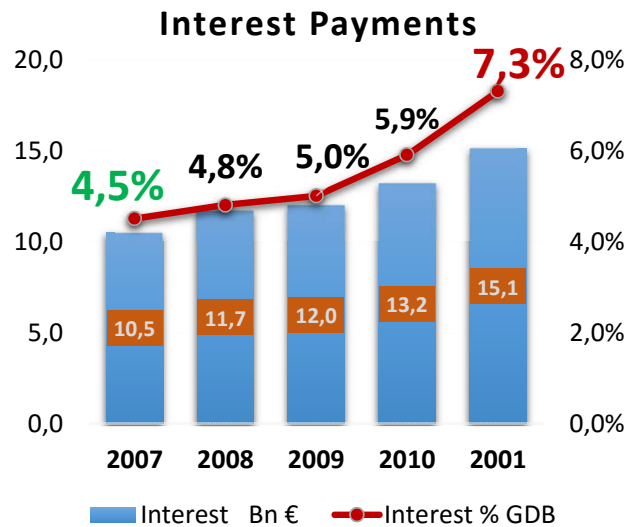
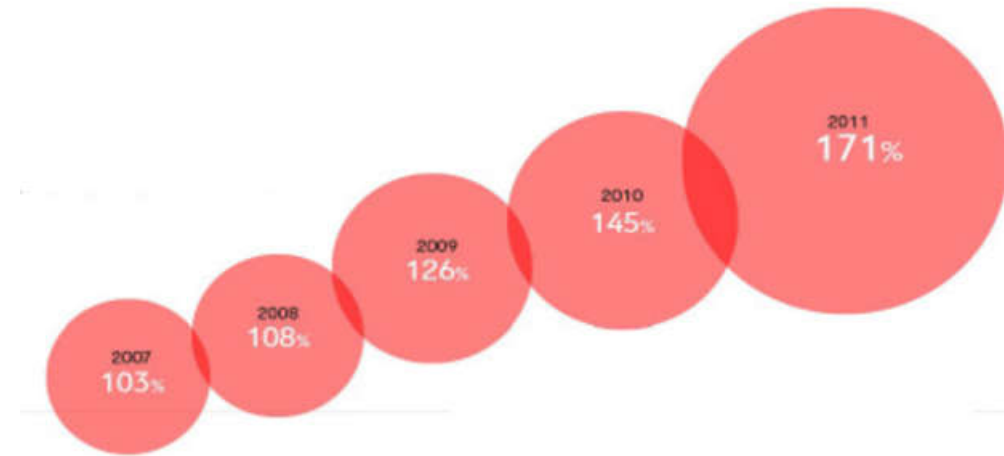


