

# Journal of Financial Crises

---

Volume 2 | Issue 3

---

2020

## The Greek Credit Guarantee Scheme (Greece GFC)

Daniel Thompson  
*Yale University*

Follow this and additional works at: <https://elischolar.library.yale.edu/journal-of-financial-crises>



Part of the [Eastern European Studies Commons](#), and the [Finance and Financial Management Commons](#)

---

### Recommended Citation

Thompson, Daniel (2020) "The Greek Credit Guarantee Scheme (Greece GFC)," *Journal of Financial Crises*: Vol. 2 : Iss. 3, 715-738.

Available at: <https://elischolar.library.yale.edu/journal-of-financial-crises/vol2/iss3/37>

This Case Studies is brought to you for free and open access by EliScholar – A Digital Platform for Scholarly Publishing at Yale. It has been accepted for inclusion in Journal of Financial Crises by an authorized editor of EliScholar – A Digital Platform for Scholarly Publishing at Yale. For more information, please contact [elischolar@yale.edu](mailto:elischolar@yale.edu).

# Greek Credit Guarantee Scheme<sup>1</sup>

*Daniel Thompson*<sup>2</sup>

Yale Program on Financial Stability Case Study  
January 16, 2019; Revised Date: October 10, 2020

## **Abstract**

Beginning in 2008, many Greek banks began to face liquidity strains and capital problems as a result of the global financial crisis. In October 2008, Eurozone leaders released a declaration requiring all participating nations to ensure adequate liquidity, facilitate ease of funding, and recapitalize banks. On November 7, 2008, the Greek Ministry of Economy and Finance submitted a draft law, Law 3723, to the European Commission to fulfill the above directives through the Bank of Greece (BOG). While Law 3723 consisted of three main “pillars,” the focus for this case is pillar II, the credit guarantee scheme, otherwise known as the guarantee scheme. The guarantee scheme allowed eligible banks to guarantee their newly issued senior debt for a fee that was based on the maturity of the debt and the risk profile of the issuing institution. All credit institutions (or branches of foreign banks) licensed by the BOG were eligible to participate in the scheme. Few banks participated in the scheme until the onset of the sovereign debt crisis in late 2009. Following this onset, Greek banks borrowed heavily pursuant to the guarantee scheme. All four systemically important Greek banks participated, along with other regional banks. Greece raised the guarantee scheme’s commitment limit several times, ultimately increasing it from €15 billion in 2008 to €93 billion in 2016. The number of banks participating in the scheme decreased beginning in 2013. As of October 2020, the Greek credit guarantee scheme is still operational and has a current expiration date of November 30, 2020.

**Keywords:** Greece, financial crisis, credit guarantee, sovereign debt, European Commission

---

<sup>1</sup> This case study is part of the Yale Program on Financial Stability (YPFS) selection of New Bagehot Project modules considering the responses to the global financial crisis that pertain to bank debt guarantee programs. Cases are available from the *Journal of Financial Crises* at <https://elischolar.library.yale.edu/journal-of-financial-crises/>.

<sup>2</sup> Daniel Thompson – Research Associate, YPFS, Yale School of Management.

# Greek Credit Guarantee Scheme

## At a Glance

Beginning in 2008, many Greek banks began to face liquidity strains and capital problems as a result of the global financial crisis. In October 2008, Eurozone leaders convened for the first Eurozone summit and released a declaration requiring all participating nations to ensure adequate liquidity, facilitate ease of funding, and recapitalize banks. On November 7, 2008, the Greek Ministry of Economy and Finance submitted a draft law, Law 3723, to the European Commission (EC) to fulfill the above directives through the Bank of Greece (BOG). While Law 3723 consisted of three main “pillars” including (I) a recapitalization program, (II) a credit guarantee program, and (III) a bond loan program, the focus for this case is pillar II, the credit guarantee scheme.

The guarantee scheme allowed eligible institutions to guarantee their newly issued senior short- and medium-term debt for a fee that was based on the maturity of the debt and the risk profile of the issuing institution. All credit institutions (or branches of foreign banks) licensed by the BOG were eligible.

Few banks participated in the scheme until the onset of the sovereign debt crisis in late 2009. Ultimately, all four systemically important Greek banks participated, along with other regional banks. Greek banks continued to borrow heavily via the guarantee scheme until the number of banks participating in the scheme began to decrease in 2013. As of October 2020, the Greek credit guarantee scheme is still operational. The peak outstanding commitment utilized was €65.1 billion in late 2011 and early 2012.

## Summary Evaluation

There are very few sources outside the Greek government that evaluate the efficacy of the three programs implemented under Law 3723. The Greek government has maintained that the credit guarantee scheme effectively provided the participating institutions with liquidity.

