



European  
Investment  
Bank

*The EU bank*



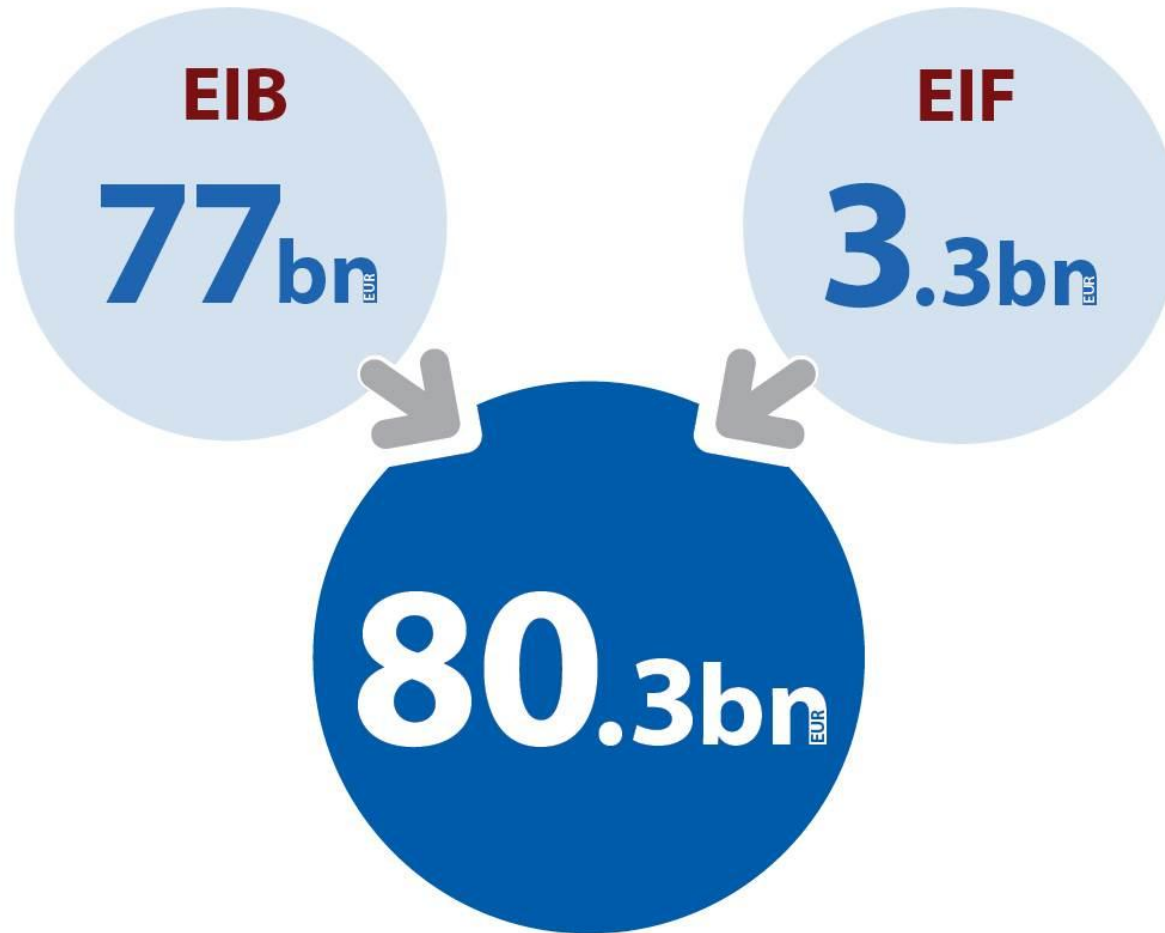
# EIB's Significant Support to Greece since the beginning of the Crisis

