

# **Binding constraints for investment driven growth**

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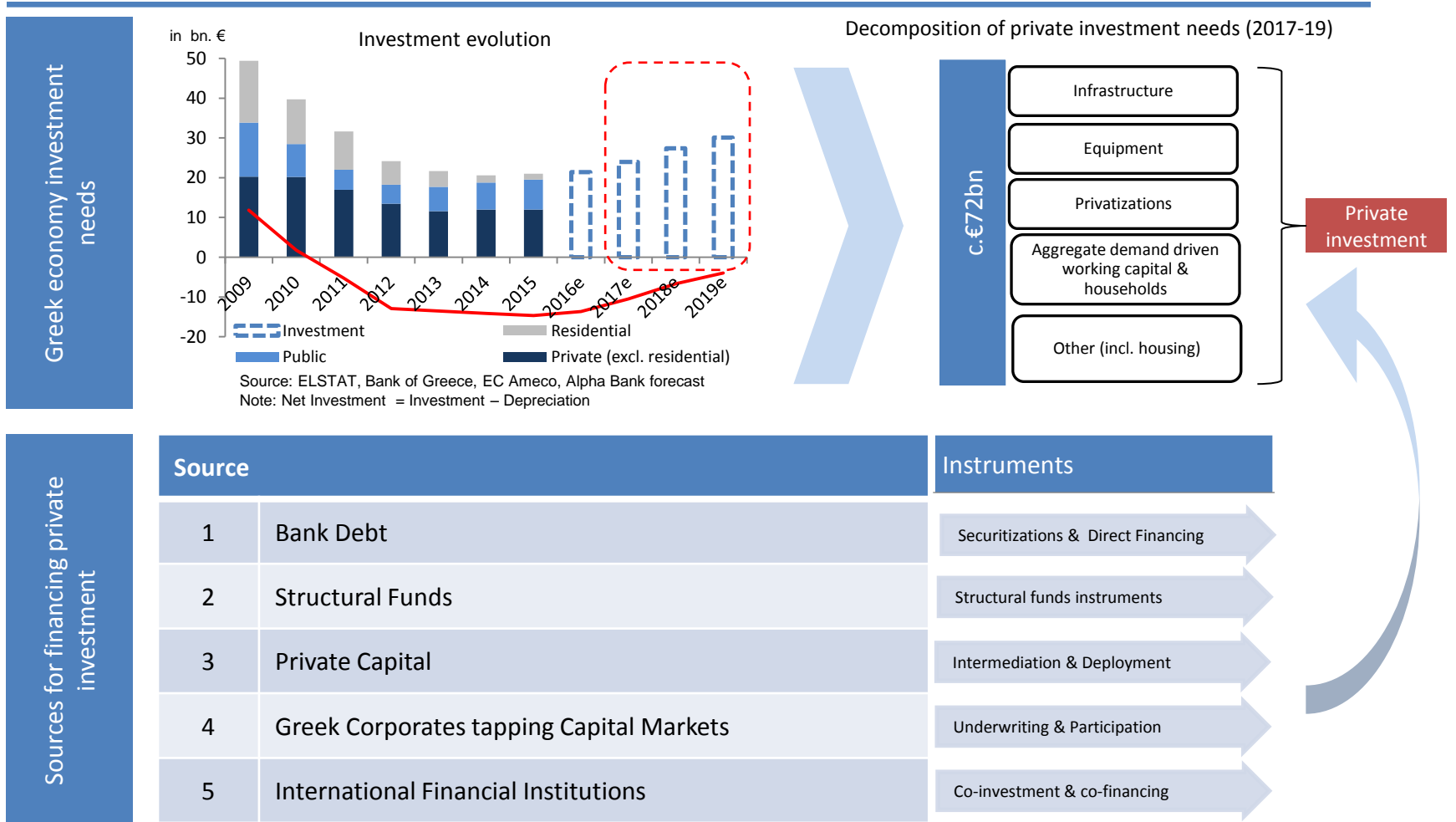
Alternate Board Director