Summary of Key Terms	
Purpose:	To strengthen Greek banks' liquidity positions and ensure the stability of the Greek financial system.
Announcement Date	November 7, 2008
Operational Date	November 19, 2008
Date of First Guaranteed Issuance	Data not available
Issuance Window Expiration Date	Initially April 30, 2009; currently extended through November 30, 2020
Program Size	Initially €15 billion, ultimately increased to €93 billion before being reduced to €30 billion in 2020
Usage	Peak outstanding commitment of €65.1 billion
Outcomes	Data not available
Notable Features	Use of collateral

<b>Greece Credit Guarantee Scheme: Greece Context</b>	
<b>GDP (SAAR, Nominal GDP in LCU converted to USD)</b>	\$319.4 billion in 2007 \$355.6 billion in 2008  <i>Source: Bloomberg</i>
<b>GDP per capita (SAAR, Nominal GDP in LCU converted to USD)</b>	\$28,827 in 2007 \$31,997 in 2008  <i>Source: Bloomberg</i>
<b>Sovereign credit rating (5-year senior debt)</b>	As of Q4 2007: Fitch: A Moody's: A1 S&P: A  As of Q4 2008: Fitch: A Moody's: A1 S&P: A  <i>Source: Bloomberg</i>
<b>Size of banking system</b>	\$299.6 billion in total assets in 2007 \$358.6 billion in total assets in 2008  <i>Source: Bloomberg</i>
<b>Size of banking system as a percentage of GDP</b>	93.8% in 2007 100.8% in 2008  <i>Source: Bloomberg</i>
<b>Size of banking system as a percentage of financial system</b>	Data not available
<b>5-bank concentration of banking system</b>	81.4% of total banking assets in 2007 81.1% of total banking assets in 2008  <i>Source: World Bank Global Financial Development Database</i>
<b>Foreign involvement in banking system</b>	14% of total banking assets in 2007 14% of total banking assets in 2008  <i>Source: World Bank Global Financial Development Database</i>

<b>Government ownership of banking system</b>	Data not available in 2007 10.2% of banks owned by the state in 2008 <i>Source: World Bank Regulation &amp; Supervision Survey</i>
<b>Existence of deposit insurance</b>	100% insurance up to \$28,000 in 2007 100% insurance on deposits up to \$129,000 in 2008 <i>Source: World Bank Deposit Insurance Dataset; OECD, "Financial Crisis: Deposit Insurance and Related Financial Safety Net Aspects"</i>

# I. Overview

## Background

Throughout the early 2000s, most Greek banks could access inexpensive capital, which was facilitated by the Greek government's decision to switch to the Euro in 2001 (Nelson et al. 2011). Beginning in 2008, however, many Greek banks began to face liquidity strains and capital problems as a result of the Global Financial Crisis. On September 15, 2008, Lehman Brothers filed for bankruptcy, accelerating market contractions and heightening uncertainty across European financial markets. Most governments across the Eurozone had responded to the crisis unilaterally prior to September 2008. However, the failure of Lehman Brothers and the near-failure of other systemically significant financial institutions in September prompted Eurozone officials to conclude that the Eurozone required a holistic plan to preserve financial stability (Bank of Greece 2009a).

In October 2008, Eurozone leaders convened for the first-ever Eurozone summit. Greece, the other 14 countries in the European Monetary Union, and Great Britain. On October 12, the Eurozone summit released a declaration requiring all participating nations to adopt several key strategies:

- Ensure adequate liquidity
- Facilitate ease of funding
- Recapitalize deserving banks and provide them with additional capital resources
- Be flexible in applying accounting rules
- Increase cooperation among participating countries (EC Summit Declaration, 10/12/2008)

## Program Description

On November 7, 2008, the Greek Ministry of Economy and Finance submitted a draft law, Law 3723, to the European Commission (EC) to fulfill the above directives through the Bank of Greece (BOG), the Greek central bank (not to be confused with the National Bank of Greece, a leading Greek financial services company) (Ministry of Economy and Finance 2008). The EC accepted the proposal less than two weeks later.

Law 3723 consisted of three main "pillars:" (I) a recapitalization program, (II) a credit guarantee program, and (III) a program to issue Greek sovereign securities to Greek institutions, also known as the Greek Bond program. While a bank could draw from all three pillars, each pillar operated independently and required separate obligations and fees from participating banks. Under the recapitalization program, the BOG purchased preferred shares (tier I capital) from Greek banks using Greek sovereign bonds. Under the Greek Bond program, the BOG lent Greek institutions sovereign bonds with zero coupon rates. The sole purpose was to allow Greek institutions to use these bonds as collateral in transactions with the ECB or other banks (EC SA, 11/19/2008). The focus for this case is pillar II, the credit

guarantee program, otherwise known as “the guarantee program” (Ministry of Economy and Finance 2008).

All credit institutions (or branches of foreign banks) licensed by the BOG were eligible to participate in the guarantee scheme. Under the scheme, all senior debt was eligible; subordinated debt and interbank deposits were not eligible (EC SA, 09/18/2009). The scheme guaranteed any debt from three months to three years. The BOG did not establish an explicit minimum or maximum limit for the amount of debt it would guarantee for an individual bank, so the maximum guarantee in theory was all of the remaining commitment. The BOG instead used a publicly available rubric to determine the order of need from each credit institution (Ministry of Economy and Finance 2008).

Greece set the guarantee scheme’s initial commitment limit at €15 billion. Based on the actions that Greece took during the crisis, Greece could change the limit in at least three ways: amending the law itself, passing a new law to alter the limit, or moving funds from pillar III to pillar II (and vice versa). This last option, which was stipulated in Law 3723 itself, did not require the EC’s approval (Ministry of Economy and Finance 2008).

The BOG required a semi-annual fee from participating institutions with the exception of the fee collected during the last period, which became due when the program expired. At the program’s outset, Greece established the fee structure to adhere to guidelines set forth by the European Central Bank (Ministry of Economy and Finance 2008). The fee was calculated on an annual basis and was contingent on three factors: the maturity of the guaranteed securities, the existence of collateral on the guarantee, and the creditworthiness of the institution.

