



Microfinance A way forward for Greece

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EaSI

Facility and instruments

EaSI products

EUR 193m EC + potential additional funding from EIB Group

EU28, Iceland, Turkey, FYROM, Montenegro, Serbia, Albania (+ potentially others)



Guarantee

- Guarantee rate **up to 80%** of the microloan – Cap rate **up to 30%** based on E(Losses) of the portfolio
- Guarantee premium does not apply
- **Maximum Loan Amount:** up to EUR 25,000 for MC and EUR 500,000 for SE
- **Up to 5 years availability period** for building up the portfolio
- **No capital charge** (0% RWA) for counterparty risk on the covered part of the micro-loan, given the **EIF's status as Multilateral Development Bank**

Cash products*

Senior Loan

Exposure Limit:	max 100% of Equity
Maturity:	long-term
Currency:	EUR or local currency
Pricing:	market rates, fixed or floating
Security:	None

Sub Loan / Quasi-equity

Type of FI	green field / start up
Purpose	capacity building
Structure	direct / indirect investments

* Available from mid-2016



EaSI Microfinance

Specific features

■ Code of Good Conduct

- *EU best practices in the Microfinance market*
- *Set of standards in terms of management, governance, risk management, reporting, and consumer and investor relations that are common to the microcredit sector in the European Union.*
- http://ec.europa.eu/regional_policy/thefunds/instruments/jasmine_cgic_en.cfm#7
- *Eligibility Criteria:*
 - *Non-bank microcredit providers: **Sign-up***
 - *Banks: **Endorsement***

■ Provision of Business Development Services

- *Eligibility Criteria*
- *Refers to: mentoring, coaching, training*
- *Services provided directly or indirectly*

PCB/AFI model

PCB/AFI case study



AFI Action Finance Initiative

- Promotion of the facility
- Origination
- Pre loan BDS
- First screening
- Proposal to PCB
- Post loan BDS

