

Green Banking : Opportunities & Obstacles

***The Second Sustainability Summit,
October 20th 2010, Athens***

Theodore Kalantonis
General Manager Eurobank EFG
CEO Eurobank Cards S.A.

Eurobank EFG – present in 10 countries

Group highlights <i>as at 1H 2010</i>	
Total Loans	€ 58.6 bn
Total Deposits	€ 43.5 bn
Total Assets	€ 86.9 bn
Total Capital Adequacy	11.8%
Number of branches	over 1.600
Number of employees	23,000





The Three Pillars of our Green Strategy



Green Banking for Eurobank, comprises:

- **The application of Certified Systematic Environmental Management**
- **The undertaking of Corporate Initiatives with Green Social Responsibility**
- **The design of Green Products with value for both the Environment and our Customers**

Our Green Credentials



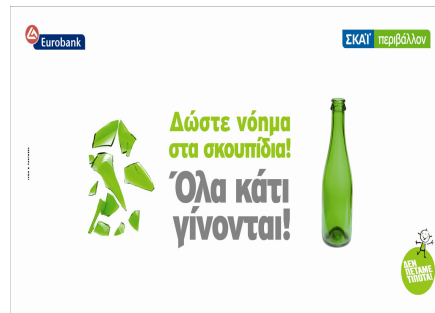
- Eurobank is the first and only Greek Bank to have the ISO 14001 certification for Systematic Environmental Management since 2004
- Since 2009, Eurobank has been the only Greek Bank to have been included in the European Register of EMAS (Eco-Management and Audit Scheme), probably the highest European Award in the area of Systematic Environmental Management

Group – Wide Systematic Environmental Management



- **We impose special environmental contractual clauses for our suppliers and subcontractors**
- **We demand environmental – friendly specifications for an increasingly number of our supplies (1st National EMAS 2009 Award – Green Procurement in the category “Large Corporations”)**
- **We apply internal recycling programmes for paper (60% recycled annually), toners (9,000 pieces recycled annually), electrical and electronic equipment**
- **We gradually develop an environmental culture across all our staff**
- **We are developing Environmental Risk Assessment procedures**

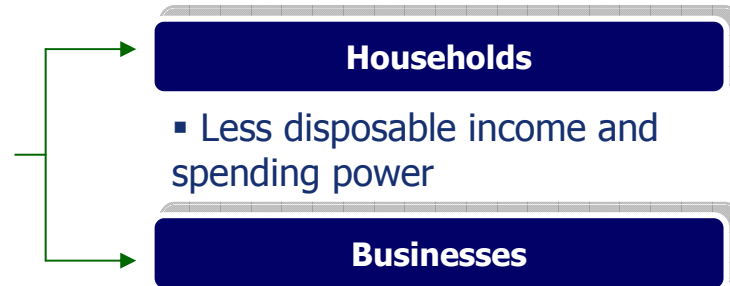
Corporate Social Responsibility



- **Numerous initiatives for the Protection of Environment and our National Treasure**
- **Recent initiatives, include the Programme of “10 Guides for the Environment ” (“10 οδηγοί για το περιβάλλον”) in collaboration with WWF HELLAS and the Recycling Campaign**

Green Products: Our Product Development Philosophy

- Financial recession in Greece has severe negative implications to both households and businesses
- **Our strategy on product development focuses primarily on environmental – friendly business solutions with strong financial benefits for our customers**



- Liquidity shortage in the market
- Less cash in-flows for the vast majority of Greek companies





Green Banking Solutions for Households

1. Green Home Loan – Photovoltaic Systems

Loan Purpose

- To finance the purchase and installation of a rooftop Photovoltaic System
- WWF Visa is granted as a supplementary product