## **Outcomes**

Generally, the guarantee scheme can be understood in three stages: response to the financial crisis of 2008, response to the sovereign debt crisis in 2009, and aftermath of the sovereign debt crisis/wind down. The BOG initially used the guarantee to alleviate liquidity strains as a result of the financial crisis. Beginning in late 2009, however, Greek banks began using the guarantee scheme to counteract the adverse liquidity effects from Greece’s sovereign debt crisis, which quickly escalated. Credit default swap (CDS) and interest rate on Greek sovereign debt rose. By early 2010, most observers concluded that Greece, along with Ireland and Portugal, had reached potentially unsustainable debt levels (Nelson et al. 2011).

On May 6, 2010, Greece passed Law 3845 which, among other stability measures, raised the limit of the guarantee scheme by €15 billion to €30 billion. Greece committed €123 million from the guarantee scheme to the bond scheme (pillar III), lowering the guarantee scheme’s total limit to approximately €29.9 billion (the law was approved by the EC on May 12; [EC SA, 05/12/2010]). Concurrent with Greece’s initiatives to relieve severe liquidity strains and replenish rapidly diminishing capital, the EU and the IMF devised and implemented a joint €110 billion plan to combat accelerating levels of Greek public debt and to make the Greek

economy more competitive (Rehn and Strauss-Khan 05/02/2010). The funds allocated in the plan were not used for the guarantee scheme (Boudghene et al. 2011).

In April 2010, the EC instituted a system-wide mandate for all countries under its jurisdiction with credit guarantee schemes that expired later than July 1, 2010. Greece, which had a guarantee scheme that expired after July, was subject to the mandate. The EC raised the minimum participation fees by 20, 30, or 40 basis points depending on the participant's credit rating. The EC also required participants with guaranteed debt over a certain threshold to submit a viability review. In addition to these broader measures, the ECB indefinitely suspended the Eurosystem's quality credit threshold for debt under the Greek guarantee scheme and asserted that it would continue to accept these securities as eligible collateral (European Central Bank 2010).<sup>3</sup>

Greece quickly committed the additional €15 billion under Law 3845, and by June 2010 had again reached its commitment limit. On June 30, Greece increased the total guarantee limit by €25 billion, bringing the total limit to €54.9 billion (Boudghene et al. 2011).

Greek banks continued to borrow heavily via the guarantee scheme. In April 2011, Greece raised the limit of the guarantee scheme by €30 billion, bringing the total limit to €84.9 billion. That year, Greece faced a rapidly escalating crisis regarding its sovereign debt, as credit ratings on Greek bonds crashed and CDS on Greek sovereign securities spiked (EC SA, 04/11/2011).

In January 2012, the EC passed a prolongation communication for member states with recapitalization programs and guarantee schemes, which instituted a series of additional guidelines for banks under Greece's guarantee scheme. Among these guidelines were limits on amount of bonds with maturities greater than one year. The communication also restricted the eligible debt to newly issued senior debt. The EC also required Greece to submit reports on the fees, operations, and restructuring plans of the banks under the guarantee scheme. The communication removed Greece from the EC's list of marketable risk (EC Communication, 01/01/2012).

In February 2012, the ECB retracted its temporary suspension of the Eurosystem's quality credit threshold for debt under the Greek guarantee scheme, effectively precluding many Greek banks from using these securities as eligible collateral with the ECB (02/27/2012).

On March 8, 2012, the EC reinstated the temporary suspension of the Eurosystem's quality credit threshold for debt under the Greek guarantee scheme, provided that the BOG include

---

<sup>3</sup> The ECB Governing Council oversees and applies the Eurosystem credit assessment framework (ECAAF) to determine which types of collateral the ECB will accept. The ECAAF evaluates the riskiness of collateral by drawing on evaluations of that collateral from four sources: credit assessment institutions, credit assessment systems from central banks, internal ratings systems used by counterparties, and rating tools from third parties. For more information see: <https://www.ecb.europa.eu/paym/coll/risk/ecaf/html/index.en.html>.



a clause to buy back the banks' debt. The following day, Greece announced that it would restructure its sovereign debt, using private sector funding (03/09/2012). Later that month, CDS trading on Greek sovereign bonds was put on hold (Oakley 2012a).

While Greece continued to face a sovereign debt crisis and austerity measures for many years, the structure of the guarantee scheme did not change substantially after 2012. In November 2014, the BOG transferred about €100 million from the Greek bond program (pillar III) to the guarantee scheme, bringing the total limit for the scheme to €85 billion. In February 2015, the ECB revoked its temporary suspension of the Eurosystem's quality credit threshold for debt under the Greek guarantee scheme (ECB Decision 02/10/2015). In December 2015, the BOG decided not to renew its €8 billion bond program (pillar III). Per Law 3723, the funds from the bond program would be transferred into the guarantee scheme. By 2016, the limit on the guarantee scheme had risen to €93 billion (EC SA 12/18/2015).

Banks utilized only 20% percent (€3 billion) of the available commitment during the first year of the guarantee scheme. The BOG attributed the lack of participation under the scheme to its high costs and to its understanding that capital markets seemed to be recovering well (Bank of Greece 2009b). Ultimately, Alpha Bank, Eurobank, Piraeus Bank, and National Bank of Greece—often recognized as Greece's four systemically important banks—drew from the scheme, along with other regional banks. While the sovereign debt crisis continued for years after 2012, total funds committed under the scheme decreased somewhat beginning near the end of 2012. As of November 2017, no bank had an outstanding debt covered by the guarantee scheme (EC SA, 12/01/2017). See Figure 1 below.

