

Additional clarification on the Call for Expressions of Interest No. JER-001/2010/1 to select Financial Intermediaries that will receive resources from the European Investment Fund acting through the JEREMIE Holding Fund for Greece to implement the Funded Risk Sharing Financial Instrument

Reference number: Call for EoI No. JER-001/2010/1

The Deadline for the submission of Expressions of Interest is the 16th of July, 2010.

Question 1 (Q1):	<p><u>Project proposal - Information on the Applicant's present activities (Appendix 2, Section 1 b) (aa) (iii), page 4):</u></p> <p>"How do you define new SME loans for revolving credit facilities?"</p>
EIF Answer:	<p>Revolving credit facilities shall be included under the SME loans outstanding.</p> <p>Only new revolving credit facilities granted each year by the Applicants shall be included in the information to be submitted under the new SME loans.</p> <p>For the avoidance of doubt, as stated in Annex 2 of the Call for EoI (Part I, Section 3 Indicative Summary of Transaction Terms, page 3), the new loans benefiting from the Financial Instrument shall be term loans, i.e. shall have a fixed repayment schedule.</p>
Q2:	<p><u>Project proposal - Information on the Applicant's present activities (Appendix 2, Section 1 b) (bb), page 5):</u></p> <p>"Customer Interest rate for such loans is based on originator rate, so applicable base rate does not exist. Would you accept this, or shall we report based on interest payment frequency (e.g. if total rate is 8% and 6mo Euribor 1%, then rate is EUR 6mo +7%)?"</p>
EIF Answer:	<p>As far as the current pricing policy for comparable loans (to be submitted for informative purposes) is concerned, Applicants need to provide information based on their individual internal pricing policy. In this respect, the overall interest rate currently charged should be provided, together with details concerning the</p>

	<p>Applicant's funding cost (i.e. originator's rate, no need to be Euribor related) as well as the relevant risk related margin applied.</p> <p>As far as the pricing offer to be charged on loans to be included in the new SME loan portfolio originated under the JEREMIE Funded Risk Sharing Financial Instrument is concerned, this needs to respect the requirements of the Call for Expression of Interest process. In this respect, the Applicants need to provide the following information:</p> <ul style="list-style-type: none"> • Total interest rate to be charged; <ul style="list-style-type: none"> • Of which Base rate - which needs to be Euribor related • Of which risk related margin. <p>The proposed repayment frequency of the Eligible SME loans should also be indicated.</p> <p>The example given in the question raised above is indeed an acceptable way of submitting a pricing offer within the requirements of the Call for Expression of Interest procedure.</p>
Q3:	<p><u>Project proposal - Information on the implementation of the Financial Instrument by the Applicant (Appendix 2, Section 1 c) (ff) (i), page 7):</u></p> <p>"Can the co-financing rate differ from 50%?"</p>
EIF Answer:	No it can not.
Q4:	"Can the loan to borrower accommodate a different amortization schedule for EIF/Financial Intermediary share, assuming the Financial Intermediary's share will have longer maturity?"
EIF Answer:	<p>The Financial Intermediary will provide one single loan to the SME, with the Financial Intermediary being the SME's sole counterparty. It is therefore not foreseen to have different amortisation schedules.</p> <p>The pari passu funding of the JEREMIE and the Financial Intermediary is at the level of the Financial Intermediary.</p> <p>If Applicants, for the benefit of SMEs, consider providing longer maturities than the ones specified in Annex 2 to the Call for EoI (Part I, Section 3 Indicative Summary of Transaction Terms, page 3), they should clearly indicate so in the submitted Proposal. Such proposal shall be evaluated by the EIF at a later stage. In the case EIF decides not to amend the maturity period of the Financial Instrument, the terms included within the Call for EoI shall apply.</p>
Q5:	"Can you provide us with an estimate in terms of timing regarding the evaluation process and the submission of additional information by the pre selected Applicants?"

EIF Answer:	<p>The timing for the evaluation process depends on the number of proposals received. Indicatively, pre-selection is expected to take place in July 2010. Following pre-selection, the pre-selected Applicants will be requested to provide additional information, within the spirit of the last section of Appendix 2 to the Expression of Interest. Normally, Applicants will be requested to submit the additional information within 2-3 weeks whereas a due diligence meeting will be organised in parallel and take place immediately after. Following the due diligence meeting, the EIF will perform its full assessment on the pre-selected Applicants. Full assessment and final selection and signature of agreements is expected to be completed within Q4 of 2010.</p>
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