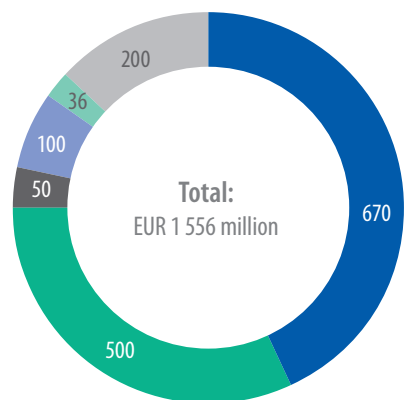




The EIB in Greece in 2014

Targeting growth leverage, EIB financing last year provided critical support to the Greek economy in the crisis period. In 2014 the EIB achieved record financing for Greece, with new lending agreements totalling EUR 1.48bn (2013: EUR 965m, plus guarantees set up to support trade finance for Greek corporates for up to EUR 500m).



EIB lending by sector in Greece in 2014 (in EUR m)

■ Energy	43%
■ Transport, telecommunications	32%
■ Water, sewerage, solid waste, urban development	3%
■ Industry, services, agriculture	7%
■ Education, health	2%
■ Small and medium-scale projects	13%

Of particular note was the signing of the first loan in Greece for the RDI activities of Pharmathen.

In Greece in 2014 energy took the lead with EUR 670m, with the focus on ensuring the security of the electricity supply of a number of Greek islands, either by interconnecting their systems with the mainland's network or by building electricity production facilities on key touristic islands. These investments boost tourism by contributing significantly to preventing the blackout risks of the past.

EUR 500m in finance for transport enabled the Greek State to continue with the construction of the country's major motorways and the Thessaloniki metro to improve people's living and economic conditions.

Support for small and medium-sized enterprises (SMEs) remained an area of strong EIB support, demonstrating the Bank's active role in assisting the country's main job-providing sector. In spite of the major drop in investment in Greece, the EU bank's contribution to the country's real economy in 2014 included EUR 200m worth of new SME lines of credit for Greek banks. The EIB also endeavoured to ensure the smooth rollout of existing specially developed innovative initiatives and products, such as the Guarantee Fund for Greek SMEs and the SME Trade Finance Facility.

Additionally, EIB efforts focused on the provision of technical advisory services in Greece, which contributed to the preparation of viable projects, thereby enabling the more rapid deployment of EU funds.



Support for innovative industrial RDI

The EIB signed in 2014 a EUR 25m agreement on RDI activities with Pharmathen S.A. to support the work of scientists whose concrete applications improve the quality of life. This is the first EIB transaction in Greece supported by “InnovFin – EU Finance for Innovators”, with the financial backing of the European Union under Horizon 2020 Financial Instruments. “InnovFin MidCap Growth Finance” is specifically dedicated to improving access to risk finance for the research and innovation projects of midcap and SME companies in the European Union.

The loan to Pharmathen, one of Greece’s main generic drug manufacturers, will finance the development and production of high-quality pharmaceutical products geared mainly to export markets. The RDI activities will be managed out of Pharmathen’s headquarters in Athens. The project is important for Pharmathen, as it will allow the company to maintain its competitive edge in international markets by accelerating its RDI programmes. Additionally, it will strengthen the cooperation between Pharmathen and European and local suppliers, universities and research institutes, and will contribute to increasing the competitiveness and value added of Greek manufacturing goods.

Support for SMEs and midcaps for growth and jobs

In 2014 the EIB continued supporting SMEs through two major systemic Greek banks, providing them with a total of EUR 200m in SME lines of credit in order to counteract the impact of the crisis by easing SME funding in this difficult period.

These funds, of which **EUR 150m** went to the **National Bank of Greece** and **EUR 50m** to **Alpha Bank**, are intended to finance projects promoted by small and medium-sized companies in the fields of industry, tourism and services in Greece.

Both loans to these two major Greek banks and long-time EIB partners include a window for financing under the “**Jobs for Youth**” programme launched by the EIB in July 2013 as part of a larger initiative of the Member States and Commission to tackle youth unemployment following the decision of the European Council in June 2013. This product targets in particular countries with high unemployment rates amongst young people. In order to benefit from financing under the “Jobs for Youth” window, SMEs in the fields of industry, commercial services and tourism need to fulfil a limited number of conditions, including the employment or training of young people.

