18th Annual Capital Link
Invest in Greece Forum

Monday, December 12, 2016
The Metropolitan Club, One East 60th St., New York City

Seeking Growth – Funding Mechanisms for Investments in Greece

Alexis Charitsis
Alternate Minister of Economy & Development

12 December 2016
GROWTH RESUMES AFTER A PROLONGED PERIOD OF RECESSION AND STAGNATION

Q3 Growth rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Change of Real GDP compared to the previous quarter</th>
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<tbody>
<tr>
<td>2010</td>
<td>-3.0%</td>
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<tr>
<td>2011</td>
<td>-1.7%</td>
</tr>
<tr>
<td>2012</td>
<td>-1.7%</td>
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<tr>
<td>2013</td>
<td>0.0%</td>
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<tr>
<td>2014</td>
<td>-0.3%</td>
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<tr>
<td>2015</td>
<td>0.1%</td>
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<tr>
<td>2016</td>
<td>0.8%</td>
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Annual Growth Rate

Graph showing the annual growth rate from 2008 to 2016, with a notable recovery in 2016.
GROWTH RESUMES AFTER A PROLONGED PERIOD OF RECESSION AND STAGNATION

Strong indications of recovery!
Industrial production, exports volume and retail sales volume

- Industrial production (processing without petrol derivatives)
- Exports except fuel (volume)
- Retail sales volume (except fuel)
- GDP

- General index of retail sales volume except fuel
- 6M Running Average
GROWTH RESUMES AFTER A PROLONGED PERIOD OF RECESSION AND STAGNATION

Tourism industry:
Turnover Index in sector of Accommodation and Food Service activities

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TRIMESTER</th>
<th>INDEX</th>
<th>ANNUAL SHIFT (%)</th>
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<tr>
<td>2010</td>
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<td>64.0</td>
<td>2.9</td>
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AND WILL PROBABLY ACCELERATE IN THE COMING QUARTERS

• Gradual relaxation of capital controls
• Normalisation of access to ECB funding
• Rebuild of confidence in the banking sector
AND WILL PROBABLY ACCELERATE IN THE COMING QUARTERS

Bank Deposits

Monthly Bank Deposits  6M Running Average
Debt relief

Eurogroup 5/12 » Short term debt relief measures

20% reduction by 2060
135 billion € nominal debt relief
the Gross Financing Needs ratio GFN/GDP progressively reduces to 4.8% of GDP by 2060

Medium term & long term measures » sustainability
Our Structure

- Public Investments
- Banking Sector Stock exchange
- Direct Investments
AVAILABLE PUBLIC FUNDING TOOLS

European Structural Funds and other EU-funded programs

New Investment Law

Innovative Financing Instruments

Juncker Plan and further funding from EIB Group and other International Institutions

Fast Track/Strategic Private Investments
EU-funded programmes - Greece
TOTAL 35 BILLION €

2007 – 2013 programming period: 1st in funds absorption
2014 – 2020 programming period: 50% funds activation

PERCENTAGE (%) STATE OF EXECUTION OF INTERIM PAYMENTS
NEW GREEK INVESTMENT LAW

Type of aid:

1. Tax exemption
2. Subsidy
3. Leasing subsidy
4. Wage subsidy
5. Financing instruments
6. Fixed corporate income tax rate
7. Fast licensing procedures
NEW INNOVATIVE FINANCING INSTRUMENTS

Equity Fund of Funds

1. Innovation window:
   i. Technology Transfer (TT) Fund: pre-seed, proof-of-concept & seed capital
   ii. Accelerator Fund: pre-seed, proof-of-concept & seed capital

2. Early stage window

3. Growth stage window
   Public Contribution: 200 M€ - EIF Contribution: 60 M€ - Private Co investors
   Leverage to achieve total amount 1 billion €

Entrepreneurship Fund

Loans (Shared Risk) & Guarantees for SMEs
   Public Contribution: 400 M€
   Total amount following leverage 1 billion €
NEW INNOVATIVE FINANCING INSTRUMENTS

Energy efficiency Fund for households
Public Contribution: 250 M€
Total amount following leverage: 500 M€

Infrastructure Fund
PPP infrastructure projects
PPP energy projects
Public Contribution: 200 M€ - EIB Contribution: 200 M€
Total amount following leverage: 800 M€
During 2016 alone the EIB Group approved contracts 2.5 billion € and disbursed 1.43 billion €

Pipeline new contracts with the EIB for 2017 of 2.5 billion €

New Flagship Projects:

- Line 4 of the Athens Metro
- Expansion of the network of Natural Gas in regions of the country
- Electrical interconnection through the underwater Peloponnese - Crete cable
- North Road Axis of Crete
**Aim:** to facilitate and accelerate the development of large scale, investments in Greece.

**It provides:**
- Fast track licensing process
- Deviations from the existing Spatial and Building legal framework
- Predefined holistic spatial tool, secured by a Presidential Decree
- Possibility for tax breaks and special tax regime.
- Granting of residence permits for executives of Strategic Investments and their families

**Under Revision:**
- **Mature Public Sector property for development and FDI attraction**
- Provide incentives so as to attract investments in more sectors of the economy
- Further acceleration of licensing process
- Acceleration of the judicial process
Our Philosophy: Making it Simple!

Key Values:

- Simplification
- Efficiency
- Transparency
- Acceleration
WHY INVEST IN GREECE?

1. Greece is rebounding from the deepest crisis since the second world war
2. It is strategically situated in the crossroads of 3 continents, offering access to the rapidly growing markets of the Middle East and the SE Europe
3. It is part of the Eurozone and, at the same time, maintains strong cultural and business bonds with most countries in its immediate region
4. It has an extended network of modern infrastructure and networks
5. Human resources have high dexterities and international experience
6. The new Investment Law offers 12 years of stable tax rates
7. The new legislation facilitates and accelerates the set up of companies and makes the procedure transparent
Thank you