2011: Debt restructuring ante portas



Within only 4 years, Greek debt increased by **116** billion €

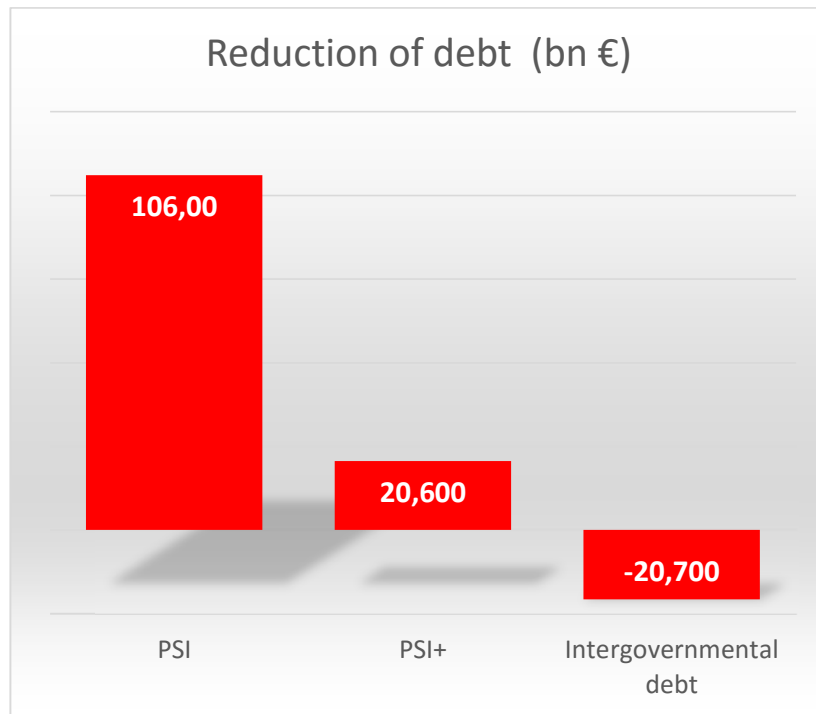


In 2011 the interest payments amounted to 7.3% of GDP versus 4.5% in 2007

In 2007, Greek Debt/GDP ratio was 103%. In 2011 amounted to 171%.

Debt dynamics got out of control. Debt restructuring was inevitable.

2012: Private Sector Involvement (PSI & PSI+)



- PSI: 3/2012 – Debt reduction by 106 bn €.
- PSI+: 12/2012 – Debt buyback. Profit 20.6 bn €.
- Debt held by Government bodies: Loss 20,7 bn €.

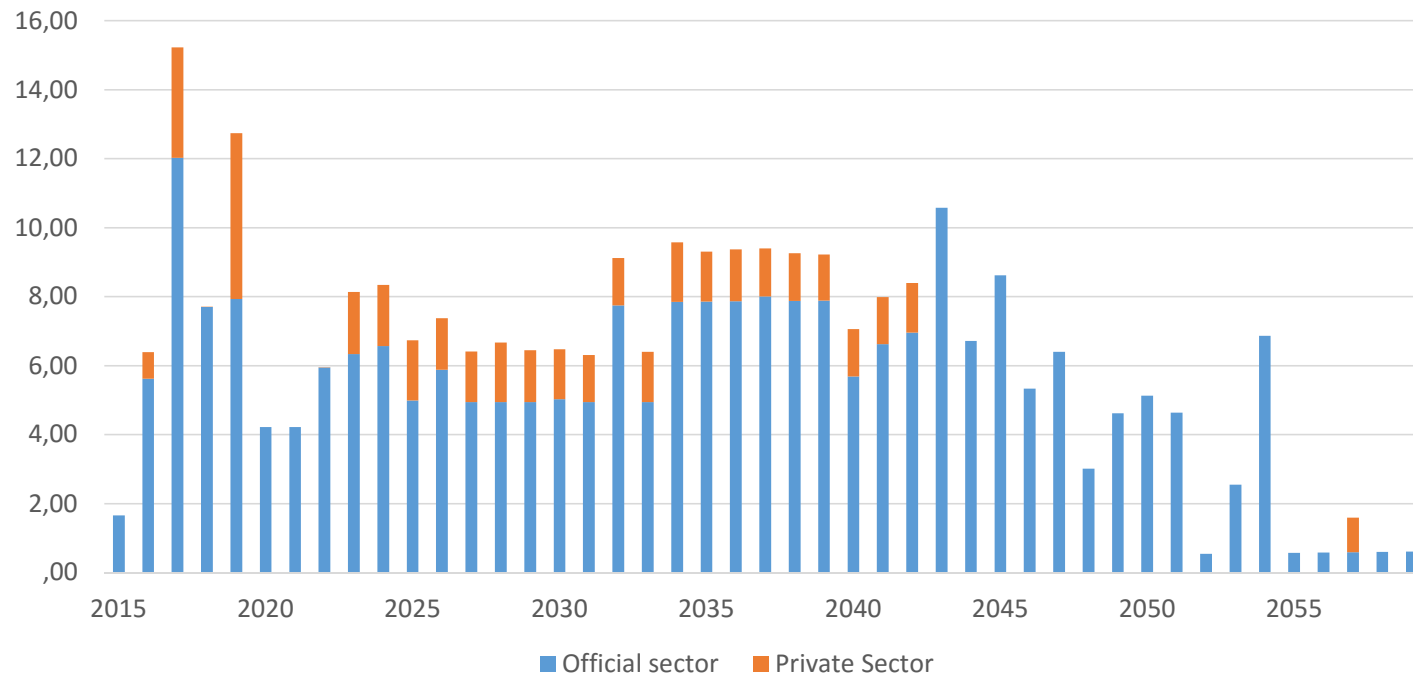
- Total debt reduction 106 bn €
- New debt: Reduction of interest rates from 5% → 2%
- New debt: Extension of maturities from 7 yr → 20 yr

