



ANNEX 1¹ to the Call for Expression of Interest No. JER-005/1

To:

European Investment Fund

Attention: Regional Business Development Unit

96 Boulevard Konrad Adenauer

L-2968 Luxembourg

EXPRESSION OF INTEREST

Call for Expression of Interest No.: JER-005/1

Deadline for the submission of the Expression of Interest : 14 October 2011

Expression of Interest for First Loss Portfolio Guarantee 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-005/1 in the framework of the JEREMIE initiative implemented through EIF acting as operator of the Slovenský záručný a rozvojový fond, s.r.o. in Slovakia. 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

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

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

Appendix 1 to Expression of Interest

APPLICANT IDENTIFICATION²

1.1. Applicant identification

INFORMATION REQUIRED	
APPLICANT'S 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 consortiums or joint ventures to be completed by all participating entities.

Appendix 2 to Expression of Interest

LIST OF DOCUMENTS ATTACHED

1) Project proposal:³

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 Slovakia;
- (cc) Description of Applicants governing and management bodies and corporate governance structure.

b) Information on the Applicant's present activities:

- (aa) Commitment to SME lending in Slovakia:
 - (i) Overall strategy of the Applicant in general and SME lending strategy in particular, positioning vis-à-vis competitors in SME lending segment, product range offered in the SME lending segment, expected impact of current market environment on SME lending (e.g. tighter lending criteria, etc);
 - (ii) Total volume and number of SME loans outstanding in each SME sub-segment (breakdown by micro, small and medium enterprises, if available) 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, small and medium enterprises, if available) 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 SME loans in the Applicant's 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).
- (bb) Current pricing and collateral policy for comparable loans (in terms of maturity, purpose, etc.) to a similar target group, as per Table 1 below, including:
 - (i) Interest rate split into cost of funding and margin over cost of funding, and specifically the risk-related margin;
 - (ii) 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.

Table 1 - Current policy: collateral and interest rate charged on SME loans

Loans awarded on the basis of standard collateral requirements		EUR denominated loans
Standard collateral	Requested level of collateral (%)	
	Interest rate (min. - max.)	
	<i>of which, Risk-related margin</i>	

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) Applicants are requested to specify the proposed size of the portfolio of eligible loans to be originated during the Availability Period.
- (cc) Indicative industry, geographical breakdown and SME size of the loans to be granted under the Financial Instrument with the objective of forming a new, well diversified portfolio, also taking into consideration the specific features of the Financial Instrument as described in Annex 2;
- (dd) 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;
- (ee) 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 to the loans covered by this Financial Instrument, taking into consideration the provisions of Annex 2 and the objective to provide better financing terms to Eligible SMEs. The information submitted herein by the Applicant, as per Tables 2 and 3 below, will be assessed on a comparative basis according to the Quality Assessment Criteria (Annex 2, Part II, section 2) and will become a contractual obligation for the Applicant, if selected.

Table 2 - Proposed collateral and interest rate to be charged on the new SME loans covered by the Financial Instrument.

Loans to be awarded on the basis of <u>reduced</u> collateral requirements (guarantee rate 70%, max. cap rate 25%)		EUR denominated loans
Reduced collateral	Requested level of collateral (%)	
	Interest rate (min. - max.)	
	<i>of which, risk-related margin</i>	

Table 3 - Proposed fees to be applied on the new SME loans covered by the Financial Instrument:

Nature of fees	Value	Single payment	Monthly	Annual	Comments, remarks
Administration fee		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Fee for the loan granting, loan maturity extension, increase in the loan amount		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Fee for amendment of terms under the loan agreement terms		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other fees, if any (please provide details)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

(ff) Estimate of the expected timing for initiation of operations following the signature of the Operational Agreement and also estimate of the full commitment of the Financial Instrument to Eligible SMEs;

(gg) Description of the origin of the sources used to finance the new loans (e.g. Applicants own resources raised in the capital markets through bond issues);

- 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 (only in electronic format i.e. scanned copies of signed audited financial statements);
- 4) Certified copy of banking license or, if not available, other proof of the Applicant's authorisation allowing for the implementation of the Financial Instrument in Slovakia;
- 5) In the case where a Financial Intermediary and/or its mother company is externally rated, information on the actual external rating of the Applicant and/or its mother company

including the relevant rating report(s) from 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. 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 Expression of Interest. This will indicatively include inter alia:

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

- (i) Origination;
- (ii) Risk assessment procedures (internal rating / scoring system);
- (iii) Loan approval procedures;
- (iv) Collateral requirements (valuation, haircuts);
- (v) Monitoring and early warning signals;
- (vi) Recovery procedures (what steps are taken and when; which departments are involved);
- (vii) Risk management: methods utilised for loss forecasting, provisioning and credit risk management on portfolio level;
- (viii) Summary of changes to the Financial Intermediary's operating principles and procedures due to the current financial crisis.

B. Information on the Applicant's total lending portfolio over the last 5 financial 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) Recovery rates 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-005/1.

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

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

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

Yours sincerely,

Signature:

Name and position in capitals:

Applicant's name:

Place:

Stamp of the Applicant's (if applicable):

Date (day/month/year):

Appendix 4 to Expression of Interest

STATEMENT REGARDING SITUATIONS OF EXCLUSION - 1

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

- i) has never been the subject of a conviction by final judgment for one or more reasons listed below:
 - participation in a criminal organisation, as defined in Article 2 (1) of the Council Joint Action 98/733/JHA⁴;
 - 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 interests⁵;
 - money laundering as defined in the Directives 2005/60/EC⁶ of 26 October 2005 and 2006/70/EC⁷ of 1 August 2006, and Directive 2001/97/EC of 4 December 2001⁸;
- 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 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 difficulty⁹;

⁴ 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.

⁵ 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.

⁶ 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.

⁷ 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.

⁸ 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.

⁹ 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.

- 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 EIF.

Signature:

Name and position in capitals:

Applicant's name

Place:

Stamp of the Applicant (if applicable):

Date (day/month/year):

Appendix 5 to Expression of Interest

STATEMENT REGARDING SITUATIONS OF EXCLUSION - 2

DECLARATION OF COMPLIANCE WITH 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 the *De Minimis Regulation*¹⁰ (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:

Stamp of the Applicant's (if applicable):

Name and position in capitals:

Applicant's name

Place:

Date (day/month/year):

¹⁰ 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**").