The EIB credit lines are being provided under the Guarantee Fund for Greek SMEs specially established in late 2012 to cater for the financing needs of SMEs in Greece. More than 760 jobs have been created by 480 SMEs all over Greece that have benefited from the five loans signed to date by the EIB with Greek banks under this facility (including the above-mentioned loans signed in 2014), with further allocations expected in the coming months. Including the loans to NBG and Alpha Bank, total EIB signatures under the Guarantee Fund for Greek SMEs now amount to EUR 500m, and disbursements on all five loans have to date exceeded EUR 300m.



The European Investment Fund

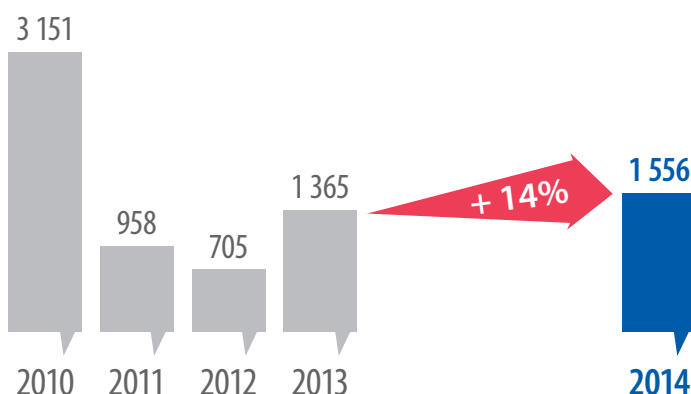
The European Investment Fund (EIF) is the specialist arm of the EIB providing risk financing solutions to financial intermediaries to support SMEs and midcaps and foster innovation in Europe. In 2014, it committed EUR 3.3bn in support of business through which approximately EUR 14bn of capital will be mobilised.

By business line, the EIF committed a total of EUR 1.65bn for equity in 74 early and growth stage funds, which raised a total of EUR 8.3bn. On the guarantees side, it committed EUR 1.6bn in 60 transactions, which acted as a catalyst in attracting EUR 5.6bn of new loans for SMEs. The EIF’s support for micro-enterprises totalled EUR 51m, generating a loan volume of EUR 133m. Overall, more than 175 000 SMEs and midcaps were supported by the EIF in 2014.

In Greece in 2014, EIF committed EUR 36m in guarantee operations, which aim to raise EUR 72m.

For more information:
www.eif.org/greece.

Signatures in Greece 2010-2014 (in EUR m)



Lending to SMEs in cooperation with the banking sector combines the advantages of the EIB's first-rate access to world capital markets, where it raises most of the funds for its lending activity, with the local networks and know-how of domestic partner banks. The EIB used its capital strength to help counter the effects of the erosion of confidence in the financial sector. Its action was amplified by the synergy with major Greek banks. This partnership aims at restoring growth, which can only come from strong and flourishing enterprises that harness innovation and advance opportunities, while maintaining or creating new jobs.

In 2014 the EIB also increased the geographical scope of its EUR 500m Trade Finance Facility in support of Greek SMEs introduced in 2013 by including (for up to **EUR 75m**) the Italian bank **Intesa Sanpaolo**, which joined the other confirming banks in the facility (Citi, Commerzbank and HSBC), thus extending its geographic coverage and supporting in particular the trade flows between Greece and Italy.

Support for the energy sector

In 2014 the EIB provided a total of EUR 670m for energy in Greece, with five loans for electricity and natural gas:

- **EUR 415m** facility for the Greek Public Power Corporation S.A. (PPC), for renovating and reinforcing the electricity distribution network, as well as extending it to enable some 186 000 new connections throughout mainland Greece and the Greek islands. The investment programme will benefit consumers and suppliers by improving electricity distribution infrastructure and increasing the effectiveness of the electricity supply in meeting demand. The promoter of the project is the Hellenic Electricity Distribution Network Operator S.A. (HEDNO), a 100% subsidiary of PPC created in 2012.
- **EUR 80m** to the Greek Public Power Corporation S.A. (PPC) for electricity production on eighteen Greek islands in the North and East Aegean, Dodecanese, Cyclades, and the Diapontia island complex.
- **EUR 70m** as the first tranche of a EUR 140m facility to support the Greek Independent Power Transmission Operator's (IPTO or ADMIE) ongoing power transmission investment programme. This includes the construction of the Megalopoli Extra High Voltage Station, the interconnection of Nea Makri (Attica mainland) to Polypotamos (island of Evia), and a cluster of smaller transmission schemes. The loan is expected to support the integration of new generation resources into the grid, including renewable energy, to extend transmission capacity and contribute to improving the reliability of supply.
- **EUR 65m** to the Greek Independent Power Transmission Operator (IPTO or ADMIE) as the first tranche of a EUR 130m facility to support the connection of the main Cycladic islands of Syros, Tinos, Mykonos and Paros with the interconnected system of mainland Greece. The interconnection will be effected through a subsea cable grid operated at 150 kV. The project will substitute the local generation run on fuel oil with energy produced by far cheaper and less polluting plants operated in the mainland system. It will also support the development of additional wind and solar generation capacity on the islands, which in the currently isolated configuration is restricted for technical reasons.
- **EUR 40m** to the Hellenic National Gas System Operator (DESFA) S.A., for the extension of a Liquid Natural Gas (LNG) terminal on the island of Revithoussa in the outer suburbs of Athens. Aimed at increasing reception, storage and output capacity, the investment involves the construction of a third storage tank, upgrading of the marine facilities, installation of additional cryogenic send-out equipment and improvement of the metering system. This is follow-up support for the LNG terminal on Revithoussa, further to a EUR 23m loan provided by the EIB in 2006.