**Constantin Synadino**

Head of EIB Lending Operations in Greece and Cyprus

Athens, 7 May 2015

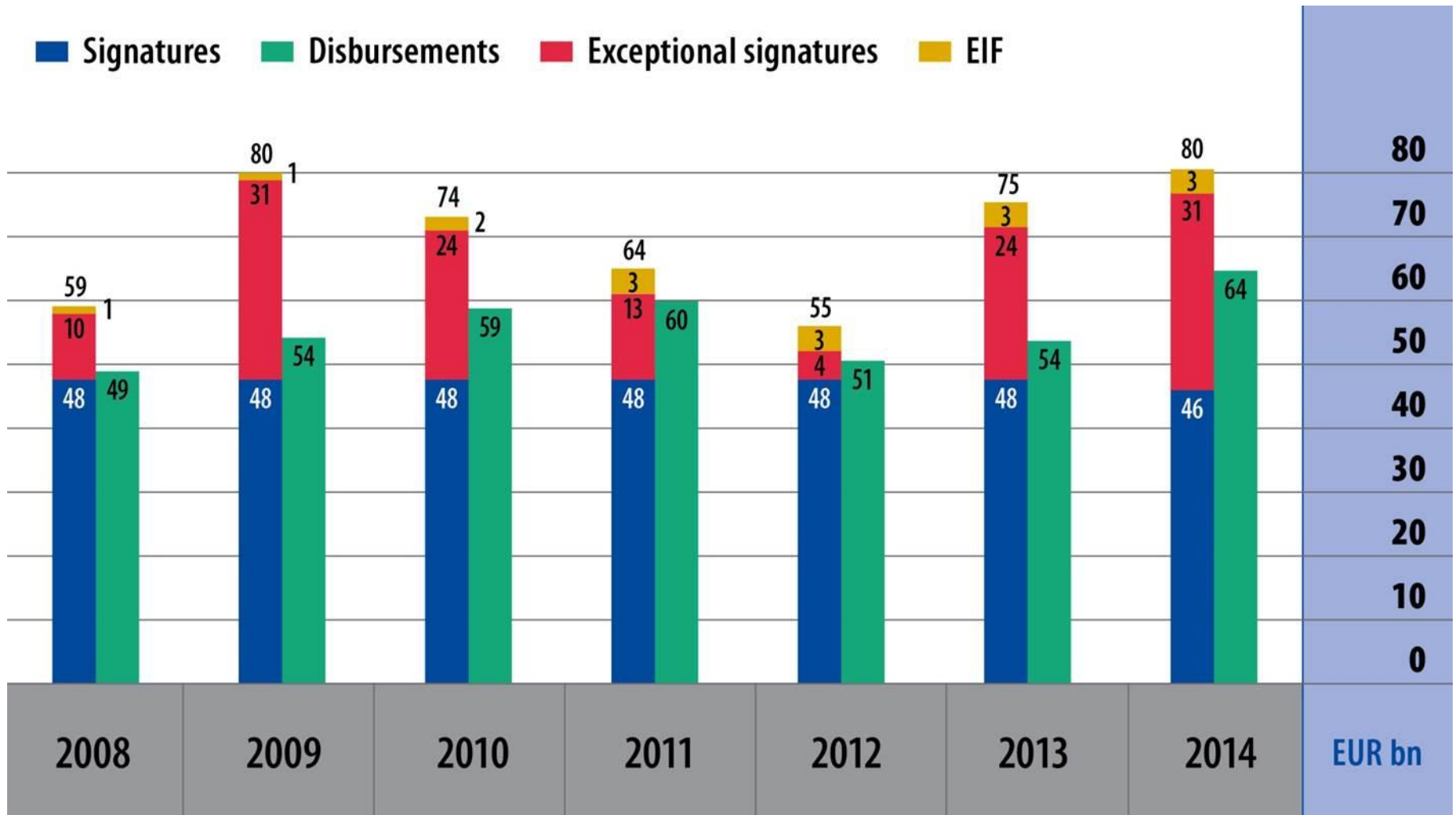