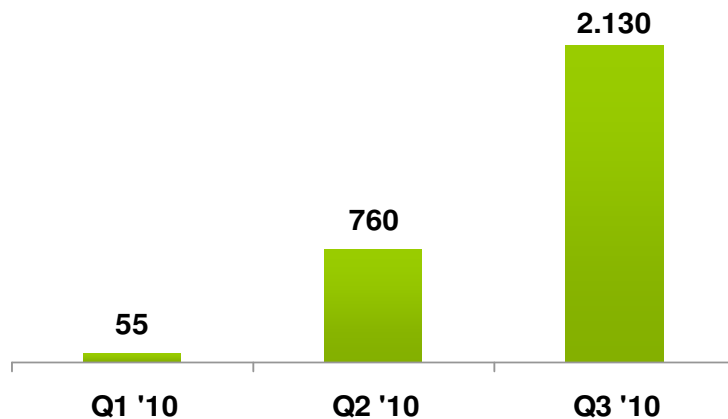
Customer End-Benefit

- The customer sells the electrical energy produced to the Public Energy Company (DEI), ensuring a tax-free gross annual income up to 7.500€ for 25 years



We offer **Turn-Key Solution** in cooperation with some of the leading companies of the green local & international market

Incoming Loan Applications (Average per quarter)



Loan Profile (Average)

Type of collateral	80% contract cession and 20% property prenotation
Loan amount	40.000€
Average KW	9 (135m ² flat roof or 68m ² roof)
Tenor	c.q. 15 years



Green Banking Solutions for Households

2. Green Home Loan – Energy Saving

Loan Purpose

- To finance **a number of repair works**, aimed at upgrading energy efficiency and enhancing energy conservation of the house

Customer End-Benefit

- Lower electricity and energy costs up to 60%
- Increase of property value, by aligning with the contemporary energy efficiency standards (“πιστοποιητικό ενεργειακής ταυτότητας”)
- Better quality of living



- Eurobank supports Government’s Programme «**Εξοικονομώ Κατ’ Οίκον**» via ΤΕΜΠΜΕ, which is now at the final implementation stage
- 7 Banks have shown interest to support this initiative undertaken by the state which will result in financing approximately 100.000 households

Who is the potential customer

Type of collateral	90% without prenotation and 10% with prenotation
Loan amount	15.000€
Subsidy of capital or interest or both, depending on household income	

Green Banking Solutions for Companies



Green Business Loans for Photovoltaic Systems or Stations

Loan Purpose

- Green financing (loan or leasing) for the **purchase and installation of rooftop and/or ground Photovoltaic Systems or Stations**

Loan Specifications

- For a period up to 15 years
- For projects < 20€ mln



Green Business Loans for Aeolian Parks & Geothermal Systems

Loan Purpose

- Business loans (or leasing) for the **purchase and installation of equipment for Aeolian parks**
- Green loans for the **purchase and installation of equipment for Geothermal Systems**



Turn-key Solution

- Start-to-End, quality services
- Technical and financial feasibility study
- Collaboration with the leading companies of the green local & international market



Green Banking Solutions for Companies



- We strongly support export-oriented and/or Green-oriented companies via
 - ✓ Minority stake holding or
 - ✓ Long term financing on a project specific basis (projects > €20M)

- via Eurobank Equity Partners, a division of Eurobank EFG Equities, we have set up a €30 million private equity fund to invest at environmental related projects

- Very recently, Eurobank Equity Partners, acquired 40% of Mesogeos, a leading Greek company in water management, solid & liquid waste management



Opportunities & Obstacles of Green Banking

Green Banking Opportunities

- Increasing demand among businesses and households for green products & services
- Very good prospects for dynamic export-oriented Greek companies investing in the Green Energy Sector (e.g. Photovoltaic, Aeolian and Geothermal equipment manufacturers)
- Secondary building construction for homes will be positively affected
- The more we invest as a country in the Green Economy, the more global funds we will attract

Green Banking Obstacles

- Green skepticism is still present in the market, thus continuous encouragement is needed by both Government, banks and other related parties.
- The current economic crisis makes both households and companies conservative to invest in “yet to be widely adopted” Green concepts
- A lot of state bureaucracy is still around; thus there is a need to improve town planning and other property licensing procedures
- Concerns regarding potential changes in the legal & tax framework during the investment period
- “Too many experts” in the market – everybody knows about PV