The implementation of the Greek EAFRD Guarantee Fund

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Piraeus Bank Group

- Piraeus Bank is committed to play a leading role in the Greek economy, actively supporting economic activity and extroversion.
- PB is the leading bank in Greece with 30% market share in terms of customer loans and 29% in terms of customer deposits.
- Offers a full range of financial products and services.
- Participates actively in Global ESG initiatives / UN Environment Programme Finance Initiative (UNEP FI) - elected on the Banking Board.

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<tr>
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<tbody>
<tr>
<td><strong>Assets</strong></td>
<td>EUR 75.0bn</td>
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<tr>
<td><strong>Net Loans</strong></td>
<td>EUR 33.2bn</td>
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<tr>
<td><strong>Deposits</strong></td>
<td>EUR 51.2bn</td>
</tr>
<tr>
<td><strong>Bank branches</strong></td>
<td>474</td>
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<tr>
<td><strong># of employees</strong></td>
<td>9 800</td>
</tr>
<tr>
<td><strong>Customers</strong></td>
<td>5.5m</td>
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Data as of 30.6.2021
Piraeus Bank and the Agri-food Sector
Strategic choice of PB to support the sector

- Agri-food is of high importance for the Greek economy
- Committed to support sustainable development of the sector
- A holistic approach to competence development and growth
- A value-chain approach for servicing the Agri-food sector / Special emphasis in the primary sector
- PB aims to offer high level of service based on 4 key drivers Expertise-Experience-Branch Network-People
Greek Agri-food sector
Main characteristics that affect investments

• **Agri-food is of high importance for the Greek economy.** The primary sector represents 4.1% of Greece’s Gross Value Added (GVA) and 14% of total employment. The secondary sector accounts for ~6% of total GVA and one-third of the industry’s GVA.

• **Greek agri-food sector proved to be strong and resilient through the recession years**

• **High proportion of small scale enterprises.** 77% of Greek farms are small scale (>5 ha). Firms of secondary sector employing less than 50 people, represent 98% of all firms.

• **Low share of young farmers / Low level of specialization and training**

• **Support from the Common Agricultural Policy (CAP) facilitates the undertaking of investment**

• **Low level of cooperation** at all stages from ‘Farm to Fork’
Basic characteristics of the ESIF-EAFRD financial product offered by Piraeus Bank

Benefits

• **Min 50 bps discount** applied to the interest rate / Internal decision grid, based on the effect of EIF’s guarantee / **financial benefit transferred**

• **Reduced collaterals**, compared with loans without EIF’s guarantee

Maturity

• **Investment Loan**: 2-12 years
  Grace period up to 24 months

• **Working Capital**: 1-8 years
  Grace period up to 12 months

Maximum Amount

• **Investment Loan**: EUR 10 000 – EUR 5 000 000

• **Working Capital**: starting from EUR 10 000 (part of the BP of the investment project)

Repayment method

• Monthly
• 3-monthly
• 6-monthly
• Yearly
Advantages for the borrowers

** Increases Credit Approval 
- Credit rejection usually due to insufficient or no collaterals 
- Longer periods of repayment 
- Reduction of bank’s risk makes approval easier 

** Increased Accessibility 
- For farmers, micro-enterprises & SMEs 
- Support investments of young farmers 
- Facilitates support for Start Ups / projects without prior activity (e.g. Farmers’ groups) 

** Addresses Market Gap & Needs 
- Collateral Request Reduction 
- Fairness of pricing policy 
- Multiple Purpose Financing 
- Compatibility with other Support Programs (e.g. RDP 2020) 
- COVID-19 Working Capital (new)
Product promotion among the target group

PB Branches

Digital Media

In the Press
Performance results on the use of the instrument

**Indicative Figures**

- Approved Loans: 202 loans / EUR 7,1m
- Disbursed Loans: 141 loans / EUR 4,4m
- Average Loan: ~ EUR 35 000
- Loans with no collaterals: 87% of disbursed loans
- Average Age of Financial Beneficiaries: 41

**Portfolio Achievements**

- 48% of the financial recipients are young farmers (<40 years old)
- 25% of the final recipients are women
- Wide Geographical Distribution of final recipients
- Approved loans concentrated between EUR 10 000 and EUR 60 000
- Smaller projects in the Northern and larger projects in the Southern regions of the country
Blocking Points and Room for improvement

Blocking Points

• In-branch promotion (not easy to communicate the instrument due to COVID-19 pandemic)
• Economic crisis in Greece and COVID-19 pandemic has affected investment appetite
• Gross Grant Equivalent and its complexity with other grant schemes
• Working Capital linked with investment
• Existence of more competitive financial instruments (i.e. HDB & EaSI) focused in covering working capital needs
• Exclusion of some eligible expenses (e.g. land purchase, irrigation improvement, etc.)

Ideas for Improvement

• Inclusion of new purposes (e.g. land purchase for young farmers, irrigation improvement, etc.)