HCAP WorkShop

Athens - 9th May 2019

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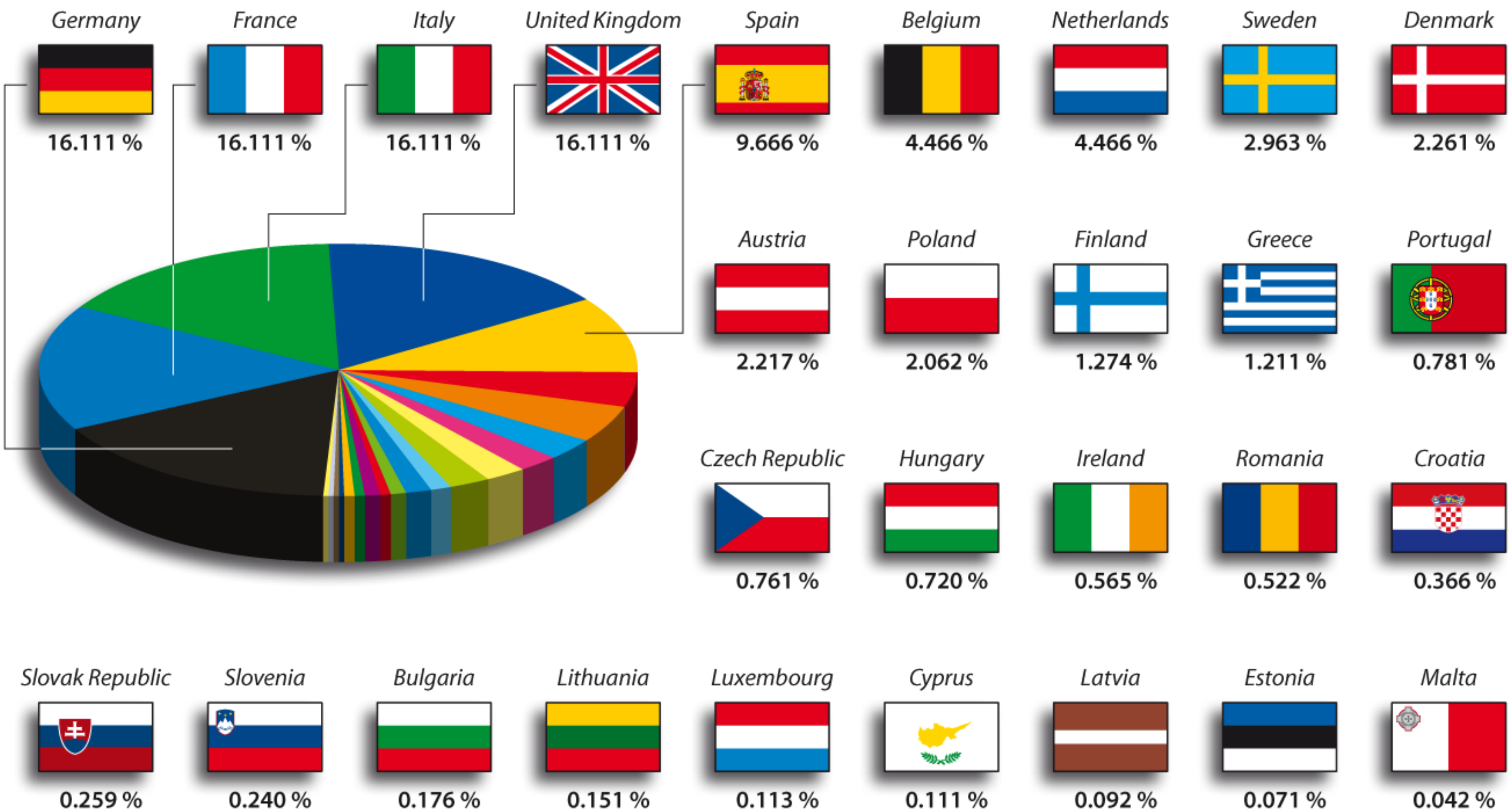
The EIB: the EU bank

- The world's largest multilateral lender and the biggest provider of climate finance.
- Around 90% of lending is within the EU
- Governed by the EU Member States

Improving the quality of life for people in Europe and beyond

The EIB: capital breakdown

As at 31 December 2018



European Investment Bank

The EIB at a glance

- Largest multilateral lender and borrower in the world
  - We raise our funds on the international capital markets
  - We pass on favourable borrowing conditions to clients
- In 60 years, over € 1.2tn invested
  - More than 12 000 projects in over 160 countries
  - Crowding-in bank: mobilising up to € 3tn of overall investment
- Headquartered in Luxembourg
  - Around 3 400 staff: In addition to finance professionals, there are engineers, economists and socio-environmental experts
  - 50 local offices around the world