Figure 1: Guarantee Scheme, Usage snapshots (in €B)

Date	Committed (amount outstanding)	Remaining	Total <sup>1</sup>	No. of Banks Participating
February 2009	2.0	13.0	15.0	2
September 2009	3.0	12.0	15.0	3
January 2010	2.5	12.5	15.0	2
March 2010	4.6	10.4	15.0	Unknown
May 2010	Amendment to raise limit by 15.0 Transfer of 0.1 to Greek Bond Program		29.9	
June 2010	27.0	2.9	29.9	Unknown
June 2010	Amendment to raise limit by 25.0		54.9	
November 2010	28.0	26.9	54.9	Unknown
April 2011	Amendment to raise limit by 30.0		84.9	
June 2011	54.9	30	84.9	Unknown
December 2011	65.1	19.8	84.9	Unknown
June 2012	65.1	19.8	84.9	Unknown
November 2012	51.4	33.5	84.9	Unknown
May 2013	49.0	35.9	84.9	6+
November 2013	49.0	35.9	84.9	6+
May 2014	46.3	38.6	84.9	4
November 2014	36.0	49	85.0	4
May 2015	50.4	34.6	85.0	4
November 2015	47.8	37.2	85.0	4
Spring 2016	Transfer of 8.0 from Greek Bond Program		93.0	
June 2016	16.2	76.8	93.0	4
December 2016	5.1	87.9	93.0	2
June 2017	3.1	89.9	93.0	2
November 2017	0.4	92.6	93.0	1

<sup>1</sup> Total, not total outstanding. For an explanation of changes to the total commitment, see Program Description.

Compiled by Daniel Thompson. Sources: State Aid documents in Key Program Documents.

Per the EC's Prolongation Communication, Greece was required to submit the fees it charged for participation in the guarantee scheme after 2011. Greece used market data on credit ratings and the EC's minimum formula to determine the fee. Beginning in 2012, CDS spreads were not used as both Greece and the EC felt that they were not indicative of the Greek firms' financial positions (EC Prolongation Communication, 01/01/2012).

While the BOG indicated that it instituted the same guarantee fees as the EC's minimum guarantee fee guidelines, it seems unclear precisely what fees the BOG charged during the first several years of the guarantee scheme's operation. In the fall of 2012, the BOG began reporting guarantee fees that it charged banks as the result of a directive from the EC. These reports indicated that Greece charged 25 bps above the minimum required fee for loans with maturities from three months up to, but not including, one year.

As of the writing of this case, the Greek credit guarantee scheme is still operational. The peak outstanding commitment utilized was €65.1 billion in late 2011 and early 2012. While this was the greatest amount committed in absolute terms, the €65.1 billion amounted to approximately 76.7% of the commitment. In the spring of 2010, the BOG consistently committed close to 100% of the total available funding of €15 billion (EC SA, 05/12/2010; EC SA, 06/30/2010).

## II. Key Design Decisions

### 1. The Guarantee Scheme was established as the second pillar to a three-part liquidity enhancement and recapitalization initiative.

The Greek Parliament passed Law 3723 to comply with the Eurozone's October 2008 directive to enhance liquidity and recapitalize banks, which it then submitted to the European Commission. Law 3723 consisted of three main "pillars:" (I) a recapitalization program, (II) a credit guarantee program, and (III) a program to issue Greek sovereign securities to Greek institutions (otherwise known as the Greek Bond program). While a bank could draw from all three pillars, each pillar operated independently and required separate obligations and fees from participating banks.

Under the recapitalization program, the BOG purchased preferred shares from Greek banks with Greek sovereign bonds. Under the bond program, the BOG lent Greek institutions sovereign bonds with zero coupon rates. While limits on pillars I and III also fluctuated through the crisis, they always remained substantially lower than the guarantee scheme's limit. Law 3723 also stipulated that funds could be transferred between pillars II and III. Greece used this stipulation twice over the course of the program. Pillars I and III officially ended on December 31, 2012, and December 31, 2016, respectively, while the guarantee scheme is still ongoing (EC SA, 12/19/2016).

### 2. The Greek law 3723/2008 established the Guarantee Scheme.

On November 7, 2008, the Greek Ministry of Economy and Finance submitted a draft law, Law 3723, to the European Commission (EC) to fulfill the above directives through the Bank of Greece (BOG). The EC accepted the proposal less than two weeks later. While Law 3723 consisted of three main “pillars” including (I) a recapitalization program, (II) a credit guarantee program, and (III) a bond loan program, the focus for this case is pillar II, the credit guarantee scheme.

### **3. The creation of the credit guarantee scheme and any extensions or amendments to it were contingent on the EC’s approval.**

The European Commission approved the guarantee scheme on November 19, 2008. Any further prolongations or amendments would have to be authorized by the European Commission. As discussed in more detail below, the need to structure the guarantee scheme in such a way as to ensure EC approval significantly influenced the design of certain program features

### **4. The overall size of the guarantee scheme was increased from €15 billion in 2008 to €93 billion in 2016 before being cut to €30 billion in 2020.**

Based on the BOG’s actions over the course of the intervention, Greece could change the limit in at least three ways: amending the law itself, passing a new law to alter the limit, or moving funds from pillar III to pillar II (and vice versa). This last option, which was stipulated in Law 3723 itself, did not seem to require the EC’s approval. Greece set the scheme’s commitment limit at €15 billion, which it determined using forecasted estimates in November 2008 about the impact of the financial crisis on Greek Banks (EC SA, 05/12/2010).

