable to the Financial Intermediary will be decreased in accordance with applicable rules⁵;

2.4. Detailed information on the Applicant's operating principles and procedures applied to SME lending:

2.4.1. Origination;

2.4.2. Risk assessment procedures (internal rating / scoring system);

2.4.3. Loan approval procedures;

2.4.4. 2.4.4. Collateral requirements (valuation, haircuts);

2.4.5. Monitoring and early warning signals;

2.4.6. Recovery procedures (what steps are taken and when; which departments are involved);

⁴ 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).

⁵ See footnote 7 above.

- 2.4.7. Risk management: methods utilised for loss forecasting, provisioning and credit risk management on portfolio level;
- 2.4.8. Summary of changes to the Financial Intermediary's operating principles and procedures due to the current financial crisis.

2.5. Detailed information on the Applicant's total lending portfolio over the last 5 years:

- 2.5.1 Composition and concentration of the outstanding loan portfolio;
- 2.5.2 Non-performing loans (outstanding non-performing loans /outstanding loan amount) as of the end of each financial year and year to date data for 2010) for the past five financial years - both in terms of number and volume;
- 2.5.3 Annual defaults, net losses and bad debt provisions;
- 2.5.4 Recoveries and recovery periods.

Details on Loans		Losses after : 0, 1, 2, 3, 4, etc. year (s)										Total losses
Year of drawdown	Amount EUR	0	1	2	3	4	5	6	7	8	9	
2000		%	%	%	%	%	%	%	%	%	%	
2001		%	%	%	%	%	%	%	%	%	%	
2002		%	%	%	%	%	%	%	%			
2003		%	%	%	%	%	%	%				
2004		%	%	%	%	%	%					
2005		%	%	%	%	%						
2006		%	%	%	%							
2007		%	%	%								
2008		%	%									
2009		%	%									
2010		%										
									Total Losses			

- 3. 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);
- 4. Annual reports for the last three financial years, including audited financial statements;
- 5. Certified copy of banking license or other requisite license or, if not available, other proof of the Applicant's authorisation allowing for the implementation of the Financial Instrument in the Campania Region;
- 6. 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;
- 7. Appropriate evidence of the representative's authorisation to act for and on behalf of the Applicant (signatory powers);
- 8. Declaration on absence of conflict of interest as per template provided in Appendix 3, duly signed;

9. Statement regarding situations of exclusion - 1 as per template provided in Appendix 4, duly signed;
10. Statement regarding situations of exclusion - 2 Declaration of compliance with Community and National rules and policies as per template provided in Appendix 5, duly signed.

The Applicant may be requested to submit additional information to complement its Expression of Interest before or during the due diligence process.

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-007/2010/1.

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

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

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

Yours sincerely,

Signature:

Stamp of the Applicant's (if

applicable):

Name and position in capitals:

Applicant's name

Place:

Date (day/month/year):

Appendix 4 to Expression of Interest

STATEMENT REGARDING SITUATIONS OF EXCLUSION - 1

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

- i) has never been the subject of a conviction by final judgment for one or more reasons listed below:
 - participation in a criminal organisation, as defined in Article 2 (1) of the Council Joint Action 98/733/JHA⁶;
 - 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 interests⁷;
 - money laundering as defined in the Directives 2005/60/EC⁸ of 26 October 2005 and 2006/70/EC⁹ of 1 August 2006, and Directive 2001/97/EC of 4 December 2001¹⁰;
- 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;
- 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

⁶ 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.

⁷ 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.

⁸ 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.

⁹ 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.

¹⁰ 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.

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 difficulty¹¹;
- 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):

¹¹ 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):

1. 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* Regulation¹² (as specified in Annex 2);
2. Complies with all Community and National rules and policies in relation to the goal of protecting and improving the environment and promoting sustainable development;
3. Complies with all Community and National rules and policies in relation to gender equality and non-discrimination;
4. Confirms its willingness and readiness to respect the information and publicity provisions applicable to this Financial Instrument.

Yours sincerely,

Signature:

Stamp of the Applicant's (if applicable):

Name and position in capitals:

Applicant's name

Place:

Date (day/month/year):

¹² 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").