# EIB Group lending in 2014



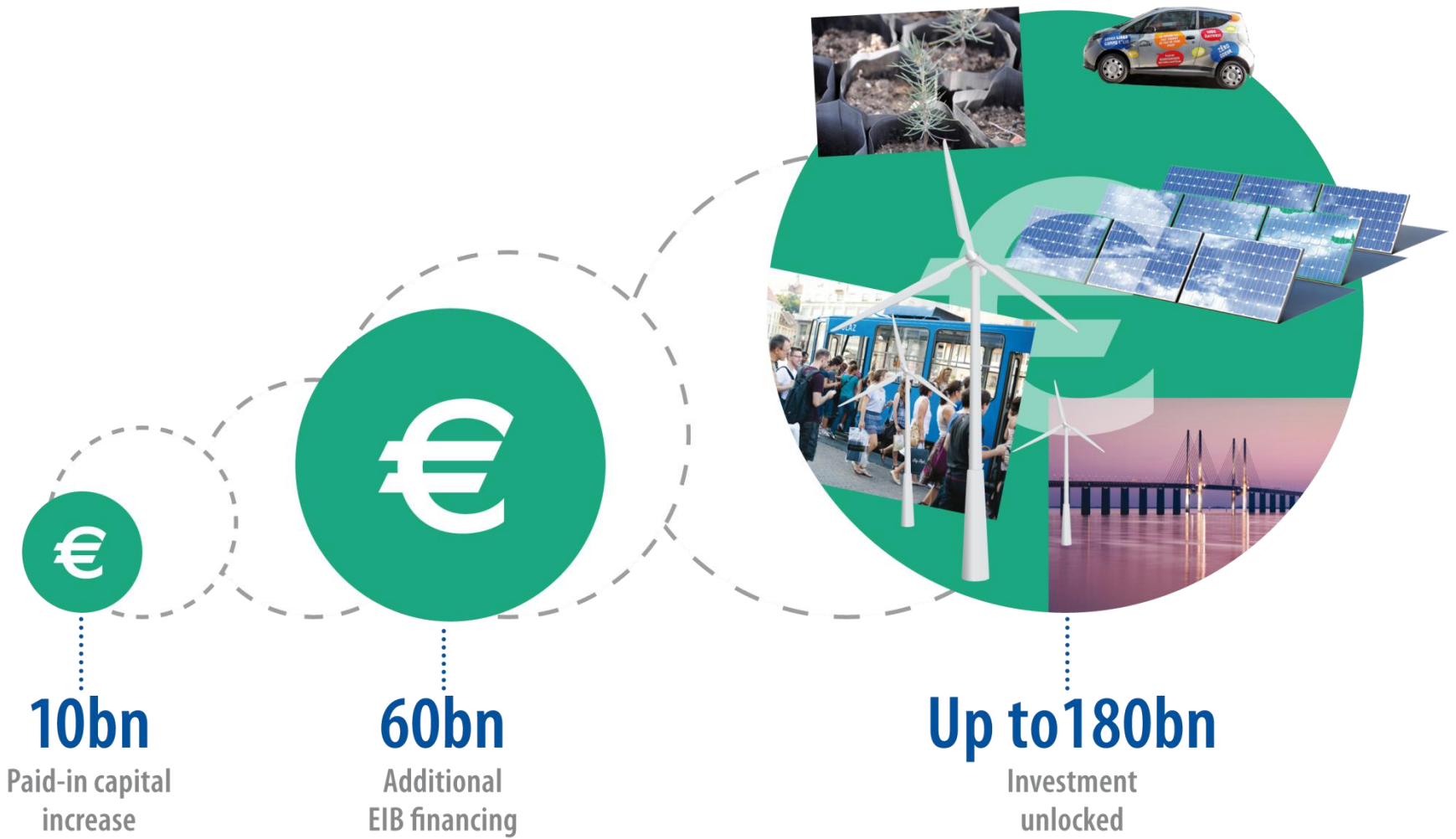
# EIB Group track record: almost EUR 500bn lent since 2008



