



PIRAEUS BANK



## JOINT PRESS RELEASE

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### EUR 700mn new support for SME investment across Greece

EUR 700mn of new investment by small and medium sized companies across Greece will be supported by Piraeus Bank, following new backing from the European Investment Bank (EIB), the European Investment Fund (EIF) and the European Bank for Reconstruction and Development (EBRD), which was announced in Athens today.

This represents the first covered bond issuance by Piraeus Bank and the first time that international financial organizations have invested in covered bonds issued by Greek banks since the beginning of the financial crisis. Piraeus Bank will issue a new 5-year €500mn covered bond in October 2017, to be launched under Piraeus Bank's €10bn Covered Bond Programme.

Mr. Christos Megalou, CEO of Piraeus Bank, stressed that "Piraeus Bank, the largest bank in Greece, is strategically committed to assume a leading role in restarting the Greek economy by supporting Greek private entrepreneurship. As the largest lender in the business sector, it focuses on the Small and Medium size Enterprises (SMEs), that are the backbone of the Greek economy. Piraeus Bank possesses the necessary skills and resources to provide the available financing solutions for the benefit of its customers, to help SMEs to overcome the results of the recession and become a driving force for growth and employment. Piraeus Bank, expanding its existing cooperation with international organizations, EIB, EIF and EBRD, has today signed two contracts worth a total of €500mn to finance SMEs, in all sectors of the economy".

In the signing ceremony that took place today in Piraeus Bank's headquarters, Mr. Werner Hoyer, President of the European Investment Bank, commented "Representing the EIB Group's largest ever support for small businesses' investment in Greece, this record transaction demonstrates the EIB Group's reinvigorated support for companies across the country seeking to expand. Supported by the Investment Plan for Europe, this will allow companies involved in tourism, manufacturing and services to progress. This new initiative for SME's follows the EUR 1 billion programme launched last year in cooperation with Piraeus and other leading Greek banks."

Nick Tesseyman, EBRD Managing Director, Financial Institutions, said: "We welcome the signing today as it marks a further important step in the recovery of the Greek banking sector. The successful placement will allow Piraeus Bank to diversify its funding sources and strengthen its lending capacity. It also demonstrates the growing confidence by institutional investors like the EBRD and sends an important signal to other market participants. The rejuvenation of the covered bonds market will benefit the financial sector and the real economy in Greece."

The European Investment Bank will provide EUR 350mn, under the Investment Plan for Europe, and the European Investment Fund will provide an additional EUR 50mn that provides longer-term funding for Piraeus Bank's customers.

European Commissioner Pierre Moscovici, responsible for the Economic and Financial Affairs, Taxation and Customs, said: "Today's agreement with Piraeus Bank under the Juncker Plan means €700 million in new financing is now available for Greek SMEs. This will give a huge boost to the economy and it shows the Commission's continued commitment to supporting growth and development in Greece."

The covered bond will be primarily placed among supranational organizations, namely the European Investment Bank (EIB), the European Investment Fund (EIF) and the European Bank for Reconstruction and Development (EBRD). Credit Suisse is acting as Dealer Manager in the transaction.

The new issue constitutes an innovative financing scheme in which supranational organizations invest in Greek bank covered bonds for the first time. Funding drawn by Piraeus Bank, will be channeled to Greek SMEs and MidCaps.

The significant size of drawn liquidity, long tenor and competitive all-in cost of funding achieved, further highlight the importance of this landmark transaction.

## **Background information:**

The European Investment Bank (EIB) is the long-term lending institution of the European Union owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals.

The **Investment Plan for Europe** focuses on strengthening European investments to create jobs and growth. It does so by making smarter use of new and existing financial resources, removing obstacles to investment, providing visibility and technical assistance to investment projects. The projects and agreements approved for financing under the EFSI so far are expected to mobilise EUR 236.1bn in investments and support around 454,000 SMEs across all 28 Member States. On 13 September, the European Parliament and Member States came to an [agreement in principle](#) on the extension and strengthening of the EFSI. This agreement extends the EFSI's duration as well as increases its financial capacity. Find the latest EFSI figures by sector and by country [here](#). For more info, see the [FAQs](#).

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