Lending for modern infrastructure to improve living conditions

EIB finance in Greece in 2014 enabled the Greek State to proceed with the continuation of the construction of the country's major motorways, the Thessaloniki metro and school infrastructure in Attica, and helped local authorities finance peripheral smaller investments to improve people's living and economic conditions:





- **EUR 300m** to the Hellenic Republic for the Greek motorway programme will be supporting the State's financial commitments to the country's main transport corridor (Patras-Athens-Thessaloniki), which is also a priority trans-European transport investment. The loan will contribute to financing the construction of 239 km of new motorways and smaller upgrades on 434 km of existing motorways located along this main axis. This is the second and last tranche of the EIB facility of a total of EUR 650m for the resumption of construction works on Greek motorways which, considering their strong impact on employment and GDP growth, play a special role in revitalising the Greek economy.
- **EUR 200m** in further support for the Thessaloniki metro aims at providing an efficient and effective public transport system in metropolitan Thessaloniki, in parallel with the ongoing extensions of the Athens metro network, also financed by the EIB. As such, the investment has been supported by the Greek State, the European Union through EU grants and the EIB. This essential public service project represents one of the most important areas of EIB value-added activity, as the EU bank's ability to provide long-term financing perfectly matches the long-term nature and requirements of the infrastructure provided. This new EIB funding provides additional support for the network's extension to the area of Kalamaria. The EIB is already financing the Thessaloniki metro baseline, with previous loans totalling EUR 650m.
- **EUR 50m** as the second and last tranche of a EUR 100m framework facility that will provide financing to local authorities in Greece through the Consignment Deposits and Loan Fund (CDLF). The facility will enable the local authorities to invest in the fields of transport, educational infrastructure, cultural and historical heritage, rehabilitation of public buildings, environmental improvement, energy efficiency and tourism infrastructure. In view of the existing substantial investment requirements of local authorities, combined with the current budgetary constraints, this EIB facility will help to improve the living conditions of thousands of citizens all over the country.
- **EUR 35.82m** to the Public Private Partnership project in support of school facilities throughout the Attica region in Greece. The loan aims at upgrading school facilities in Attica, where the largest part of the Greek population resides. Increasing physical capacity and improving the quality of the school estate are key aims of Greek education policy.

The EIB support to the country goes beyond lending. As non-financial support, the EIB has for some years been offering technical assistance services in Greece in a variety of areas through experts seconded to the Greek administration. In 2013, at the request of the Greek Government, JASPERS started providing technical assistance to projects in a variety of key sectors. All of these projects, once off the ground, will create jobs and kick-start growth.

The annual JASPERS stakeholders meeting took place in December 2014 in Athens. JASPERS is a joint initiative of the European Investment Bank, the European Commission and the European Bank for Reconstruction and Development (EBRD) created in 2005 to provide technical assistance to the authorities managing EU Structural Funds in the EU Member States that joined the Union after 2004 (Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia). Greece, the Former Yugoslav Republic of Macedonia, Montenegro and Serbia are also eligible for JASPERS assistance. More than 100 high-level delegates representing JASPERS' stakeholders from all JASPERS beneficiaries participated in the meeting. Discussion focused on the 2014-2020 programming period of the Structural Funds and on widening JASPERS' advisory role, both geographically and in scope. The European Commission has proposed that JASPERS should act as an independent quality reviewer of projects before they are submitted to it for grant financing from the ESIF (European Structural and Investment Funds). This activity will be extended to all EU Member States who are eligible for the ESIF.