■ Signatures   ■ Disbursements   ■ Exceptional signatures   ■ EIF



# Delivering on the capital increase



EUR 180 bn mobilised by March 2015, ahead of December 2015 target



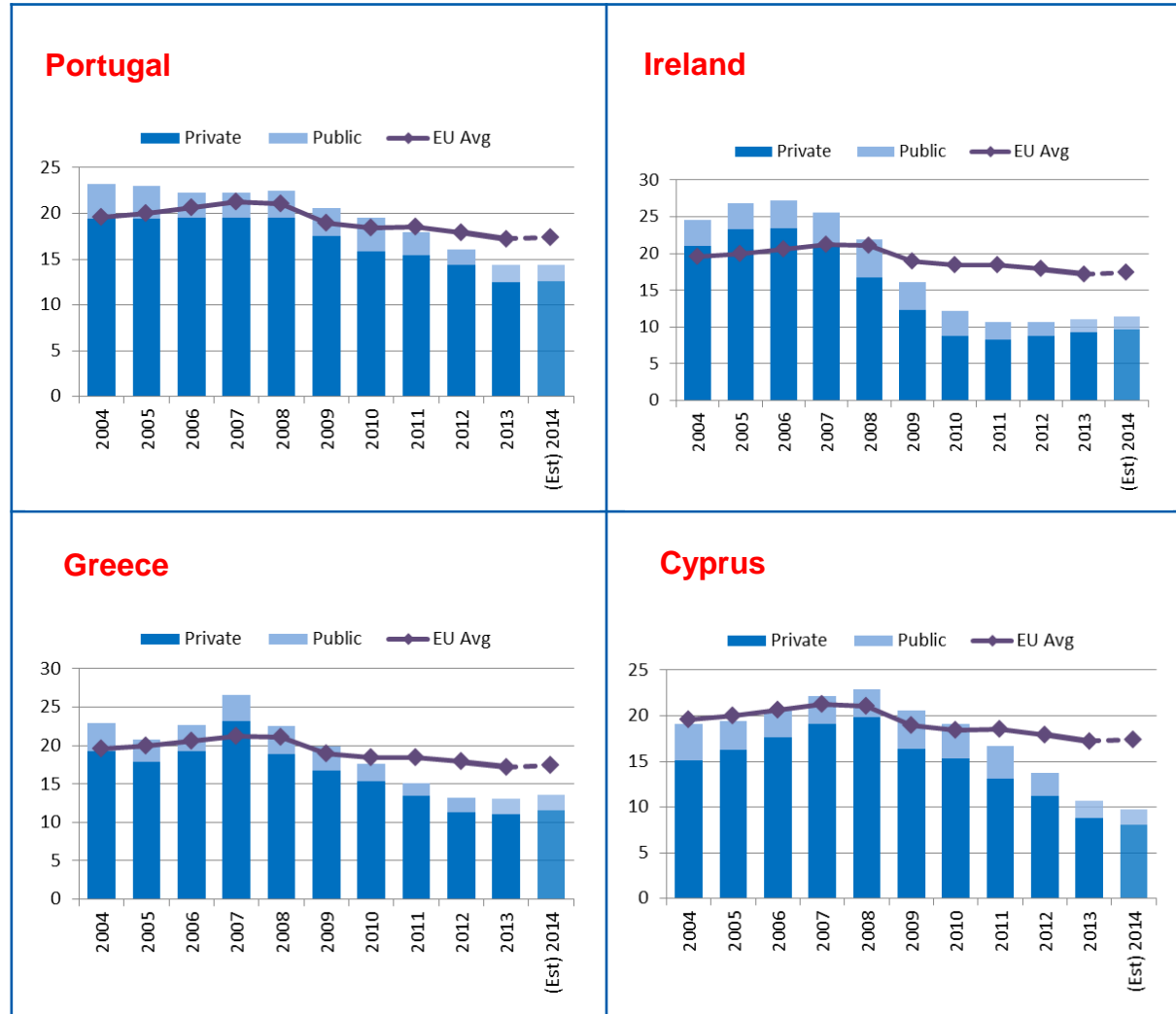
# Investments in perspective



## Investment environment

- In all four (former) programme countries, **investments have been falling by more than GDP.**
- Public investments have been constrained by the need for fiscal consolidation, as agreed under the respective programmes.
- Private investments have been further constrained by a lack of (bankable) demand, as well as de-leveraging needs.
- Greece ranks 5<sup>th</sup> among EU-28 in terms of EIB exposure in relation to GDP and 8<sup>th</sup> in nominal exposure, evidencing EIB's strong support to the country.

Evolution of Investments (Gross fixed capital formation as % of GDP)