EIB Group financing in 2018

* Provisional and subject to audit

We deliver impact where it is needed

JOBS
5 million jobs in small businesses

HEALTH
27.3 million people with access to improved health services

WATER
20 million people benefiting from safer drinking water

TRANSPORT
290 million additional passengers

ENERGY
34.3 million households powered by EIB projects

DIGITAL
29 million people with new or upgraded connections

Our priorities

Innovation	Environment	Infrastructure	SMEs
			
€ 13.5bn	€ 15.2bn	€ 12.3bn	€ 23.3bn

USD 100 bn

2016-2020

€ 16.1 billion
Climate action investments

Climate change adaptation
€ 1.2 bn

Renewable energy
€ 4.1 bn

Research, development and innovation
€ 1.1 bn

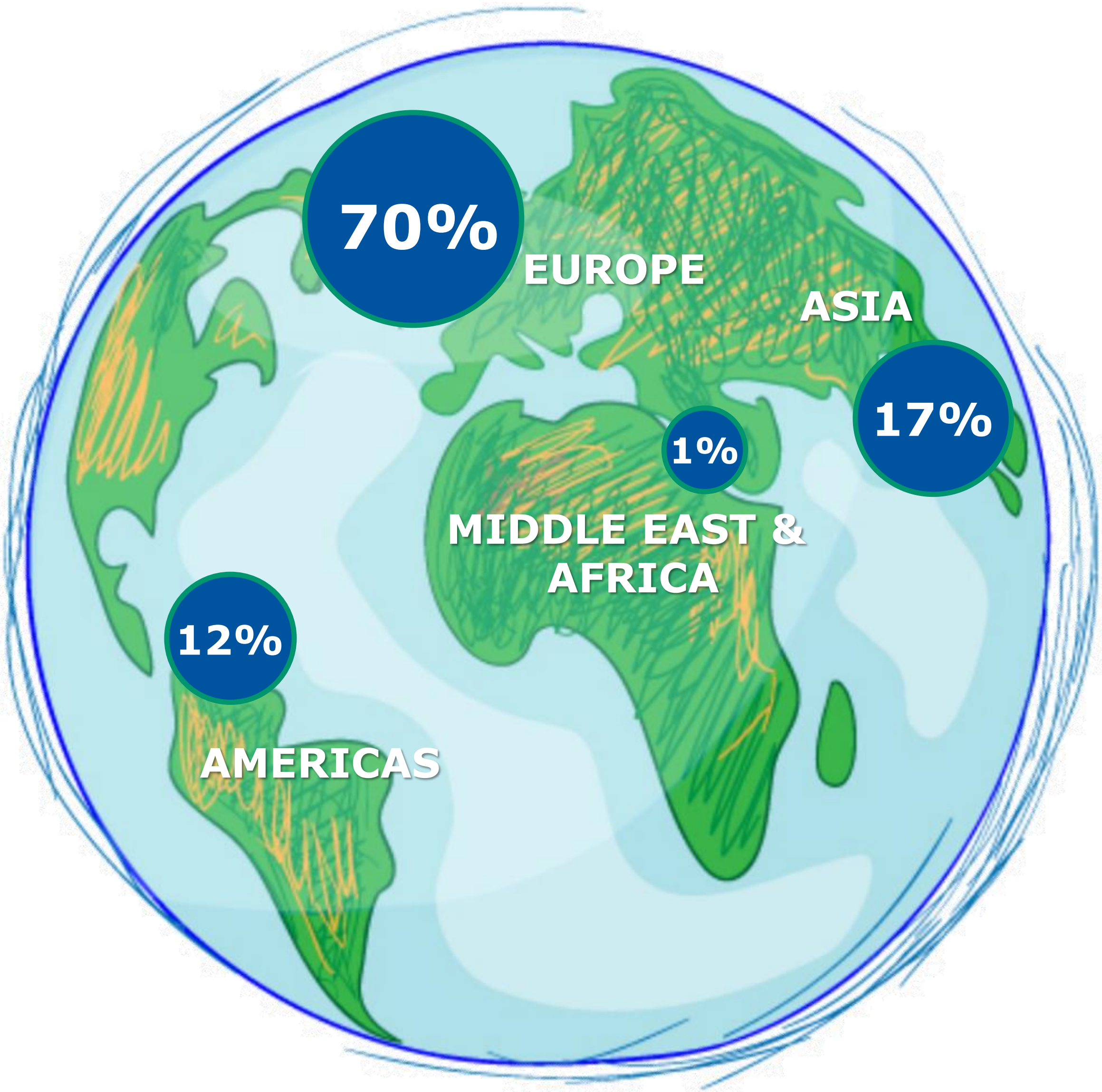
Energy efficiency
€ 2.7 bn

Lower carbon transport
€ 6.0 bn

Other climate change mitigation
€ 1.1 bn

Raising money on the capital markets

Borrowing
in 2018
€ 60bn



Largest issuer of green bonds

EIB products help catalyse investment

While each of our transactions is tailor-made to meet the needs of the project , our products are generally classified into loans, guarantees, equity investments and advisory services. These can be combined, or ‘blended’ with other sources of public financing.

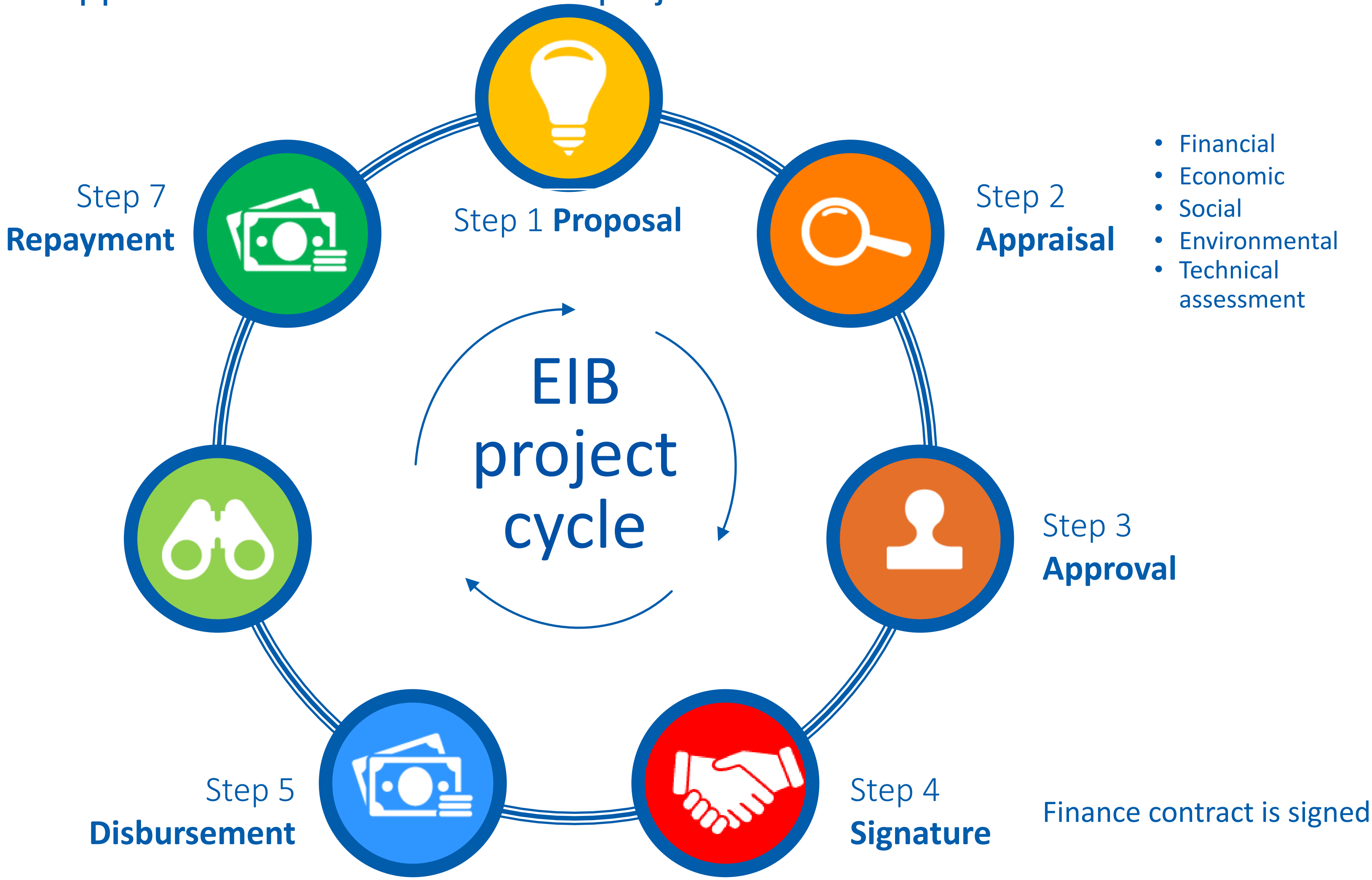
EIB passes through its low funding costs and long term financings to eligible projects

