IFC and Greece
Partners in Private Sector Development

OVERVIEW
IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. Working with over 2,000 businesses worldwide, IFC’s long-term investments in developing countries reached $22 billion in fiscal year (FY) 2020. In May 2015, at the request of the Greek government, IFC’s Board endorsed a targeted and time bound IFC re-engagement in Greece to restore investor confidence and act as a catalyst to mobilize other investors. IFC’s engagement in Greece ceased at the end of 2020. As of FY20, IFC’s long-term committed portfolio with Greek sponsors globally amounted to $455 million, while IFC’s long-term committed portfolio of investments with global sponsors in Greece amounted to $317 million.

IFC’s Long-Term Investment Portfolio with Greek Sponsors
As of FY20 (ending June 2020), IFC’s long-term investment portfolio with Greek sponsors amounted to $455 million. Greek private sector companies and banks have benefited from co-investments with IFC while making notable contributions to development.

IFC’s Long-Term Investment Portfolio with Global Sponsors in Greece
As of FY20 (ending June 2020), IFC’s long-term investment portfolio with global sponsors amounted to $317 million.

Global Trade Finance Program (GTFP): As of June 2020, IFC provided more than $380 million in guarantees supporting trade finance business for its partner issuing banks National Bank of Greece, EFG Eurobank and Alpha Bank, since the program started in Greece in 2016.
Examples of Successful Cooperation in Greece

**Alpha Bank**

In February 2018, IFC invested €50 million in mortgage covered bonds issued by Alpha Bank, supporting Alpha Bank in regaining access to international capital markets and boosting investor confidence in the Greek economy. The 5-year maturity bond is backed by a portfolio of residential mortgages. The offering, part of a €8 billion covered bond program of Alpha Bank, received a very strong market demand from mainly private investors including asset management companies, pension funds, and other investment institutions. IFC became an anchor investor in the transaction, encouraging significant additional flows of international funds to Greece.

**Hellas Direct**

In January 2018, IFC became a shareholder in Hellas Direct, a pioneering Greek startup that is in digital insurance industry. The investment will help to diversify Greece’s financial sector and make car insurance available to more Greeks. IFC invested €3.5 million in Hellas Direct as part of a €7 million equity offering by the company. Hellas Direct is part of a new wave of what’s known as insurtech companies. Globally and in Greece, the insurance industry is dominated by traditional brokerage systems. Insurtech companies aim to revolutionize the industry by using technology to bring the paper-heavy sector into the digital age. Hellas Direct aims to increase insurance ownership in Greece and bring further transparency and fairness, by eliminating commissions and hidden fees. IFC in recent years focuses on supporting technology-driven innovation in financial sector to spur economic growth and fight poverty.

**Fraport Greece**

In March 2017, IFC financed the privatization of 14 Greek regional airports through two long-term loans to Fraport Greece, a joint venture of Fraport AG Frankfurt Airport Services Worldwide and Copelouzos Group. The consortium was awarded a 40-year concession to modernize and operate the airports, which are in some of Greece’s best-known tourist destinations. IFC provided Fraport Greece a total of €154 million over two 18-year maturity loans. They are part of a nearly €1 billion long-term debt package put together by five international and Greek financial institutions. IFC was the only lender providing euro interest rate hedging swaps to help Fraport contend with potential fluctuations in interest rates. Fraport Greece will be managing, operating, upgrading, and maintaining the 14 airports, which are on the Greek mainland as well as on several islands.

Examples of Successful Cooperation with Greek Sponsors

**Alpha Bank, Romania**

In May 2017, IFC committed a senior loan of up to €50 million to Alpha Bank Romania, part of the Greek group Alpha Bank, to support lending to residential mortgage borrowers. IFC’s investment will contribute to economic growth by improving access to finance for prospective home buyers, while contributing to the development of the housing sector, which will create jobs in the construction sector and other supporting industries.

**National Bank of Greece, Turkey**

In September 2015, IFC committed a second round of investment of up to $100 million in Finansbank – a Turkish bank majority owned by the National Bank of Greece (99.8%) – in new notes issued under its existing Diversified Payments Rights securitization facility in Turkey. The total size of the transaction was $280 million, including $100 million from EBRD, $50 million from Standard Chartered and $30 million from Wells Fargo. IFC’s investment will support increased lending to micro and small enterprises (MSMEs), help further develop capital markets in the country, where access to medium and long-term finance by financial institutions at commercially viable pricing is still very limited, and ultimately promote job creation through the growth of the MSME sector in Turkey.

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