By spring 2010, Greece had virtually exhausted all of its commitment. In April 2010, Greece passed Law 3845 which, among other stability measures, raised the limit of the guarantee scheme by €15 billion. Greece committed €123 million from the guarantee scheme to the bond scheme (pillar III), bringing the guarantee scheme’s total limit to approximately €29.9 billion (the law was approved by the EC on May 12; EC SA, 05/12/2010).

Greece quickly committed the additional €15 billion under Law 3845, and by June 2010 had again reached its commitment limit. On June 30, Greece increased the total guarantee limit by €25 billion, bringing the total limit to €54.9 billion (Boudghene et al. 2011).

Greek banks continued to borrow heavily from the guarantee scheme. In April 2011, Greece raised the limit of the guarantee scheme by €30 billion, bringing the total limit to €84.9 billion.

In November 2014, the BOG transferred about €100 million from the Greek bond program (pillar III) to the guarantee scheme, bringing the total limit for the scheme to €85 billion. In December 2015, the BOG decided not to renew its €8 billion bond program (pillar III). Per Law 3723, the funds from the bond program would be transferred into the guarantee

scheme. By 2016, the limit on the guarantee scheme had risen to €93 billion (EC SA, 12/18/2015).

In 2020, the BOG reduced the guarantee's size to €30 billion, noting that banks were "only marginally us[ing] the guarantee scheme" by this point.

**5. All credit institutions (or branches of foreign banks) licensed by the BOG could participate in the guarantee scheme.**

All credit institutions (or branches of foreign banks) licensed by the BOG could participate in the guarantee scheme. Enrollment was not automatic. Instead the scheme was made available upon request.

**6. The guarantee scheme accepted only new issuance of credit institutions' senior debt.**

Program documents explicitly excluded subordinated debt.

**7. Eligible maturities were between three months and three years.**

To be eligible for the guarantee scheme, all maturities had to fall between three months and three years. Initially, neither the BOG nor the EC placed restrictions on the two ranges of maturities—from three months up to, but not including, one year and from one year up to, and including, three years—that the program could guarantee. Beginning in 2013, however, the EC mandated that bonds with maturities between one and three years be limited to one-third of the guarantee scheme's total limit (EC SA, 01/22/2013).

**8. The guarantee scheme seems to have accepted all currencies.**

Program documents did not contain any restrictions on the currencies that would be eligible for the guarantee scheme.

**9. Individual caps for participating institutions were determined by BOG criteria.**

The BOG established an order of need to determine which banks would receive guarantees and how much of the overall budget they would receive. The order of need was based on a set of criteria below (Ministry of Economy and Finance 2008)

- 1) The bank's liquidity position and probability that its capital position would be affected (weighted 50% of the whole valuation)
- 2) Market share and importance to financial stability (30%)
- 3) Residual maturity of the bank's liabilities from 11/7/2008 to 12/31/2009 (10%)
- 4) The bank's involvement in loans to small and medium enterprises (10%).

### 10. Participation fees were assessed according to the maturity of the debt guaranteed and the soundness of the participating institution.

The initial fee structure developed by Greece was identical to the minimum fee recommendation for guarantee schemes established by the ECB on October 20, 2008. The fee was adjustable at the Greek Minister of Finance's discretion, pending the approval of the European commission. Banks were required to pay the fee every six months, except for the last period, as the payment become due on the day that the guarantee scheme expired. (See Figure 2 below.)

Figure 2: Initial Fee Structure

	Collateralized	Uncollateralized
<b>Maturity: from three months up to, but not including, one year</b>		
	25 bp	50 bp
<b>Maturity: from one year up to, and including, three years</b>		
With CDS spreads	The minimum amount between the median CDS spreads from the guaranteed bank and the median CDS spreads from a sample <sup>1</sup> of EuroBanks with equal credit ratings + 25 bps	The minimum amount between the median CDS spreads from the guaranteed bank and the median CDS spreads from a sample <sup>1</sup> of EuroBanks with equal credit ratings + 50 bps
Without CDS spreads (Credit rating)	The median CDS spreads from a sample <sup>1</sup> of EuroBanks with equal credit ratings to the guaranteed bank + 25 bps	The median CDS spreads from a sample <sup>1</sup> of EuroBanks with equal credit ratings to the guaranteed bank + 50 bps
Without credit rating	The median CDS spreads from a sample <sup>1</sup> of EuroBanks with the worst credit rating + 25 bps	The median CDS spreads from a sample <sup>1</sup> of EuroBanks with the worst credit rating + 50 bps

<sup>1</sup>Sample defined by the Eurosystem; CDS Spreads/Credit ratings

Created by Daniel Thompson. Source: Ministry of Economy and Finance 2008.

In April 2010, the EC determined that the liquidity and stability risks from the 2008 crisis had subsided. It decided to raise the minimum participation fees on all existing credit guarantee schemes to reduce competition distortions in the market. The increase would be determined by the following guidelines:

- 20 basis points for banks with a credit rating of A+ or A8
- 30 basis points for banks with a credit rating of A-9
- 40 basis points banks with a credit rating below A-
- Unrated banks would be treated as if they had a BBB rating

In enacting its decision, the EC also noted that the 2007-08 CDS spreads used to determine participation fees no longer properly reflected many of the banks' credit ratings, as many of

the participating institutions had been downgraded since 2008. The EC changed the spreads to those on July 1, 2010. Noting that the financial system still faced strains, the EC felt that it could raise the additional fees without compromising the financial system even if the market suffered a downturn (EC Working Document 04/30/2010).