Eligibility and benefits

Eligible project	Benefits of EIB financings
If cumulative conditions are fulfilled ▪ **Meets at least one of the EIB's objectives** ▪ Is technically sound ▪ Is financially viable ▪ Shows an acceptable economic return ▪ Complies inter alia with environmental protection and procurement regulation	EIB Financings provide to eligible project ▪ **Large amount** (up to 50% of eligible costs) ▪ **Long maturities** (in connection with economic life) ▪ **Attractive interest rates** (fix and floating) ▪ Catalyst for participation of other banking or financial partners ▪ Broad range of currencies

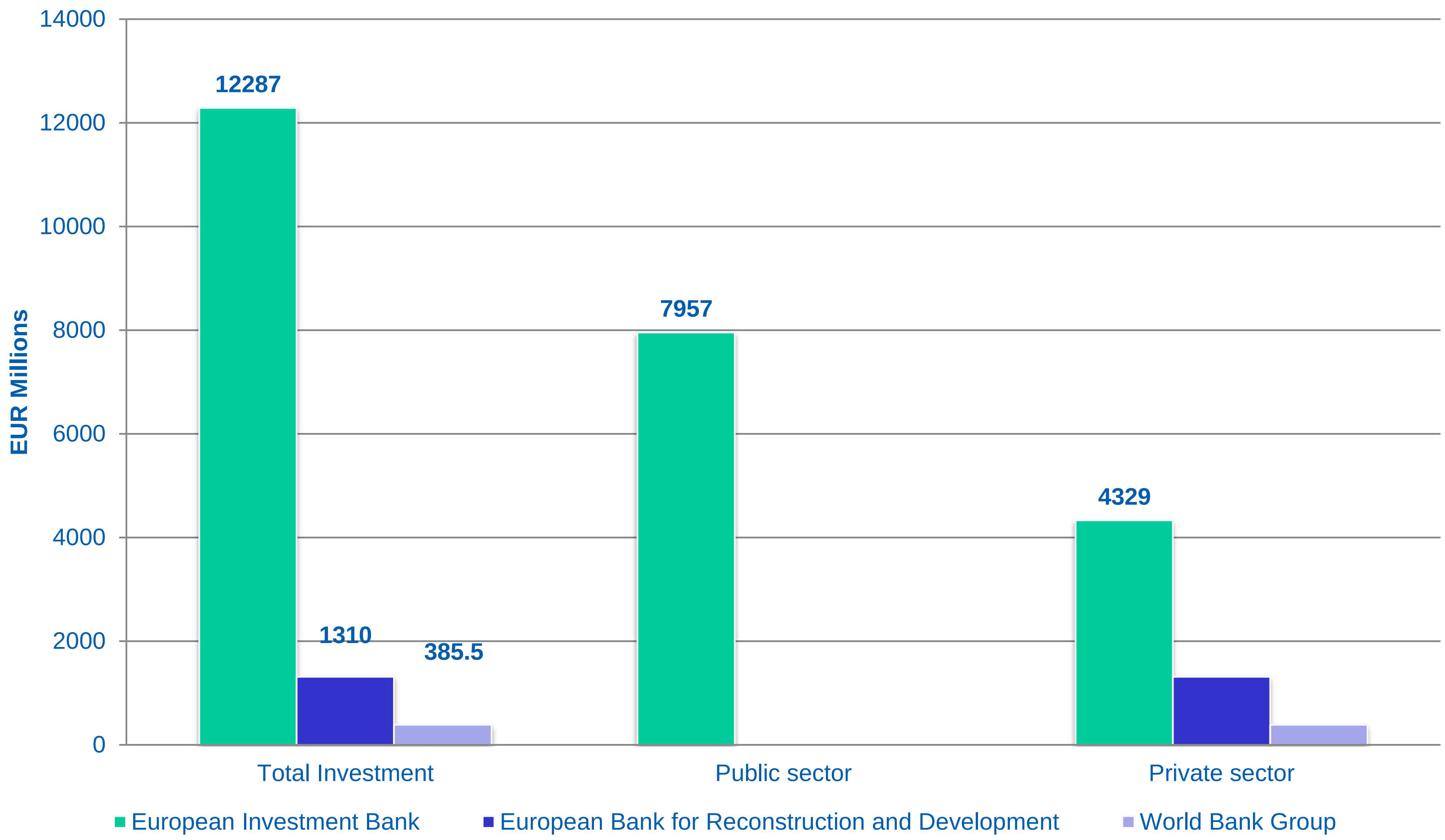
EIB project cycle

➢ We support sound and sustainable projects



EIB engagement in Greece

Cumulative Investment in Greece since 2010

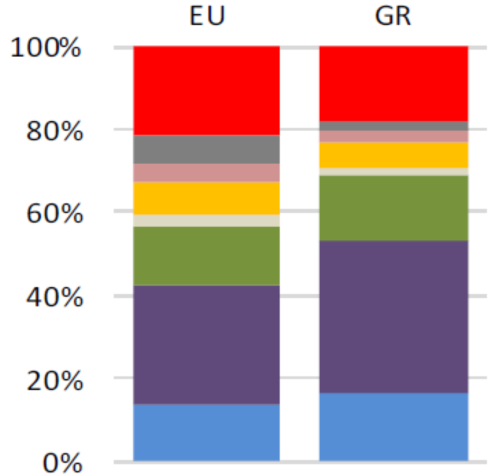


*Sources: EIB, EBRD, WBG websites

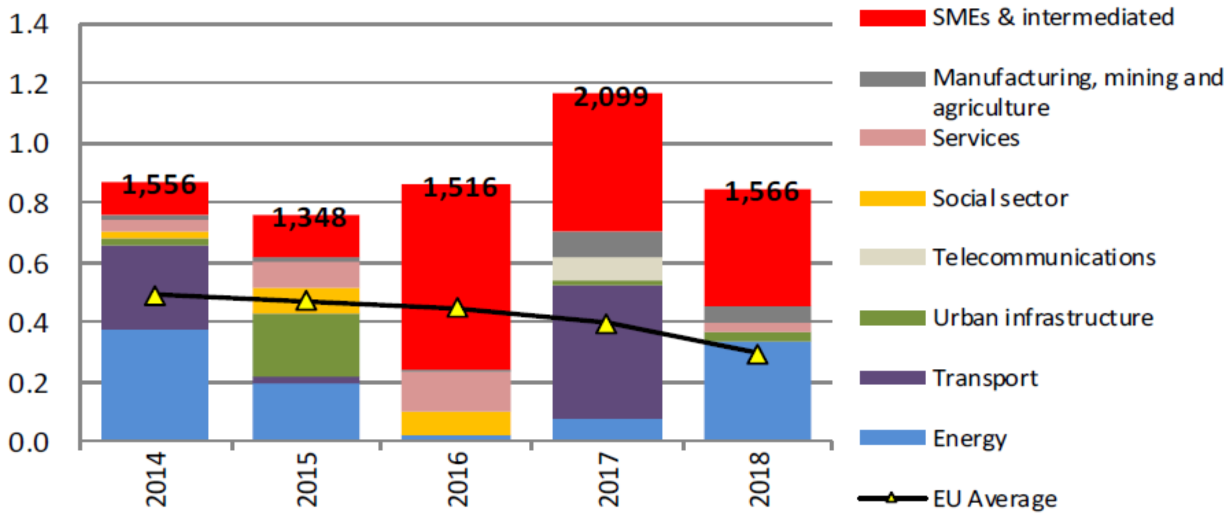
EIB Exposure and signature in Greece

European Investment Bank

Exposure, Dec-2018
% of total exposure



Signature flow
% of GDP, figures in EUR million



	GR	EU
Exposure (EUR bn)	**18.6**	502.2
Exposure (% of GDP)	**10.0**	3.2

	GR	EU
N° Counterparties (by total exposure):	**68**	2,735
N° Counterparties (by signatures in 2018):	**17**	351
Average exposure to counterparty (EUR m)	**273**	184

Hellenic Republic Contribution into EIB Capital:

- EIB Subscribed Capital => 2.9bn
- Paid-In Capital => 263m

- Total EIB exposure amounts to indicatively 10% of the Greek GDP
- Annual signatures correspond indicatively to 0.86% of the Greek GDP

EIB invests in Strategic Infrastructure

- **The Rio-Antirrio bridge, the world's third longest cable-stayed deck dramatically improves access to and from the Peloponnese.**

- **The Athens metro, a rapid transit system, with a daily ridership of more than 600.000 passengers.**

EIB Invests in Environment