Official Sector Involvement (OSI)

Greek Loan Facility (GLF) 52,9 bn €	9/5/2010	14/6/2011	27/2/2012	19/12/2012
Spread over 3M Euribor	3%-4%	2-3%	1,5%	0,5%
Grace Period	3 yr	4,5 yr	10 yr	10 yr
Average Maturity	5 yr	10 yr	15 yr	30 yr
European Financial Stability Fund (EFSF) 131 bn. €			1/3/2012	12/12/2012
Spread over EFSF cost of funding			0%	0%
Grace Period			0 yr	10 yr
Average Maturity			17,5 yr	32,5 yr

- Reduction of Interest rates: Average interest rate paid on EU loans ~1%
- Extension of maturities: Average Maturity ~30 yr
- Grace period 10 years
- ECB commitment to pass on profits from the bond purchases under the ECB's securities markets programme ~ 10 bn €
- Total savings equivalent to 49% of Greece's 2013 GDP (88 bn €) in Net Present Value terms

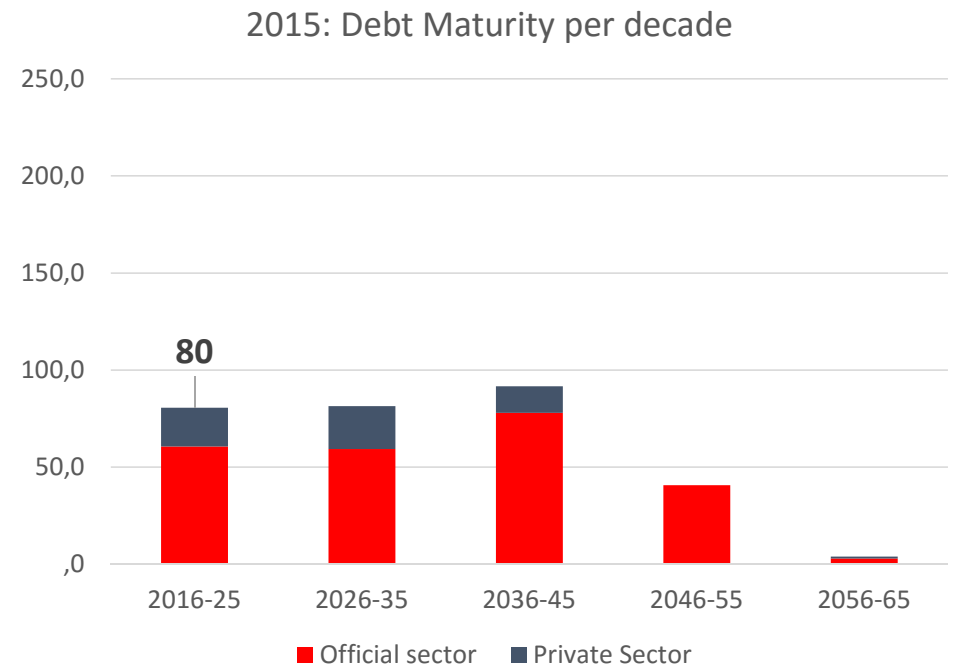
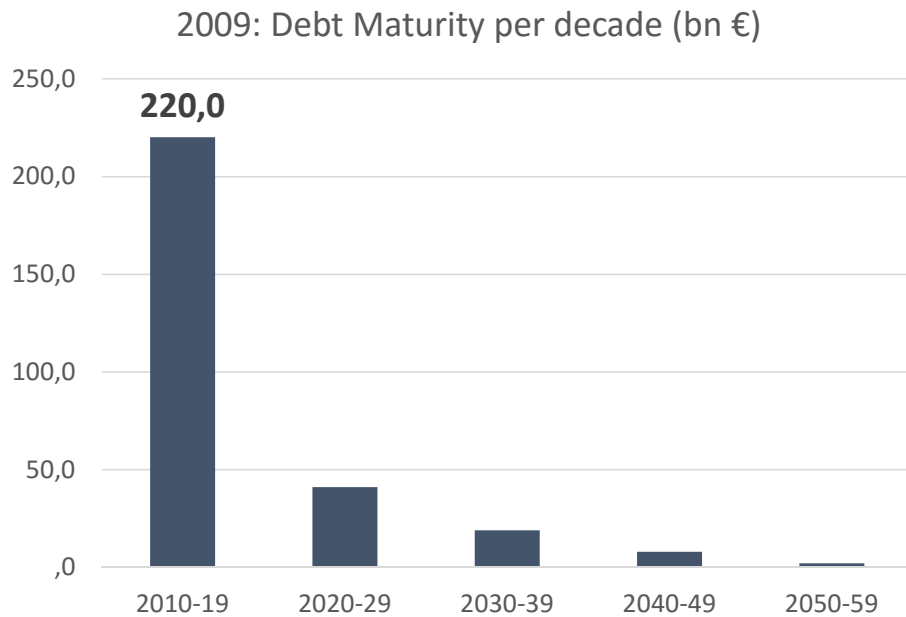
Redemption Schedule of Greek Government Debt