Source: Eurostat

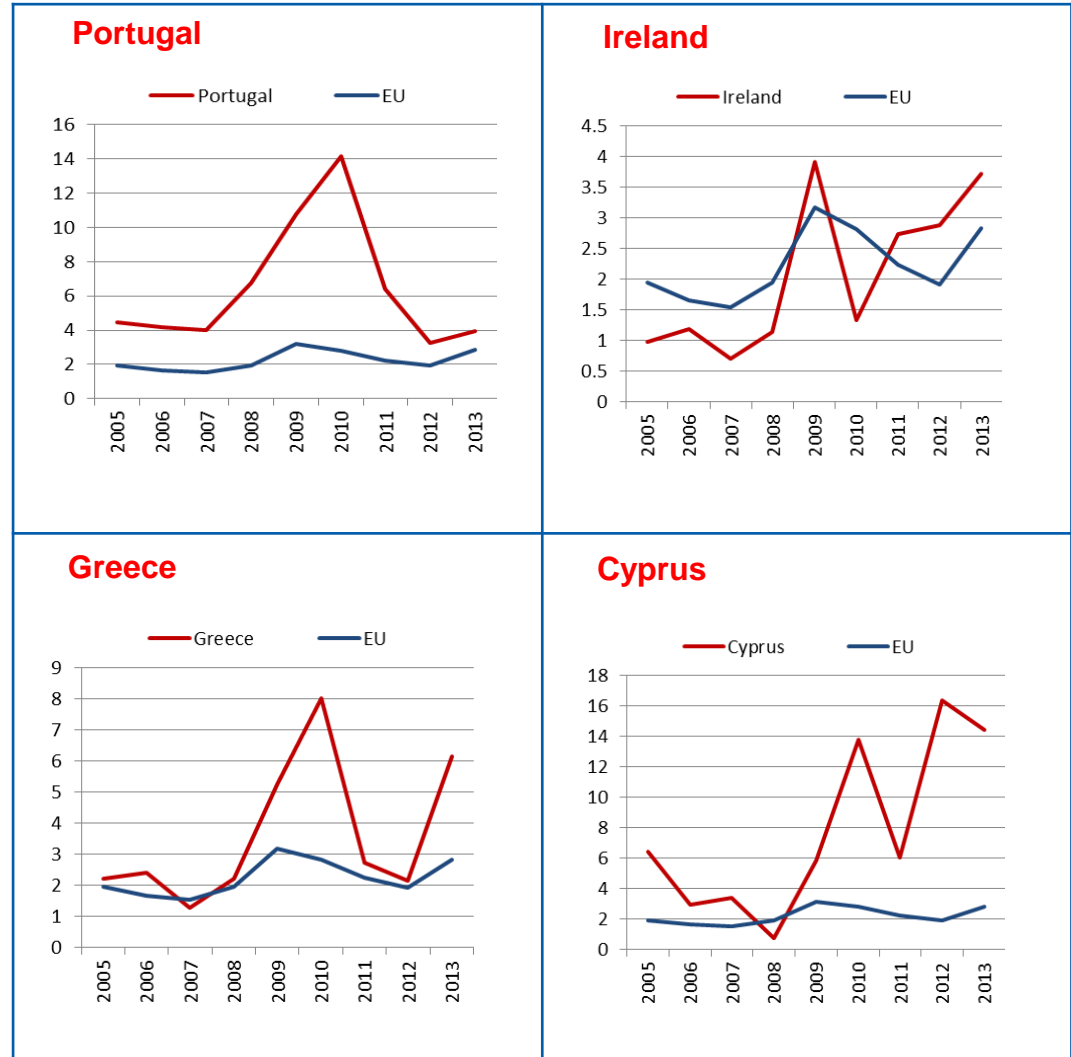


# Investments in perspective



## Evolution of EIB share in financing investments

*EIB Signature as % of gross fixed capital formation*





# Greece Overview



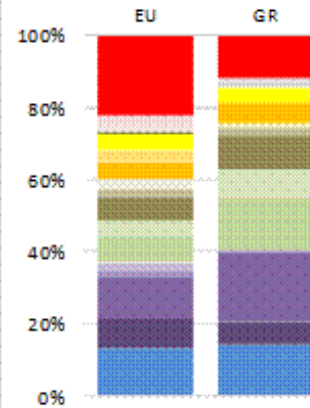
## EIB Activity

- Year-end 2014, EIB exposure in Greece was EUR 17bn, about 9% of GDP
- Close to 50% of exposure is directly with the sovereign
- Including State guarantees, overall exposure (direct and indirect) to the sovereign is roughly 85-90%
- EUR 1,481m in signatures in 2014, compared to EUR 1,465m in 2013 (which included lending of EUR 965m and the TFF of 500m), both years being about 170% more than in 2012.