JASPERS has been active in Greece since January 2013, supporting projects cofinanced by the European Structural Funds in key sectors of the Greek economy. In full coordination and collaboration with the Greek authorities, in 2014, the first full year of JASPERS support for Greece, three major projects totalling EUR 425m were approved, including a new ticketing system for the Athens Metro already in operation.



Pharmathen

2015 is a year of optimism and commitment to its development model for the Greek multinational pharmaceutical company Pharmathen. Focusing its attention on the triptych "Innovation – Internationalization – Investments", it is heading at full speed towards achieving the high targets it has set.

The bar has been raised even higher following its recent EUR 25m funding agreement with the European Investment Bank. Investment in innovation, export orientation and improvement of competitiveness in the global market are the means of attaining its business objectives.

Despite the recession, over the last five years, export orientation and research have led to a dramatic increase in Pharmathen's figures, with an annual growth rate in sales stable at 17% and jobs concurrently doubling in number. Last year, the company's turnover exceeded EUR 180m.

Pharmathen's exports have soared, making up 70% of its total activity. 1% of exports carried out in Greece today concern Pharmathen products, which are available in 85 countries around the world.

It is one of the fastest growing, purely Greek pharmaceutical companies, with three ultramodern research centres, two production plants and over 1 000 employees.

Not only did investments in innovation not fall during the financial crisis, but on the contrary they increased as Pharmathen, using research as its "passport", chose to expand even further in international markets.

Pharmathen is ranked among the 50 largest research companies in the EU in the pharmaceuticals industry. It employs over 180 researchers and annually invests more than EUR 20m in discovering new products and technologies. In 2010, the new production plant in Sapes Rodopi was opened, a EUR 42m investment.

Pharmathen's business plan for the next five years includes investing an amount exceeding EUR 100m in the research, development and production potential of new molecules, specialty products and technologies (Long Active Injectable – LAI). This particular research field will put to use the funds made available to the company by the European Investment Bank.

Commenting on this crucial collaboration between Pharmathen and the European Investment Bank, the President of Pharmathen, Mr Vasilis Katsos, stated that investment in research is a constant competitive advantage for Pharmathen. Our funding – he says – from the European Investment Bank is an important recognition, as we are the first Greek company to receive capital from this particular internationally-renowned institution. It makes Pharmathen's advantage more effective, as it enables investments in innovative treatments and cutting-edge technologies to be maximised.





The EIB at a glance

The EIB is the EU's long-term lending institution and is owned by the EU Member States. It makes long-term finance available for sound investment, contributing to growth, jobs, regional convergence and climate action in Europe and beyond.

To maximise growth and job creation, the EIB targets four priority areas: innovation and skills, SMEs, climate action and strategic infrastructure across the EU.

The EIB has delivered on the commitment made to Member States to mobilise EUR 180bn of additional investment across Europe over the period 2013-2015. Already in the first two years since the EUR 10bn increase in the EIB's capital decided by Member States in 2012, the EIB Group has provided financing amounting to more than EUR 150bn, supporting overall investment of around EUR 450bn. This includes both regular financing and additional activities following the 2013 capital increase.

Since 2008, the European Investment Bank Group has provided almost EUR 500bn for investment in projects across Europe. The EU bank averagely finances a third of project costs, and EIB loans have mobilised around EUR 1.5tn in this period.



EUR 20.6bn
supporting key strategic infrastructure in transport and energy as well as urban infrastructure in Europe

EUR 77bn overall lending volume (up 7.4%), of which
EUR 69bn within the EU (up 7.8%)

EUR 19.1bn

for climate action supporting more resource-efficient and climate-proof solutions



EUR 14.7bn
EIB Group support for innovation and skills including digital infrastructure in Europe



EUR 25.5bn

EIB Group support for SMEs and midcaps in Europe – the biggest ever volume and the Bank's single largest policy priority



The EIB signed
EUR 13bn
to its Skills and Jobs – Investing for Youth programme



For further information on the EIB in Greece: www.eib.org/greece

Press contacts:

Helen Kavvadia

☎ +352 4379-84486

✉ t.smit@eib.org

Press Secretariat

☎ +352 4379-21000

☎ +352 4379-61000

✉ press@eib.org

www.eib.org/press

General contacts:

European Investment Bank

98-100 boulevard Konrad Adenauer

L-2950 Luxembourg

Information Desk

☎ +352 4379-22000

☎ +352 4379-62000

✉ info@eib.org

www.eib.org