In 2009, Greek debt (ex – t bills) was **290 bn €**. **In the next decade** Greece had to **repay 220 bn € (76% of outstanding debt)**.

In 2015, Greek debt (ex – t bills) was **300 bn €**. **In the next decade** Greece has to **repay 80 bn € (27% of outstanding debt)**.

Redemption maturity per decade

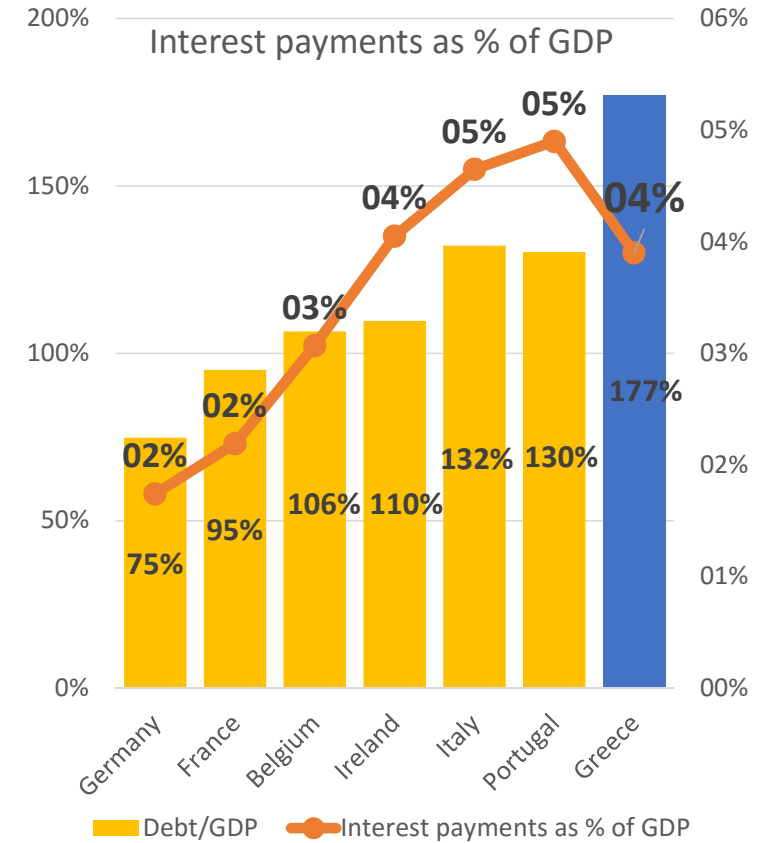
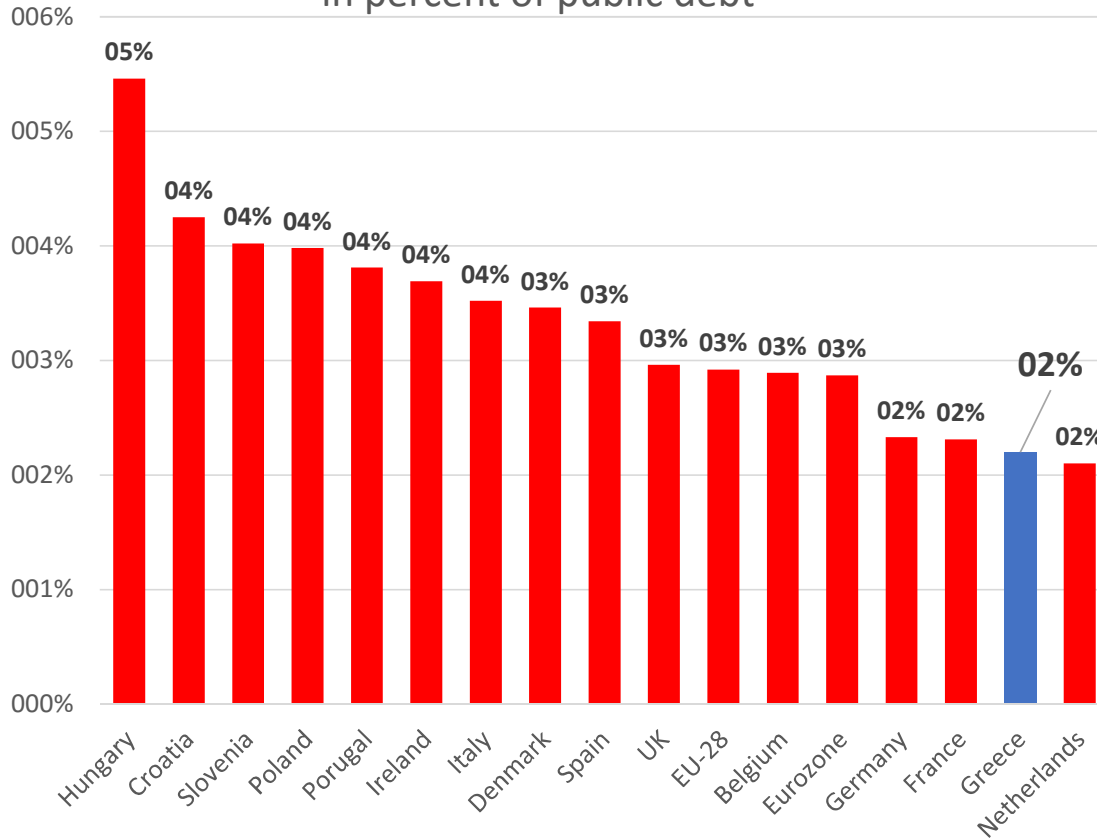


In 2009, Greek debt (ex – t bills) was **290 bn €**. In the next decade Greece had to repay **220 bn € (76% of outstanding debt)**.

In 2015, Greek debt (ex – t bills) was **300 bn €**. In the next decade Greece has to repay **80 bn € (27% of outstanding debt)**.

Reduction of debt servicing costs

2014: Expenditure of interest payments in percent of public debt



Average interest rate on Greek debt is one of the lowest in EU.