- Installation of fossil fuel fired engines for the electricity production on 18 Greek islands. Relative savings in fuel costs and lower emissions of CO_2 and other pollutants.

- First waste management system in Greece, Western Macedonia.

EIB Invests in Innovation

- **The Hellenic Foundation for Research and Innovation aiming to counter the brain drain.**

H.F.R.I.
Hellenic Foundation for Research & Innovation

- **Finance agreement for Hellenic universities to support tertiary education in Greece, through the financing of construction, extension and refurbishment of buildings and facilities.**

Energy in Greece highlights

- **EUR 24 million loan for the construction and operation of a 50 MW wind park in Viotia.**

- **EUR 85 million loan to PPCR for construction and repowering of wind farms as well as small hydros dispersed throughout mainland Greece and the islands, for an indicative total capacity of 90MW.**

EIB Financial Products for Public Corporates

Eligibility

Research and Development	Universities, new technologies
Transport	Strategic infrastructure and green mobility
Energy	Energy generation, infrastructure and resource efficiency
Smaller companies	Support through local partner banks and institutions
Digital	Services and infrastructure
Environment	Environmental and urban development
Social	Education, health, housing, culture
Bioeconomy	Agriculture, fisheries, forestry, aquaculture
Regional development	Support for industries in less developed regions

EIB Group products

We help catalyse investment

LENDING	BLENDING	ADVISING
Direct or intermediated loans But also: • Guarantees • Venture capital • Equity and fund investments • Growth finance	Combining EIB finance with EU budget (Financial Instruments) Higher risk projects for innovation (InnovFin)	Prepare, evaluate and support the implementation of projects (JASPERS) Support for public/private partnerships (EPEC) European Investment Advisory Hub

