

European Investment Bank

Trade Finance Facility Extends Support for Greek Companies

Case Study

The Client	The European Investment Bank (EIB) rated AAA/AAA by Fitch and S&P respectively, is the lending arm of the European Union and is owned by Member States. It has supported economic growth and social cohesion in the EU for more than 50 years. EIB lending focuses on innovation and skills, small and mid-sized enterprises (SME) access to finance, resource efficiency and strategic infrastructure.
The Challenge	Export-focused companies are integral to expanding international trade and are crucial for growth of the EU economy. Trade finance, a relatively stable component of the overall financial system, is essential for most international trade. However, changing market conditions reduced access to trade finance for Greek companies some years ago, as a result of concerns about country risk. This hampered companies' ability to trade internationally and harmed the Greek economy.
The Solution	<p>Since its launch in 2013, the Trade Finance Facility (TFF) for Greece has supported almost €1 billion of trade finance transactions, enabling Greek SMEs and other companies to access trade finance and contributing to increased investment and job creation in the country. Citi has been the leading contributor to Greek commercial banks under the TFF.</p> <p>On February 09, 2022, EIB announced the third expansion of the TFF for Greece. A €350 million trade finance partnership between the EIB and Citi will directly support the trade and export finance services provided by participating Greek banks to local private companies across the country.</p>
The Result	<p>EIB's TFF programme, with Citi as the leading partner, was developed especially for Greece to address a market gap that continues to restrict international business for Greek companies by offering trade guarantees covering exchange rate, political and payment risks.</p> <p>The programme's success has been widely recognised by external parties: it received the Deal of the Year award from both Trade Finance magazine and the Trade & Forfeiting Review.</p> <p>The TFF has significantly mitigated systemic and transaction risk associated with trade finance in Greece, building confidence in the country, its banks and most importantly its ambitious businesses. The new agreement will further support Greece's efforts to spur entrepreneurship and growth.</p>