



The implementation of the Greek EAFRD Guarantee Fund

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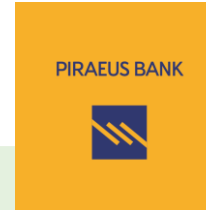
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Piraeus Bank Group



- 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



Assets	EUR 75.0bn
Net Loans	EUR 33.2bn
Deposits	EUR 51.2bn
Bank branches	474
# of employees	9 800
Customers	5.5m

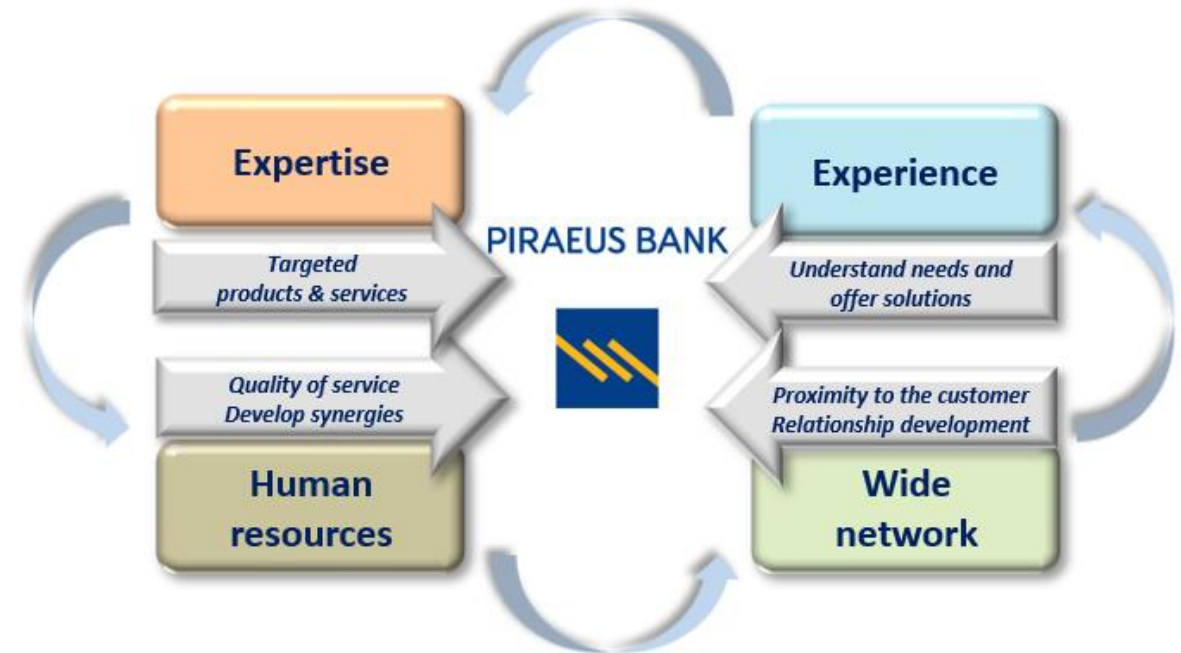
Data as of 30.6.2021

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

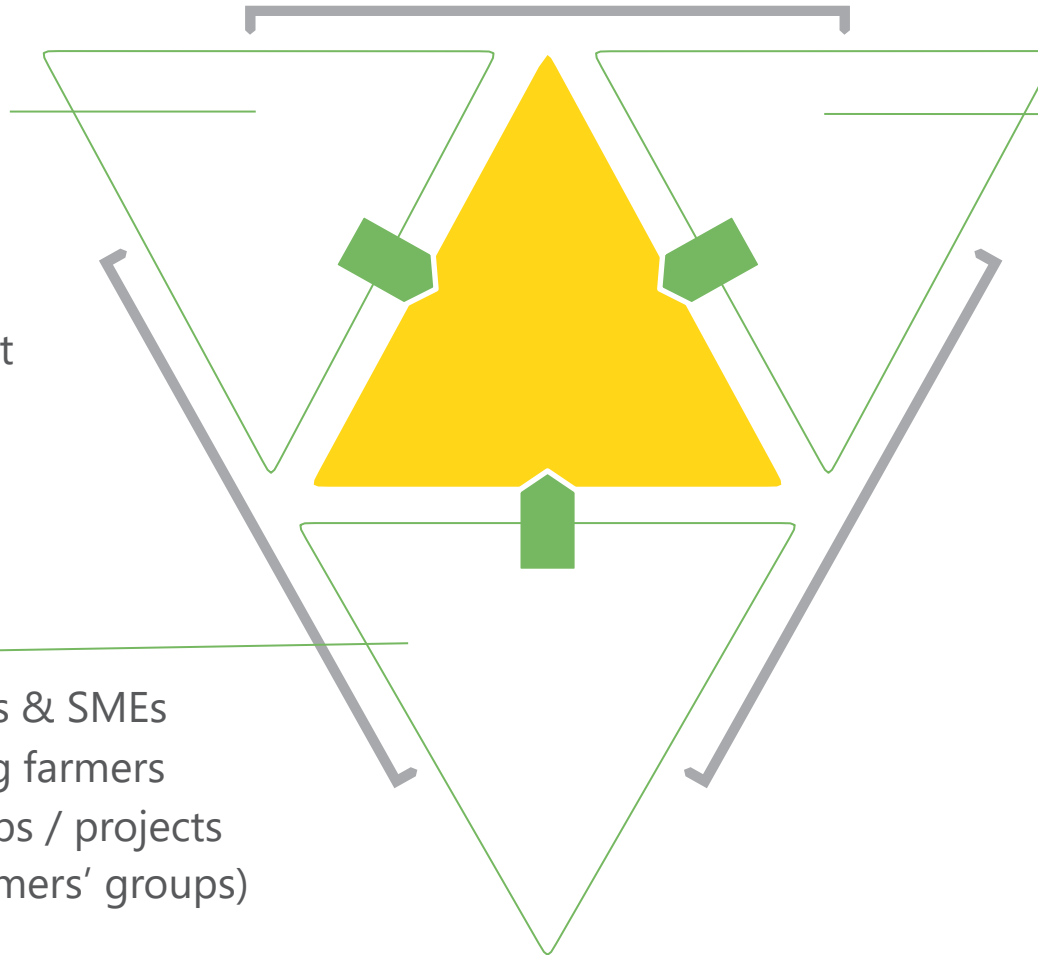
- Credit rejection usually due to insufficient or no collaterals
- Longer periods of repayment
- Reduction of bank's risk makes approval easier

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.)



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