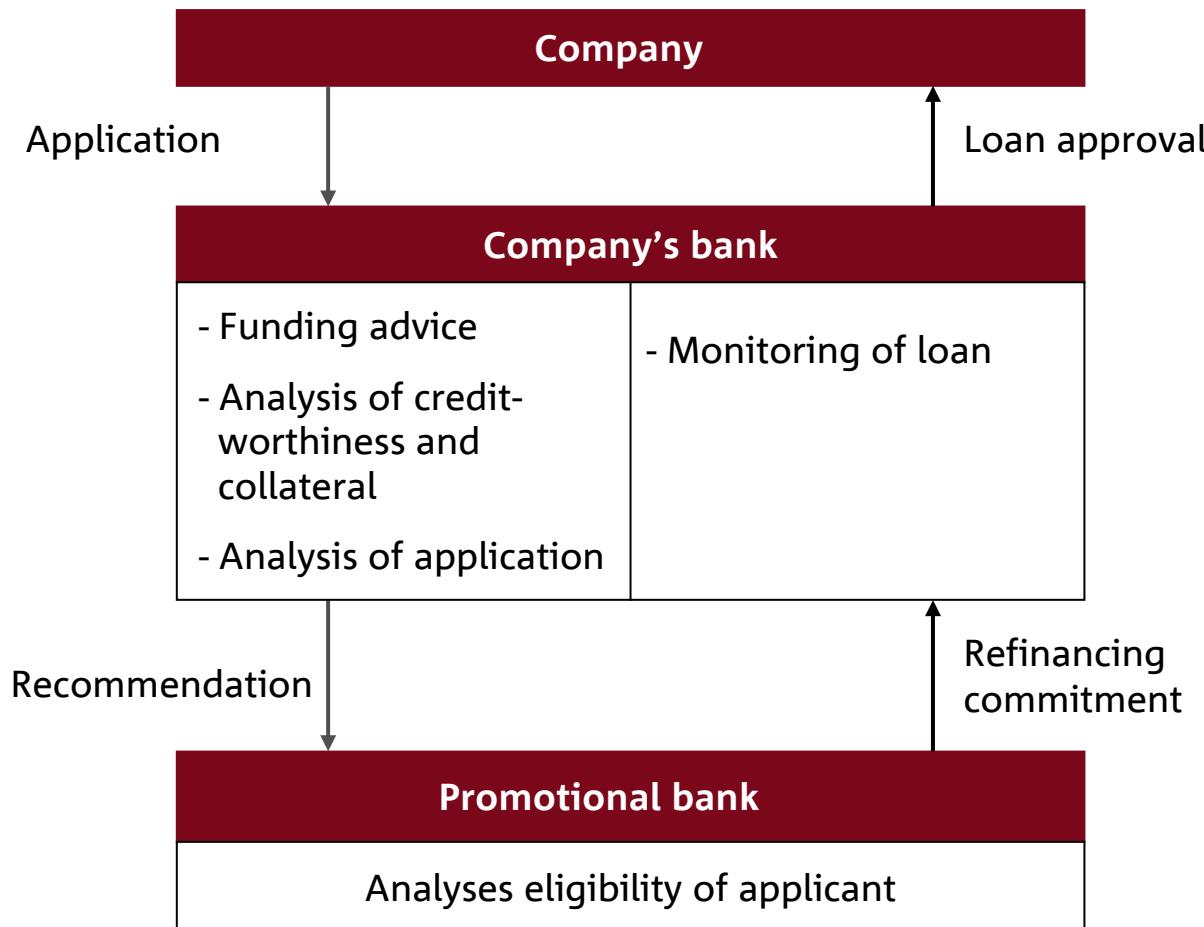


Greek-German Business Forum: Corporate Finance Workshop

Michael Kemmer
General Manager and Member of the Board of Directors

Athens, 7 October 2011

KfW entrepreneur loan – application via company's local bank (“house bank” principle)



- Companies normally apply for public promotional programmes **through their own bank**. The bank selects suitable funding options and takes care of processing.
- The company **must submit the application to its bank before the project begins**. Retroactive applications are not normally eligible.
- **Important:** application documents should be plausible and complete.

Promotional options for projects of German firms in Greece from the perspective of German private banks

- We basically welcome the new “**Greece window**” for KfW entrepreneur loans.
- This will **facilitate the funding** of German companies’ investment projects and working capital in Greece.
- But it **shouldn’t be seen as a “magic bullet”** to solve the funding problems of unviable projects.
- **So it is right not to support the following:**
companies in financial difficulties or undergoing reorganisation; debt restructuring, follow-on financing or the extension of existing loans; additional funds for projects already underway or completed.

German private banks are ready to fund investment in Greece

- **Investment from Germany/other foreign investment** is essential to the development of the Greek economy in the current situation.
- Lending is a **fundamental element of every bank's business policy**.
- Banks **compete** with one another for profitable investment projects.
- The question of a **project's long-term viability** is key when granting investment loans – especially for projects **abroad**.
- The **investment planning** – including income forecasts – need to be convincing.
- It is essential to **assess the associated risks correctly**. A bank will sometimes base its loan decision on this assessment.
- **Public promotional programmes** are part of an overall funding concept – for foreign projects too.

Conclusion

The German private banks will continue to make use of all the options consistent with their business models to secure funding for German companies' investments in Greece – including promotional funds from the “Greece window”.

Many thanks for your attention!