### **11. Per the initial guidelines of the law, the BOG accepted a range of loans as eligible collateral for the guarantee.**

Per the initial guidelines of the law, the BOG accepted a range of loans as eligible collateral. The BOG could change the eligible collateral and adjust the haircuts used without requiring the passage of another law. There were three general rules for all accepted collateral. First, the minimum issuance amount was €50,000. Second, participating institutions needed to alert the BOG and replace their existing collateral if the collateral provided faced an increased chance of default, the credit rating for the participating institution was downgraded, or the institution failed to comply with the eligibility criteria. Last, loans in a foreign currency would receive a 15% haircut (Ministry of Economy and Finance 2008). Below is a list of eligible collateral under the guarantee scheme:

- Any collateral that was eligible in the Eurosystem
- Greek sovereign securities denoted in a foreign currency
- Loans collateralized by residential mortgages
  - Mortgages required to be in Greek territory
  - Loan-to-value of less than 95%
  - 20% haircut irrespective of residual maturity or interest rate
- Loans to shipping companies approved by the Bank of Greece
  - 50% haircut
- Loans to companies that are guaranteed by the Greek government or an entity with a similar credit level
- Claims of companies and natural persons
  - Serviced regularly
  - No delinquencies
- Performing loans to private party
  - Must be recognized by Greece
  - Must be rated Moody's (acceptable range Aaa-Ba3), Standard & Poor's (acceptable range AAA-BB), Fitch (acceptable range AAA-BB), or ICAP group (Greek rating agency; acceptable range AA-C)
- Corporate loans
  - Haircut contingent on credit rating or probability of default (see Figure 3 below) (Ministry of Economy and Finance 2008).

Figure 3: Haircuts on Corporate loans

Remaining duration (in years)	Credit Rating			
	AAA - A- (*)	BBB (*)	BB (*)	N/a
	Aaa - A3 (**)	Baa1 - Baa3 (**)	Ba1 -Ba3 (**)	
	AA - A (***)	BB -B (***)	C (***)	
Probability of default				
(0.0%, 0.1%)	(0.1%, 0.6%)	(0.6%, 1.0%)	(1.0%, 2.5%)	
Corresponding haircuts				
0-1	10%	15%	20%	50%
1-3	15%	20%	25%	
3-5	20%	25%	30%	
5-7	25%	30%	35%	
7-10	30%	35%	45%	60%
>10	40%	45%	50 %	

Created by Daniel Thompson. Source: Ministry of Economy and Finance, 2008; Standard & Poor's/Fitch, Moody's, ICAP.

**12. Banks were prohibited from advertising based on the guarantee scheme, and certain banks participating in the scheme after July 1, 2010, submit a viability review.**

In order to “help ensure that the participating institutions do not misuse the received State support to expand their activities,” participating institutions would commit not to engage in aggressive advertising or to expand their activities for other purposes (EC SA, 06/26/2014).

Greece's decision to institute a viability review stemmed from an EC mandate in the spring of 2010. Greece instituted verbatim the EC's mandate (EC SA, 06/30/2010). Prior to July 2010, banks under any scheme within the EC's jurisdiction were only required to submit viability reviews if the bank defaulted on a guarantee. By the spring of 2010, however, the EC expressed concern about the long-term viability of some of the participating banks. The EC's concern, along with the fact that the banks participating in EC-mandated capital injections or asset purchase programs had to submit restructuring plans, led the EC to mandate a viability review of every participating bank that exceeded a certain threshold after July 1, 2010 (EC Working Document 04/30/2010).



The threshold was set at both 5% of outstanding guaranteed liabilities out of total liabilities and at €500 million of guaranteed debt. Every bank above this threshold would have to submit a plan to its respective sovereign within three months of receiving a guarantee. The EC would use the viability review (which could also include a liquidity stress test) from each country to determine if the bank required a viability plan or a restructuring plan. The mandate did not apply to banks in restructuring or banks that had submitted plans prior to July 2010 (EC Working Document 04/30/2010).

### **13. The EC established reporting requirements for Greece in connection with the Guarantee Scheme.**

The EC's prolongation communication, passed in January 2012, required Greece to comply with additional measures related to increased communication with the EC. The communication required Greece to submit reports on the fees, operations, and restructuring plans of each bank under the guarantee scheme. Greece was required to submit the reports within three months of issuing a guarantee (EC Communication 01/01/2012).

### **14. Initially, the window for issuing guaranteed debt was to expire on April 30, 2009. It has been repeatedly extended to at least November 30, 2020.**

The EC mandated that all credit guarantee programs be limited to six months, with unlimited extensions to the programs contingent on the EC's approval (Boudghene et al. 2011). As of June 2020, Greece has continually requested and received six-month extensions since the scheme's inception in November 2008.

## **III. Evaluation**

There are very few sources outside the Greek government that evaluate the efficacy of the three programs implemented under Law 3723, and even fewer that analyze the credit guarantee scheme in isolation. Athanasios Koulouridas argues that Law 3723 violates aspects of Greece's community law (particularly Law 1290/1920) and capital market law. Koulouridas centers his critique on the recapitalization program (pillar I) and does not offer much tangible evidence against the guarantee scheme (Koulouridas 2011).

The Greek government has maintained that its credit guarantee scheme provided banks with much-needed liquidity. The BOG noted that banks appeared initially reluctant to participate in the measures under Law 3723 due to stigma and the fear of a potential negative market response (Bank of Greece 2014). However, the BOG "urged" the banks to take advantage of the provisions under the law in order to improve their capital position and alleviate the tight credit conditions. According to the BOG, banks strengthened their capital bases, and credit growth did not decline as much as expected.