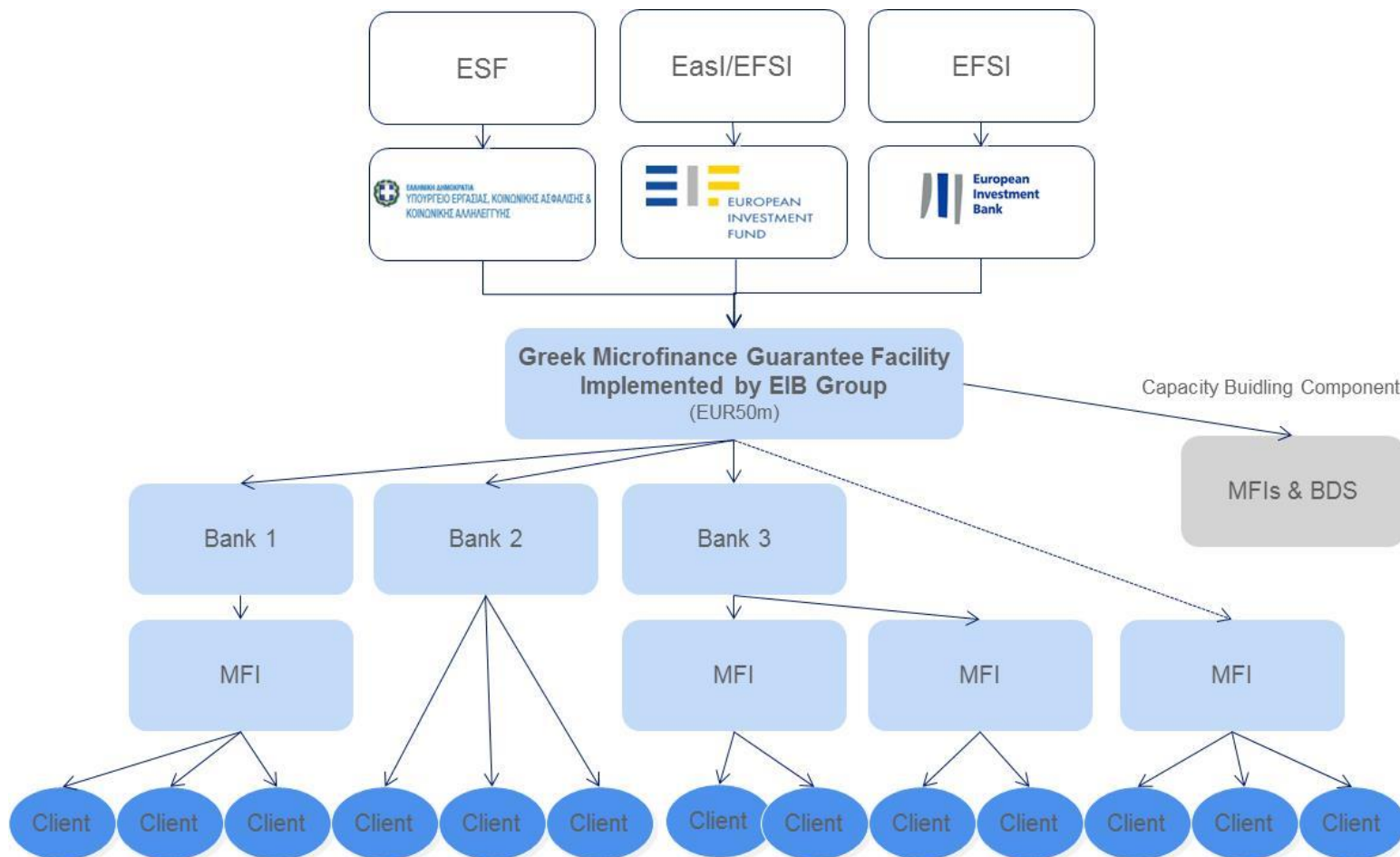
PCB Pancretan Cooperative Bank

- Cooperative bank
- Final approval
- Disbursement of microloans
- Collection of repayments
- Monitoring and delinquency
- Covered by EPMF guarantee



Working for a Greek Microfinance Guarantee Facility

Greek Microfinance Guarantee Facility - WIP

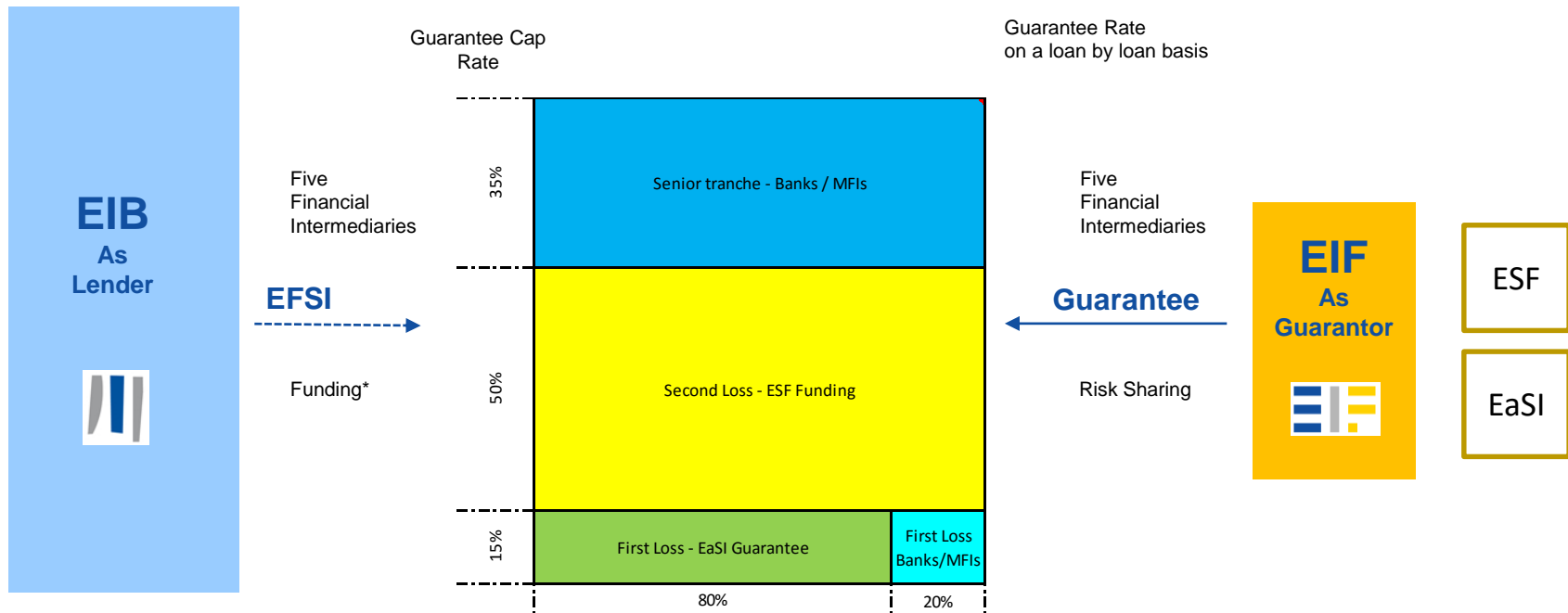


Work In Progress. Draft for Discussion.

Greek Microfinance Guarantee Facility - WIP



Graph: implementation of a capped guarantee programme at a national level (including EIB Funding to Financial Intermediaries)



(* Additional EIF funding to MFIs (non-banks) should regulation change

Work In Progress. Draft for Discussion.

Conclusions

- EaSI provides important resources for the expansion of the **inclusive finance** sector
- PCB/AFI model proves relationships between banks and non-banks are possible in Greece
- A Greek Microfinance Guarantee Facility should involve different funding sources and delivery partners



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