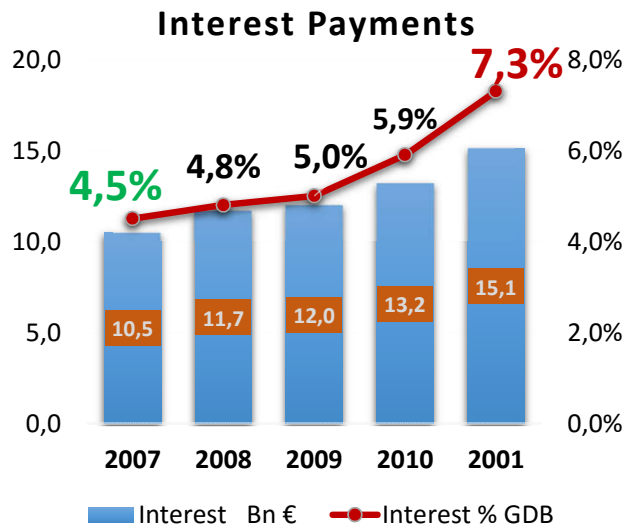
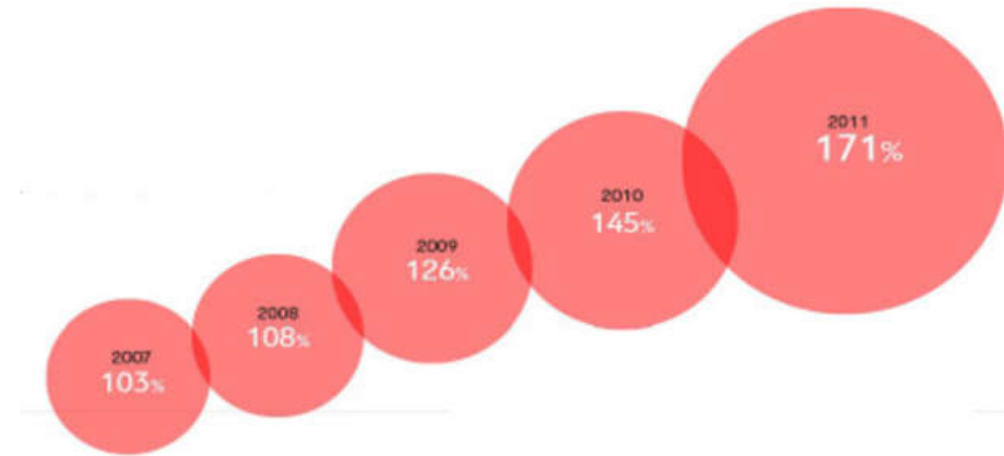
[Ev. Venizelos | European Debt Crisis | # 5](#)

Although Greece has much higher debt over GDP ratio, debt servicing costs as % of GDP are lower than Portugal, Italy & Ireland.

2011: Debt restructuring ante portas



Within only 4 years, Greek debt increased by **116** billion €



In 2011 the interest payments amounted to 7.3% of GDP versus 4.5% in 2007

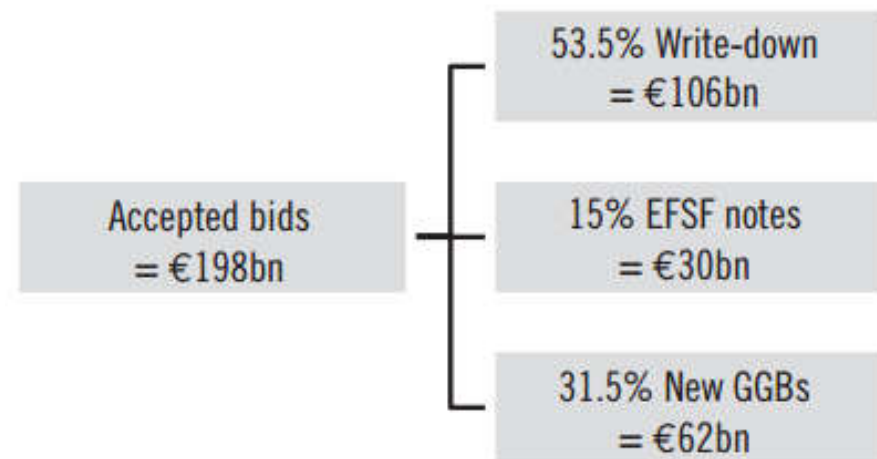
In 2007, Greek Debt/GDP ratio was 103%.
In 2011 amounted to 171%.