It is likely that the credit viability of the Greek sovereign impacted the efficacy of its credit guarantee scheme. Panetta et al. compare spreads among a series of large banks across Europe and the U.S. that used credit guarantee schemes. They find that banks who participated in schemes with a weaker sovereign credit rating paid higher spreads relative to banks guaranteed by a sovereign with a higher credit rating, even if the latter bank had a slightly lower credit rating than the former bank (Panetta et al. 2009). Indeed, reporting from some media outlets suggests that the creditworthiness of the Greek sovereign seems to have directly impacted the rating of debt covered by the Greek credit guarantee scheme (Reuters 2017).

#### IV. References

Alogoskoufis, Georgios. 2008. "Decision: Enhancement of Liquidity in the Economy in Response to the Impact of the International Financial Crisis." November 7, 2008. Ministry of Economy and Finance, Directorate D25, of Capital Transaction, Guarantees Loans and Securities.

[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/GP\\_MEF\\_Draft%20Law\\_2008\\_11\\_07\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/GP_MEF_Draft%20Law_2008_11_07_0.pdf)

Bank of Greece. 2009. "Monetary Policy: Annual Report 2008-2009." February 2009. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/BOG\\_policy\\_2009\\_02.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/BOG_policy_2009_02.pdf).

———. 2009. "Monetary Policy: Interim Report 2009." October 2009. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/BOG\\_policy\\_2009\\_10.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/BOG_policy_2009_10.pdf).

———. 2014. "Chronicle of the Great Crisis, The: The Bank of Greece 2008-2013". September 2014.

[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/The%20Chronicle%20of%20The%20Great%20Crisis%20\(BOG%202014\).pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/The%20Chronicle%20of%20The%20Great%20Crisis%20(BOG%202014).pdf).

Boudghene, Yassine, Matthaeus Buder, Zetta Dellidou, Cristophe Galand, Violeta Iftinchi, Max Lienemeyer, Christos Malamataris, Danila Malvolti. "State Aid Control in a Stability Programme Country: The Case of Greece." *Competition Policy Newsletter*. The European Commission. June 2011.

[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/Boudghene\\_et%20al\\_%20StateAidControl\\_2011\\_09\\_01.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/Boudghene_et%20al_%20StateAidControl_2011_09_01.pdf).

European Central Bank. 2010. "Decision on Temporary Measures Relating to the Eligibility of Marketable Debt Instruments Issued or Guaranteed by the Greek Government." May 6, 2010. ECB/2010/3.

[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/ECB\\_Decision\\_2010\\_05\\_11\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/ECB_Decision_2010_05_11_0.pdf).

———. 2015. “Decision on the Eligibility of Marketable Debt Instruments Issued or Fully Guaranteed by the Hellenic Republic.” February 10, 2015. ECB/2015/6. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/ECB\\_Decision\\_2015\\_02\\_10.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/ECB_Decision_2015_02_10.pdf).

European Commission. “Declaration on a Concerted European Action Plan of the Euro Area Countries.” Final Version. October 12, 2008. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_Decision\\_2010\\_10\\_12\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_Decision_2010_10_12_0.pdf).

———, State Aid. 2008. “Support Measures for the Credit Institutions in Greece.” November 19, 2008. 560/2008. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2008\\_11\\_19.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2008_11_19.pdf)

———, State Aid. 2009. “Prolongation and amendment of the Support Measures for the Credit Institutions in Greece.” September 18, 2009. 504/2009. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2009\\_09\\_18.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2009_09_18.pdf).

———, State Aid. 2010. “Prolongation of the Support Measures for the Credit Institutions in Greece.” January 25, 2010. 690/2009. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2010\\_01\\_25.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2010_01_25.pdf).

———. 2010. “The Application of State Aid Rules to Government Guarantee Schemes Covering Bank Debt to be Issued After 30 June 2010.” April 30, 2010. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/phase\\_out\\_bank\\_guarantees.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/phase_out_bank_guarantees.pdf).

———, State Aid. 2010. “Amendment to the Support Measures for the Credit Institutions in Greece.” May 12, 2010. 163/2010. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2010\\_05\\_12\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2010_05_12_0.pdf).

———, State Aid. 2010. “Extension of the Support Measures for the Credit Institutions in Greece.” June 30, 2010. 260/2010. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2010\\_06\\_30.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2010_06_30.pdf).

———, State Aid. 2010. “Fourth extension of the Support Measures for the Credit Institutions in Greece.” December 21, 2010. 31998. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2010\\_12\\_21.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2010_12_21.pdf).

———, State Aid. 2011. “Amendment to the Support Measures for the Credit Institutions in Greece.” April 4, 2011. 32767. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2011\\_04\\_04.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2011_04_04.pdf).

———, State Aid. 2011. “Fifth Prolongation of the Support Measures for the Credit Institutions in Greece.” June 27, 2011. 33153. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2011\\_06\\_27.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2011_06_27.pdf).

———. 2011. “Communication from the Commission on the Application, from 1 January 2012, of State Aid Rules to Support Measures in Favor of Banks in the Context of the Financial Crisis.” December 19, 2011. 2011/C 356/02. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_PrologationCommunication\\_2012\\_01\\_01.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_PrologationCommunication_2012_01_01.pdf).

———, State Aid. 2012. “Sixth Prolongation of the Support Measures for the Credit Institutions in Greece.” February 6, 2012. 34149. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2012\\_02\\_06\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2012_02_06_0.pdf).