Attracting FUNDING for long-term growth

Lending

Project Loans

1. Loans to the State

2. Loans to Public Corporates under State Guarantee

3. Loans to Corporates

4. Loans to Corporates Enterprises EFSI Guarantee

5. Infrastructure Fund of Funds

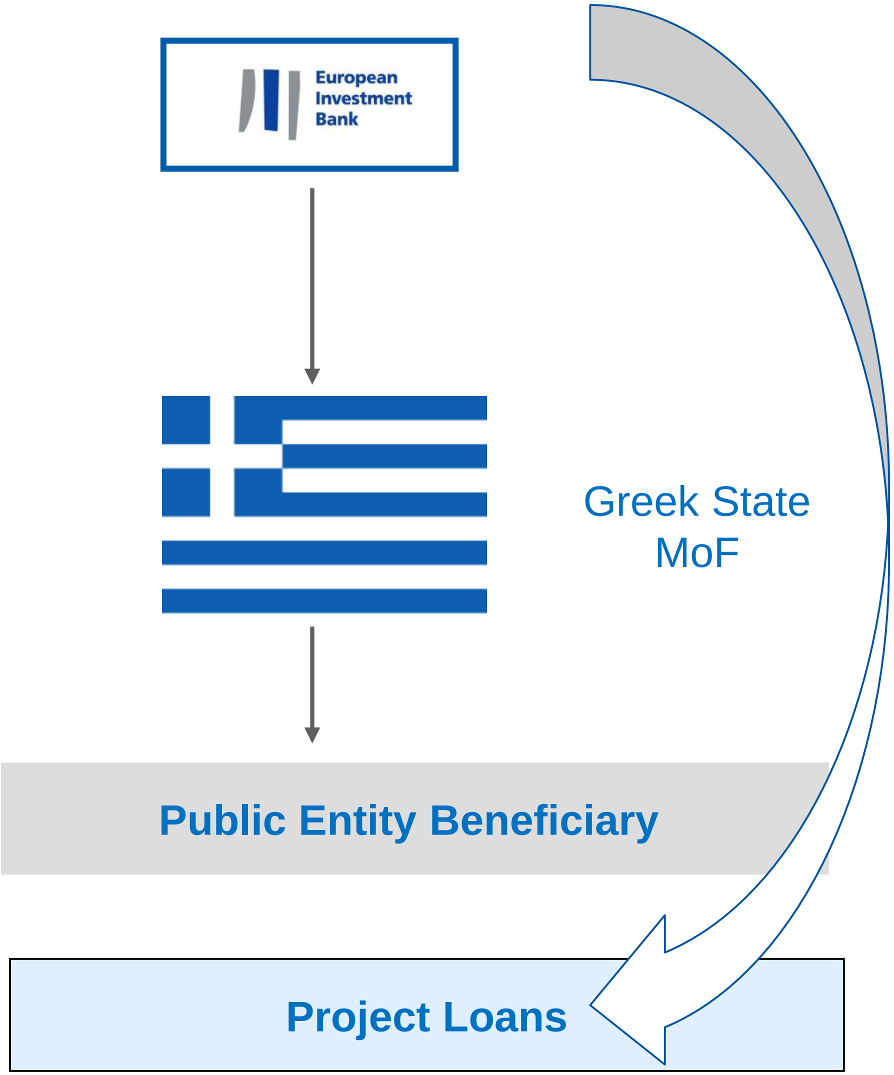
6. Project Finance Structure

Intermediated Products

1. Multi Beneficiary Intermediates Loans (MBIL)

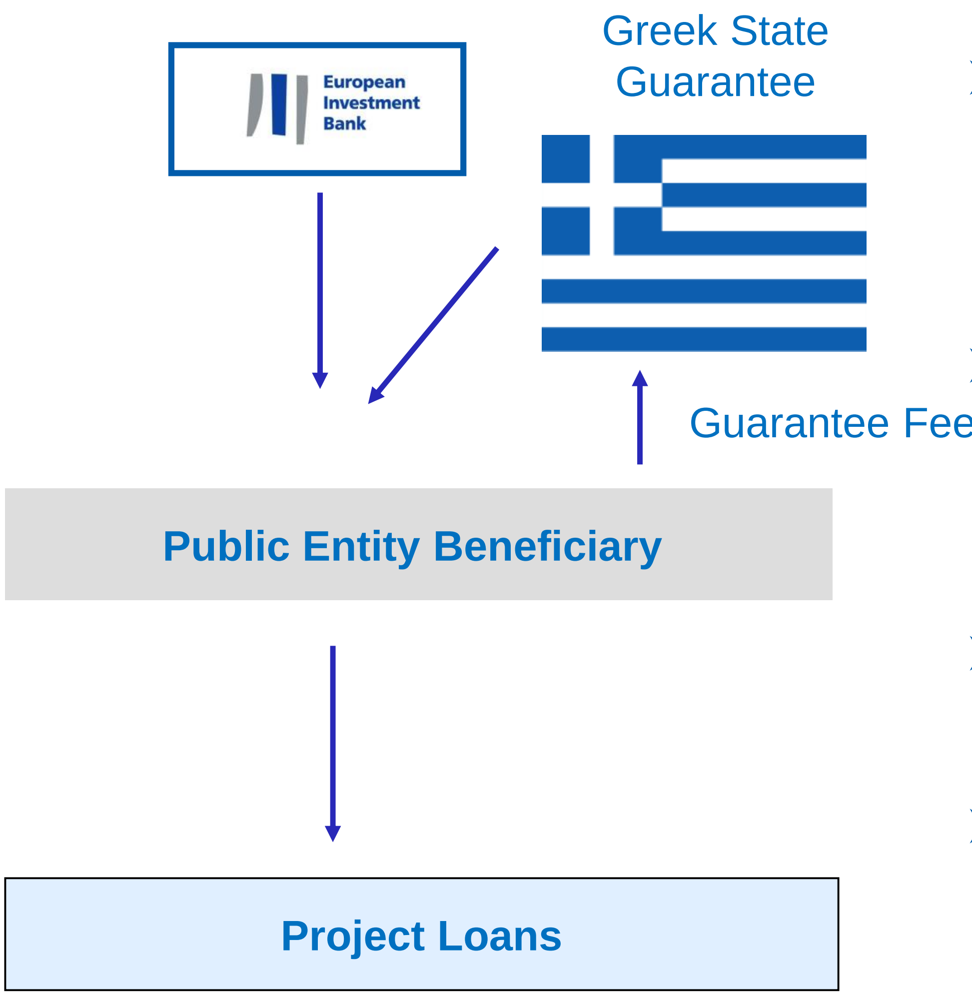
2. Trade Finance Facility (TFF)