Debt dynamics got out of control.
Debt restructuring was inevitable.

PSI Terms

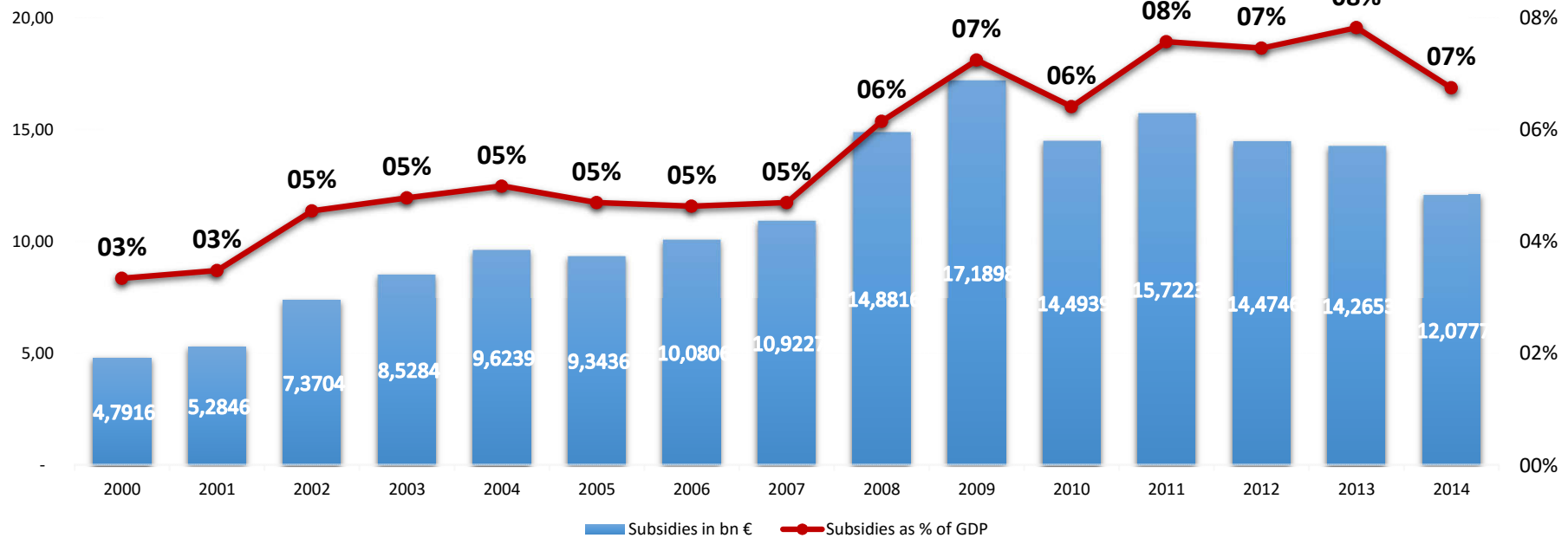
Private holders of old Greek government bonds exchanged 100 € face value for:

- 15 € short term EFSF AAA rating notes
- 31.5€ face value of new (post PSI) Greek government bonds (average maturity 20 years, average interest rate 3,8 %)
- Write down 53,5 €.