EBRD

Thessaloniki Summit - 5 October 2017

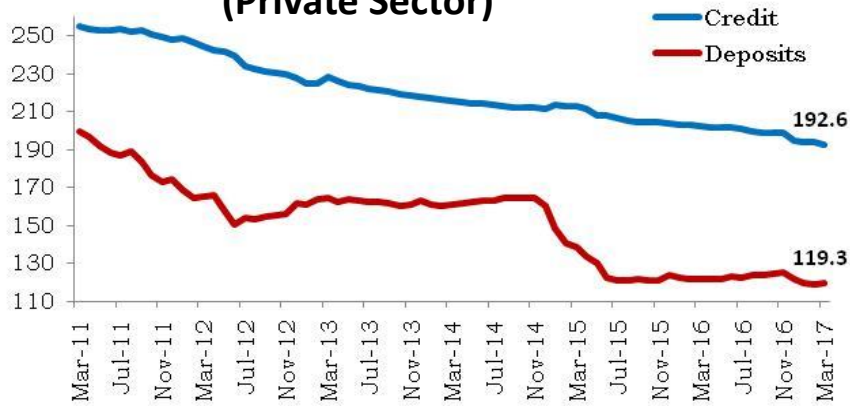
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# Funding needs for investment recovery

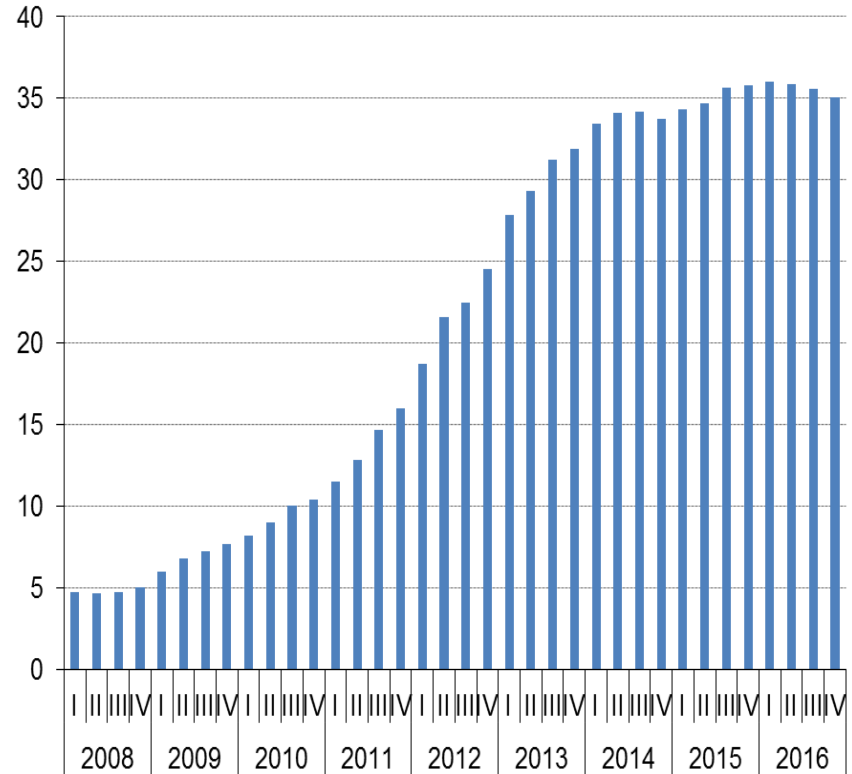


# Bank credit: Deleveraging of private sector continues, NPL ratios stabilize at high levels

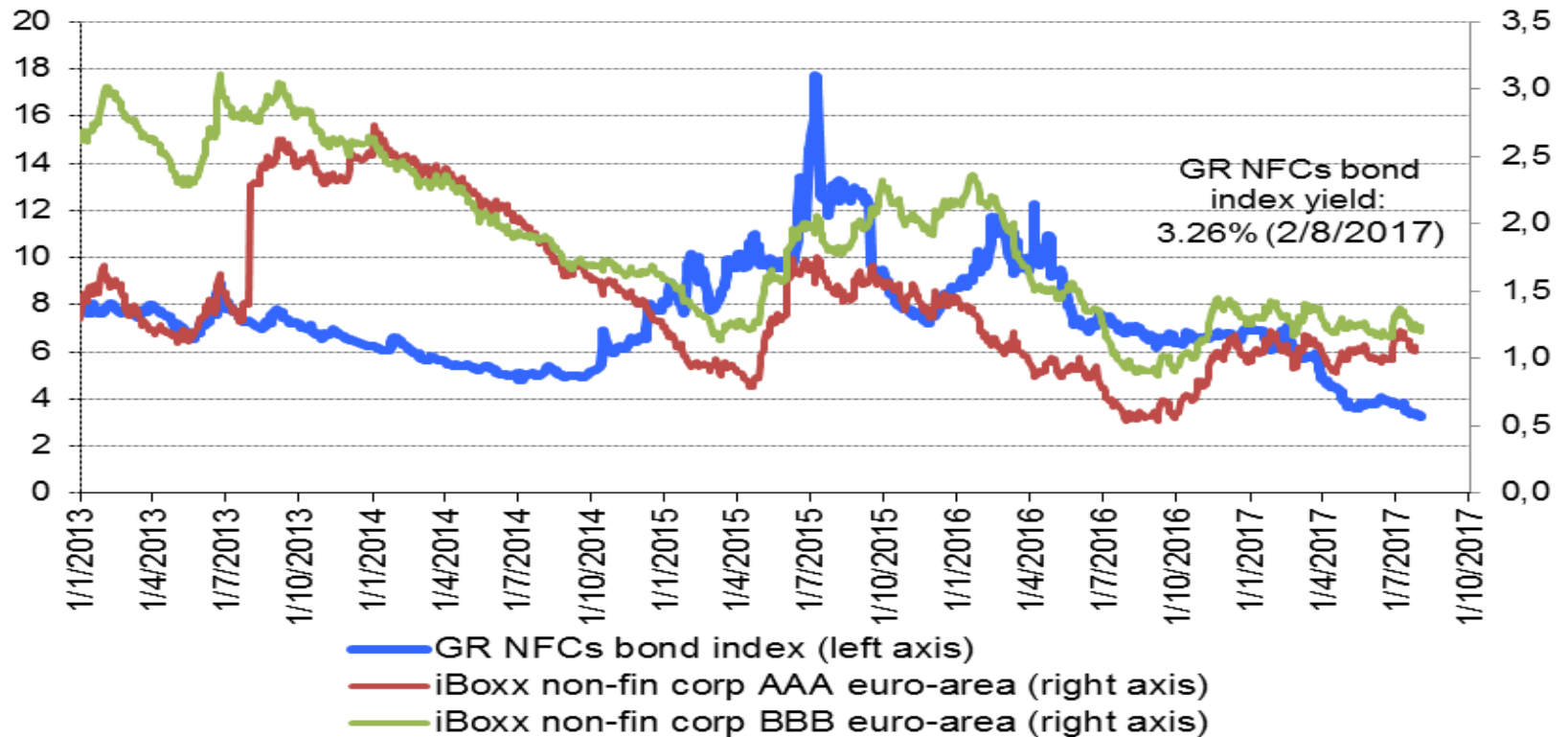
## Credit & Deposits (Private Sector)



## Greek commercial banks – NPL ratio (%)



# GR NFC Bond index and iBoxx Non-financial indices



# Binding constraints and investment recovery

Binding constraint	International Financial Institutions in Greece	Next steps	Policy mix
<b>Market expansion</b>	Trade facilitation	Economic corridors (energy and transportation)	➤ <b>Regional economic integration</b>
<b>Deleveraging</b>	Funding structure of systemic banks	NPLs	➤ <b>Return of deposits</b>
<b>Country exposure</b>	Privatizations (regional airports)	FDI inflow	➤ <b>Sovereign risk profile</b>
<b>Capital market</b>	Corporate bonds	Market based solutions for mid-caps	➤ <b>Retail investment incentives</b>
<b>Market creation</b>	Risk capital	Scaling up investment in tradable services	➤ <b>Further rebalancing towards tradeables</b>