Project loans for public investments (1)



- Direct or multicomponent framework loans to the state for the funding of projects where the investment cost exceeds EUR 20-25 million.
- Investments typically concern infrastructure, energy efficiency/renewables, transport and urban renovation.
- May include co-financing loans from the EU budget.
- Loans to public sector companies bearing a guarantee from the Greek state or another sovereign entity, or PPPs.

Project loans for public investments (2)



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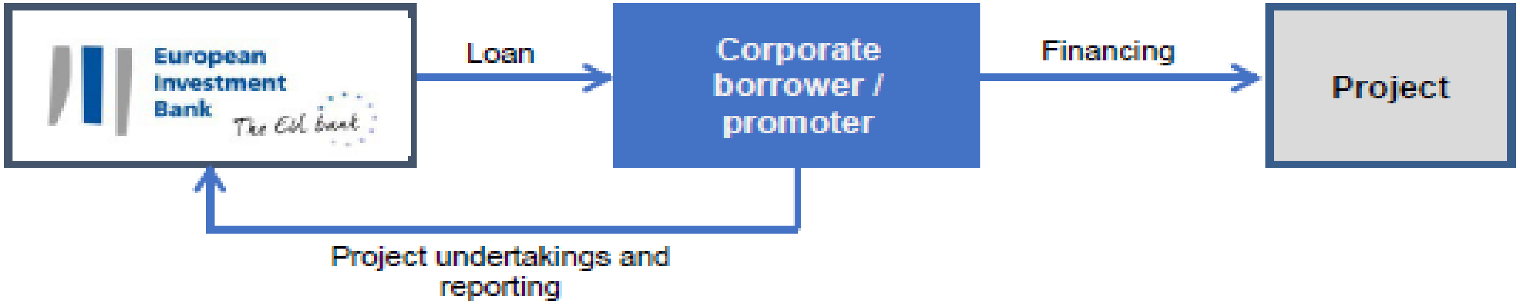
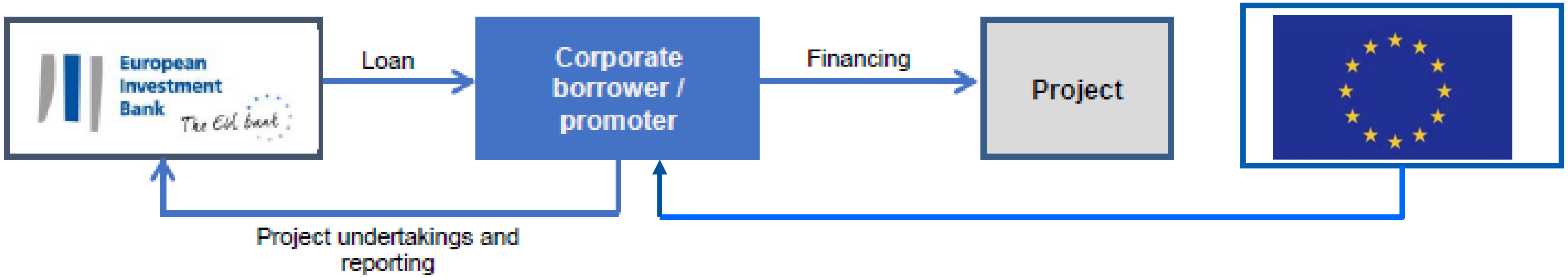
Project Loans to Corporates (Direct Model) (3)



Product	Term loan
Purpose	To finance (up to 50%) eligible capex and associated working capital
Size	From EUR 7.5 million
Maturity	Flexible, depending on the project's economic life.The loan's final maturity should not exceed the economic life of the project financed
Repayment	Fully amortizing with or without grace period, depending on project structure and assessment.
Seniority	Senior /Subordinated
Security	Secured by third party guarantees and/or other collateral, or unsecured, depending on the existing and proposed financial structure
Interest rate	Variable / Fixed. No element of subsidy, pricing commensurate with the risks undertaken. The pricing takes advantage of the EIB's favorable borrowing costs and development character.
Currencies	EUR, USD and all other major currencies
Fees	Commitment fee applicable only after 12 months from signing of the loan. Appraisal fee (10 bps)
Documentation	Standard EIB agreements, based on the LMA standard. General and financial covenants / restrictions based on credit review

Project Loans to Corporates (under EFSI Guarantee) (4)