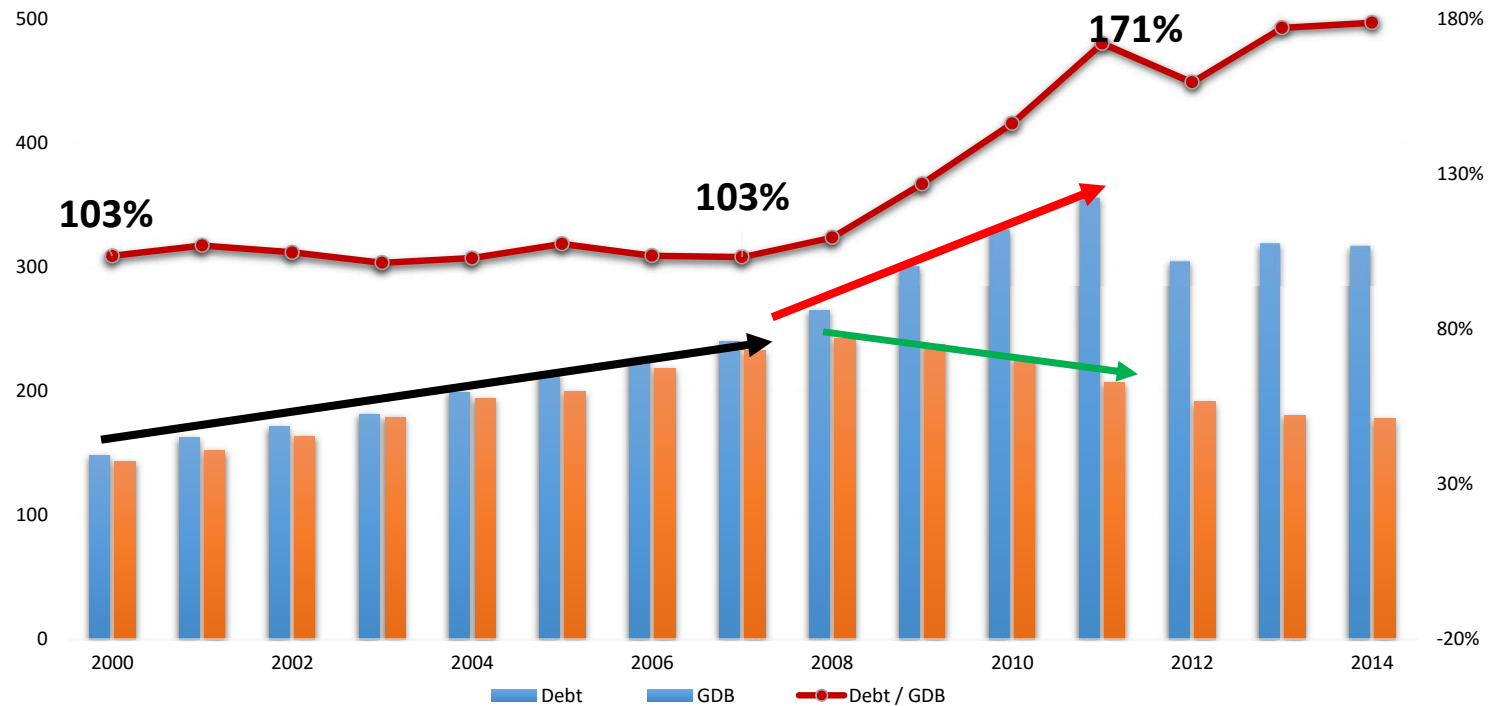
The Myth of PSI

State Subsidies to Social Security Funds (bn €) 2000 -2014



- According to the Myth, social security funds suffered huge losses from the PSI and essentially went bankrupt
- Social security funds losses from PSI amounted to 13.4 bn€, less than a single year's subsidy.
- Social Security Funds did not went bankrupt because the Greek State went bankrupt
- On the contrary, It was the State that went bankrupt because of the huge yearly deficits of social security funds.

Greece: General government debt (2000-2014)



- 2001-2007: Debt increases along with nominal GDP. But debt over GDP ratio was fairly stable.
- 2008 -2011: Debt's growth rate accelerates while GDP decreases. Debt/GDP ratio skyrockets