EIB's activity by sector - Greece

Exposure, Dec. 2014

% of total exposure

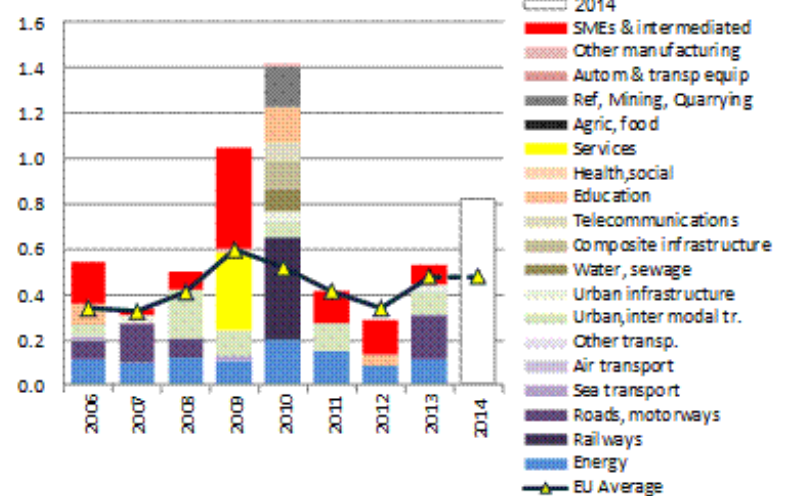


Greece exposure: EUR 17 bn, about 9% of GDP

Source: EIB

Signature flow

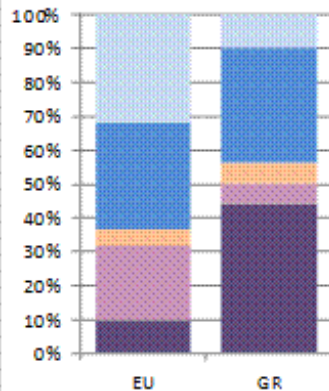
% of GDP



EIB's activity by contract counterpart (borrower) for operations - Greece

Exposure, Dec. 2014

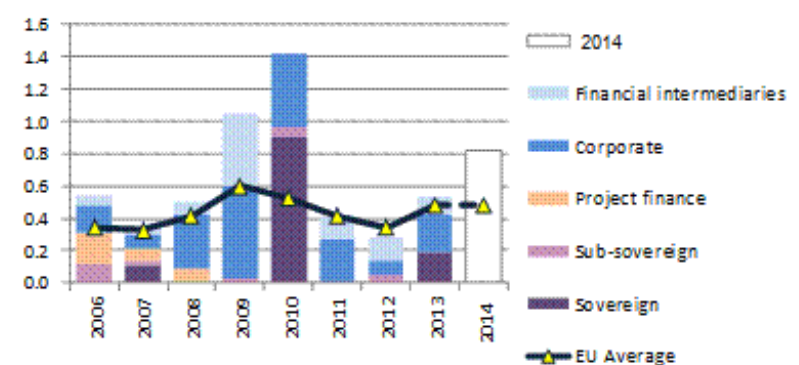
% of total exposure



Source: EIB

Signature flow

% of GDP

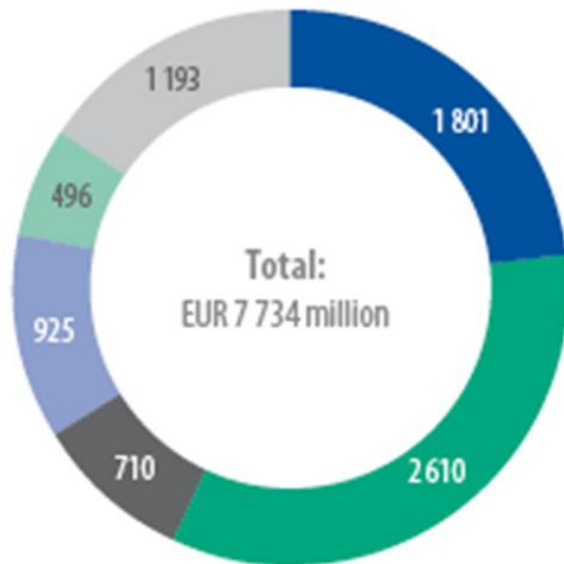




# Strong, continuous and steady support to Greece



- Total EIB lending in Greece over the past 5 years: EUR 7.7 billion
- Total EIB lending in Greece in 2014: EUR 1.5 billion
- Total EIB exposure in Greece: EUR 17.2 billion
- Customised products: Trade Finance Facility  
SME Guarantee Fund



EIB lending by sector in Greece from 2010 to 2014 (in EUR m)

■ Energy	23 %
■ Transport, telecommunications	34 %
■ Water, sewerage, solid waste, urban development	9 %
■ Industry, services, agriculture	12 %
■ Education, health	6 %
■ Small and medium-scale projects	16 %