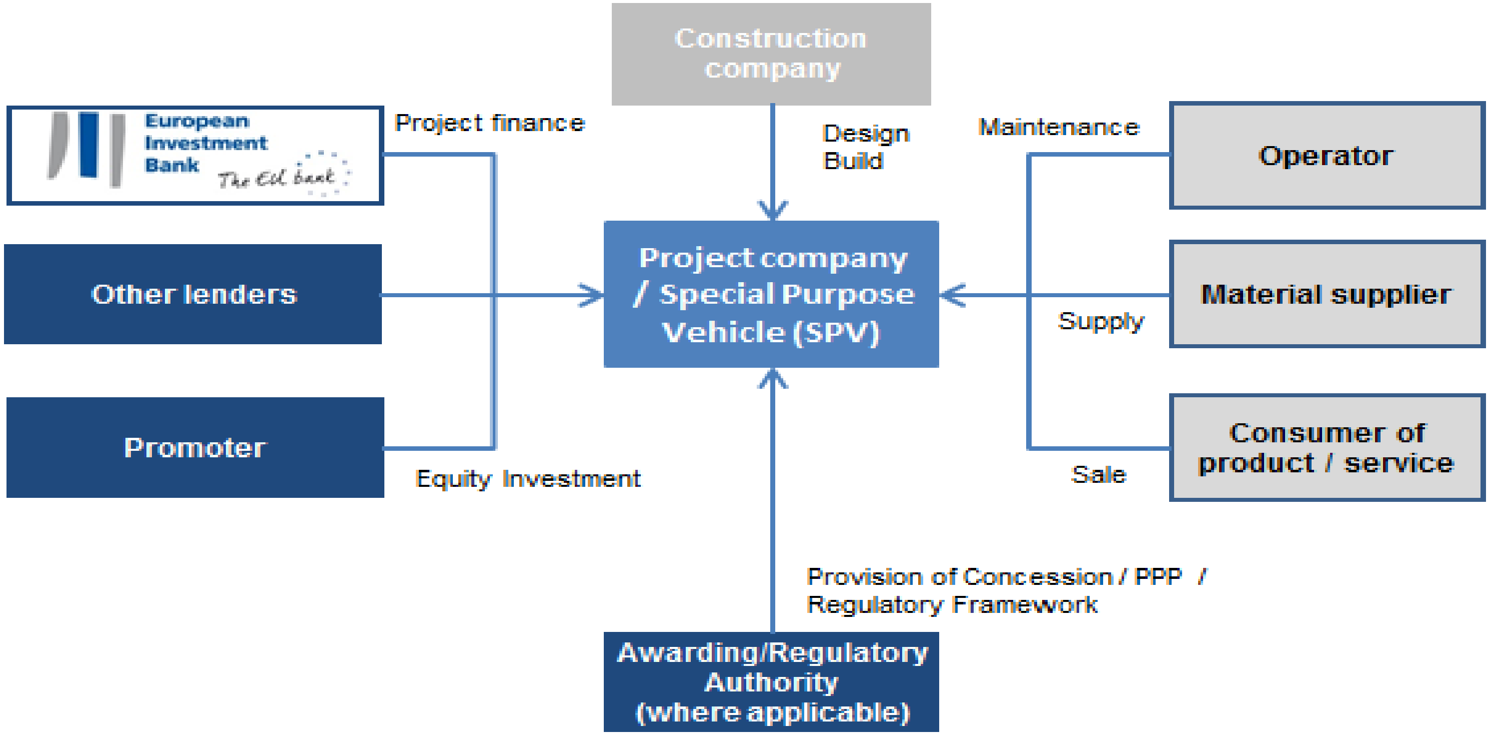


- <u>Additional Risk- Bearing capacity</u> for the EIB and quicker mobilization of investments due to the EIB intervention;
- <u>Standard EIB due diligence</u> and approval process with further validation by the EFSI Investment Committee (some specific forms requested);
- <u>No fees</u> attached to the Guarantee;
- <u>Risk Pricing</u>: determined on counterpart's individual risk profile;
- <u>Security</u>: same security requirements as a for regular EIB lending;
- Operations which address <u>market failures</u> or <u>sub-optimal investment situations</u> (EIB's criteria for bankability to be met);
- <u>Eligibility;</u>
- <u>Additionality.</u>

Project Loans to Corporates Project Finance (6)

- Enables EIB to finance infrastructure projects relying either exclusively or mainly on the cash flows generated by the project to repay the loan.

  The risk is allocated amongst the various project partners (sponsors/equity, debt providers, contractors / manufacturers / operators, and, where applicable, the public sector), and the limited liability nature of the financing means that liability of the sponsors is often limited to the contributed equity capital and support in the case of certain pre-determined events.

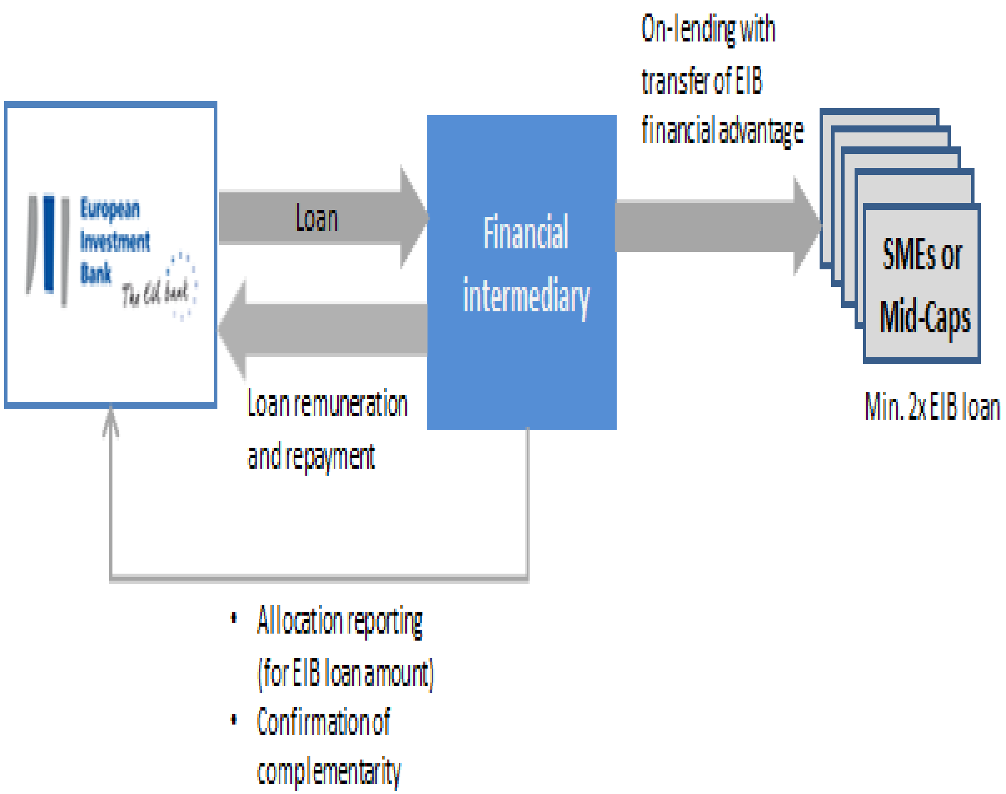


Project Loans to Corporates Project Finance (6)