# Greece - Main Operational Highlights



- ❖ EIB activity in Greece will continue to be subject to a number of challenges considering the difficult economic environment faced by the country, including Budget constraints, **reduced investment levels** and limited LT funding sources available to complement EIB lending.
- ❖ **EIB is fully committed to supporting Greece** and working with the EC, national authorities and key national players to support business, sustain job levels and contribute to economic recovery.
- ❖ The Bank is closely monitoring, notably (a) the **evolution** of the Greek banking sector and (b) the **State privatisation plans** including key assets / companies.
- ❖ All Greek systemic banks benefit from SME credit facilities provided by the EIB, and the EIB exceptionally enlarged its lending conditions by (i) providing financing for up to 75% (instead of usual 50%) of loans for SMEs and (ii) setting up in Greece the EIB's first ever (a) SME Guarantee Fund in a Member State and (b) Trade Finance pilot operation.
- ❖ SME Guarantee Fund (*EUR 300m FLP - enabling up to EUR 600m EIB lending*): EUR 500m signed to date (and over EUR 300m disbursed) by EIB with Greek banks. The Greek banking sector's ongoing consolidation, balance sheet restructuring and rising non-performing loans, coupled also with TROIKA de-leveraging requirements, limit its capacity for an increase in lending, hence slowing down the absorption of bank-intermediated products.
- ❖ Flagship: EUR 650m for the restructuring of Greek motorways, a flagship project with significant benefits on growth and employment, signed over 2013-2014.

# Signatures 2014 in Greece (by sector)



## ✦ TRANSPORT

Contract Name	amount in EUR m	
	2013	2014
ATHENS METRO C / B	200	-
GREEK MOTORWAYS (TEN-T)	350	300
THESSALONIKI METRO B	-	200
<b>Total</b>	<b>550</b>	<b>500</b>

## ✦ ENERGY

Contract Name	amount in EUR m	
	2013	2014
PPC TRANSMISSION & DISTRIBUTION V / D	190	-
HELLENIC NATURAL GAS V / B	25	-
PPC DISTRIBUTION VI	-	415
REVITHOUSSA LNG TERMINAL EXTENSION A	-	40
IPTO TRANSMISSION A	-	70
IPTO CYCLADES INTERCONNECTION A	-	65
PPC POWER PROJECTS ON GREEK ISLANDS	-	80
<b>Total</b>	<b>215</b>	<b>670</b>

# Signatures 2014 in Greece (by sector)



## TRADE FINANCE FACILITY

Contract Name	amount in EUR m	
	2013	2014
SME TRADE FINANCE FACILITY CITIBANK	200	Facility currently valid until mid-2015
SME TRADE FINANCE FACILITY HSBC	200	
SME TFF COMMERZBANK	100	
<b>Total</b>	<b>500</b>	

## MUNICIPAL INFRASTRUCTURES

Contract Name	amount in EUR m	
	2013	2014
GREEK LOCAL AUTHORITIES FRAMEWORK	50	50
<b>Total</b>	<b>50</b>	<b>50</b>

## EDUCATION

Contract Name	amount in EUR m	
	2013	2014
ATTICA SCHOOLS PPP	-	36
<b>Total</b>	<b>-</b>	<b>36</b>

# Signatures 2014 in Greece (by sector)



## LOANS FOR SMEs

Contract Name	amount in EUR m	
	2013	2014
GROUPED LOAN FOR SMEs - Pancretan Coop Bank	50	-
GROUPED LOAN FOR SMEs - Alpha Bank	100	50
GROUPED LOAN FOR SMEs - NBG	-	150
<b>Total</b>	<b>150</b>	<b>200</b>

## DIRECT LOANS TO CORPORATES UNDER "INNOVFIN" \*

Contract Name	amount in EUR m	
	2013	2014
PHARMATHEN	n/a	25
<b>Total</b>	<b>-</b>	<b>25</b>

\* INNOVFIN product first introduced in mid-2014

	amount in EUR m	
	2013	2014
<b>TOTAL EIB signatures in Greece</b>	<b>1,465</b>	<b>1,481</b>

### Transaction structure

- **Signature:** November 2014
- **Amount:** EUR 25m
- **Instrument:** InnovFin MidCap Growth Finance
- **Purpose:** Finance the development and production of pharmaceuticals
- **Other:** First InnovFin / RSFF loan in Greece

### EIB Investment rationale

- **Innovative midcap pharmaceutical company, with proven expertise in drug development**
- **Strong sales growth and increase in people employed in recent years, despite Greek economic crisis**
- **Diversification of funding outside of Greek banks**

### Borrower Profile

- **Family owned pharmaceutical company**
- **One of the largest Greek pharmaceutical companies**
- **Focused on B2B sales of generic drugs**

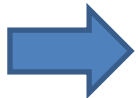


# European Fund for Strategic Investment



The Investment Plan for Europe consists of three standards:

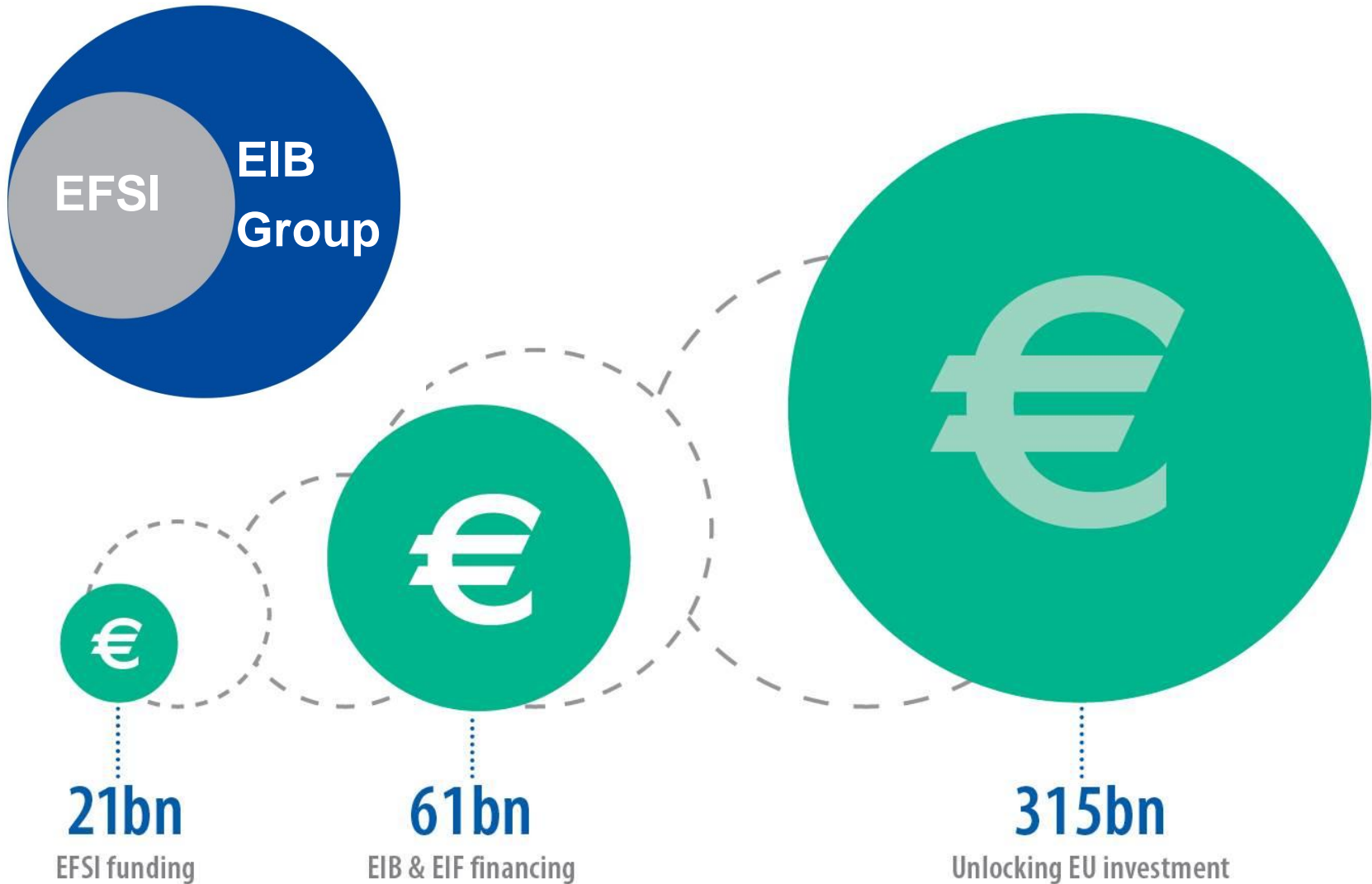
- 1. Improved investment environment:** regulatory and structural reforms at EU and national levels for predictability, removing obstacles, aiming at a friendlier investment environment.
- 2. Making finance reach the real economy:** enhanced EIB-EC-MS cooperation on projects identification (“the project Directory”) and stepped-up technical assistance / advisory.
- 3. Mobilising finance for investment:** The EFSI, via EIB, to better address the current shortage of (higher) risk-financing in EU.



AIM: to mobilise at least EUR 315 bn in investment across the EU



# Mobilising new investment





## **2015** : *a challenging year*

- from crisis recovery to re-launching competitiveness through investment and innovation





**Thank you**

**Constantin Synadino**  
**Head of Lending Operations in Greece and Cyprus**