Product	Term loan
Purpose	To finance up to 50% of the project investment cost that satisfy all Bank operational criteria and on which a Bank loan could in principle be disbursed. Project investment costs are one-off expenditures, incurred to allow operations in future times, creating or replacing tangible and/or intangible assets in relation to the specific project to be financed.
Size	Indicatively above EUR 40m (considering transaction costs that need to be covered). EIB financing should normally not exceed 50% of the project investment cost. In addition, in project finance EIB financing should normally not account for more than 50% of senior debt. Certain exceptions on the loan amount and percentage of EIB financing may be possible in case of priority sectors / operations.
Maturity	Final maturity should not exceed the economic life of the project financed as determined by EIB and is subject to availability of funding to the Bank and acceptable credit risk.
Repayment	Fully amortizing with or without grace period, depending on construction period and initiation of operations arrangements.
Seniority	Senior/ Subordinated (?)
Security	Typical security package for PF operations to include security over the project cash flows, accounts and any material fixed assets, major contracts, shares of the borrower, etc. The Bank's share in the security package shall reflect its seniority position. The borrower/SPV should be bankruptcy remote (i.e. the bankruptcy of any shareholder should not endanger the project), if practicable under the legal jurisdiction.
Interest rate	Variable / Fixed. No element of subsidy, pricing commensurate with the risks undertaken. The pricing takes advantage of the EIB's favorable borrowing costs and development character.
Currencies	Typically EUR
Fees	Subject to negotiation and project specifics, reflecting the development nature of the bank.

Intermediated Products
Multi Beneficiary Intermediated Loan (1)

Standard Multi Beneficiary Intermediated Loan

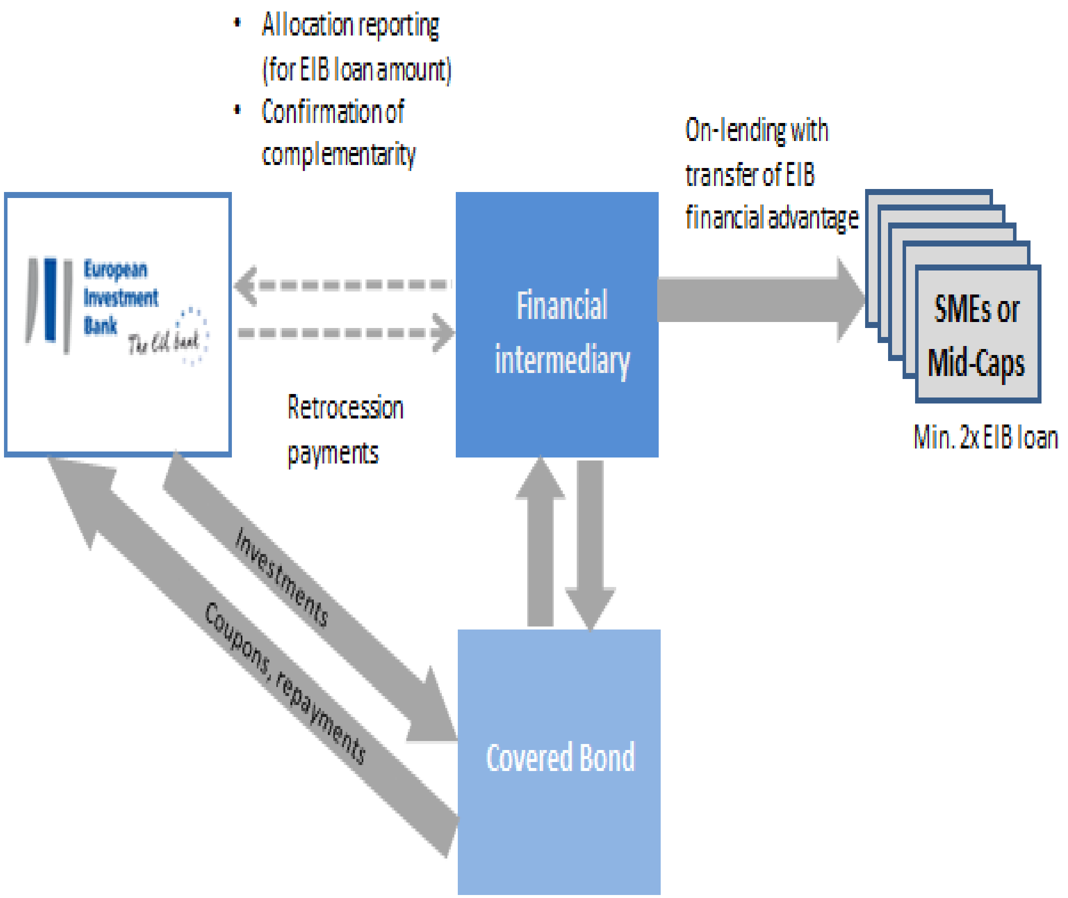


- EIB provides loans to financial intermediaries, bearing a state guarantee, for on-lending to small scale projects and investments, promoted by multiple beneficiaries such as SMEs, Mid-Caps or other eligible entities.

- All intermediated loans must further at least one of our public policy goals:
  - Increase in growth and employment potential
  - Economic and social cohesion by Environmental sustainability
  - Action for climate-resilient growth

Intermediated Products
Multi Beneficiary Intermediated Loan (1)

Covered Bond Multi Beneficiary Intermediated Loan



- ➢ EIB loans for SMEs, Mid-Caps or other priorities implemented through subscribing to a Covered Bond issued by the financial intermediary, rather than a straightforward transfer of funds.

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Thank you for the attention