———, State Aid. 2012. “Seventh Prolongation of the Support Scheme for Credit Institutions in Greece.” July 6, 2012. 35002. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2012\\_07\\_06\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2012_07_06_0.pdf).

———, State Aid. 2013. “Prolongation of the Guarantee Scheme and the Bond Loan Scheme for Credit Institutions in Greece.” January 22, 2013. 35999. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2013\\_01\\_22\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2013_01_22_0.pdf).

———, State Aid. 2013. “Prolongation of the Guarantee Scheme and the Bond Loan Scheme for Credit Institutions in Greece.” July 25, 2013. 36956. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2013\\_07\\_25\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2013_07_25_0.pdf).

———, State Aid. 2014. “Prolongation of the Guarantee Scheme and the Bond Loan Scheme for Credit Institutions in Greece.” January 14, 2014. 37958. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2014\\_01\\_14\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2014_01_14_0.pdf).

———, State Aid. 2014. “Prolongation of the Guarantee Scheme and the Bond Loan Scheme for Credit Institutions in Greece.” June 26, 2014. 38857. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2014\\_06\\_26\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2014_06_26_0.pdf).

———, State Aid. 2015. “Prolongation of the Guarantee Scheme and the Bond Loan Scheme for Credit Institutions in Greece.” January 14, 2015. 40030. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2015\\_01\\_14\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2015_01_14_0.pdf).

———, State Aid. 2015. “Prolongation of the Greek Financial Support Measures (Art. 2 law 3723/2008).” June 29, 2015. 42215. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2015\\_06\\_29\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2015_06_29_0.pdf).

———, State Aid. 2015. “Prolongation of the Greek Financial Support Measures (Art. 2 law 3723/2008).” December 18, 2015. 43825. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2015\\_12\\_18.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2015_12_18.pdf).

———, State Aid. 2016. “State Aid: Prolongation of the Greek Financial Support Measures.” June 26, 2016. 45629. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2016\\_06\\_29.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2016_06_29.pdf).

———, State Aid. 2016. “Prolongation of the State Guarantee Scheme (Art. 2 law 3723/2008).” December 19, 2016. 46955. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2016\\_12\\_19\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2016_12_19_0.pdf).

———, State Aid. 2017. “Prolongation of the Greek State Guarantee Scheme for Banks (Art. 2 law 3723/2008).” July 3, 2017. 48400. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2017\\_07\\_03\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2017_07_03_0.pdf).

———, State Aid. 2017. “Prolongation of the Greek State Guarantee Scheme for Banks (Art. 2 law 3723/2008).” December 6, 2017. 49583. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2017\\_12\\_01.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2017_12_01.pdf).

———, State Aid. 2020. “Prolongation of the Greek State Guarantee Scheme for banks 01.06.2020-30.11.2020 (Art. 2 of Law 3723/2008).” June 16, 2020. 57262. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2020\\_07\\_16.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2020_07_16.pdf).

Koulouridas, Athanasios. 2011. “Finance: Banking and Investment.” In *Business and Management Practices in Greece*, edited by Rea Prouska and Maria Kapsali. New York: Palgrave MacMillan.

Nelson, Rebecca M., Paul Belkin, and Derek E. Mix. 2011. “Greece’s Debt Crisis: Overview, Policy Responses and Implications.” Congressional Research Service. R41167. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/Greece%E2%80%99s%20Debt%20Crisis%20Overview,%20Policy%20Responses%20and%20Implications%20\(Nelson,%20Belkin,%20and%20Mix%202011\).pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/Greece%E2%80%99s%20Debt%20Crisis%20Overview,%20Policy%20Responses%20and%20Implications%20(Nelson,%20Belkin,%20and%20Mix%202011).pdf).

Oakley, David, Joshua Chaffin and Richard Milne. 2012. “Greek Debt Swap Triggers Massive Payouts.” *Financial Times*, March 9, 2012. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/Greek%20debt%20swap%20triggers%20massive%20payout%20\(FT%202012b\).pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/Greek%20debt%20swap%20triggers%20massive%20payout%20(FT%202012b).pdf).

Oakley, David. 2012. “Greek Yields Up as CDS Trading Put on Hold.” *Financial Times*, March 25, 2012. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/Greek%20yields%20up%20as%20CDS%20trading%20put%20on%20hold%20\(FT%202012a\).pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/Greek%20yields%20up%20as%20CDS%20trading%20put%20on%20hold%20(FT%202012a).pdf).

Panetta, Fabio, Thomas Faeh, Giuseppe Grande, Corrinne Ho, Michael King, Aviram Levy, Federico M. Signoretti, Marco Taboga, Andrea Zaghini. 2009. “An Assessment of Financial Sector Rescue Programmes.” BIS Papers, No. 48 (July). <https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/BIS%20->

%20Assessment%20of%20Financial%20Sector%20Rescue%20Programs%20-%20CDS%20premia.pdf.

Rehn, Olli and Dominique Strauss-Kahn. 2010. "Joint Statement on Greece by EU Commissioner Olli Rehn and IMF Managing Director Dominique Strauss-Kahn." May 2, 2010. [https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/Rehn\\_Kahn\\_PR\\_2010\\_05\\_02\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/Rehn_Kahn_PR_2010_05_02_0.pdf).

Reuters. 2017. "Fitch Upgrades Eurobank's and National Bank of Greece's State-Guaranteed Debt to 'B-'." September 6, 2017.

Schwarzer, Daniella. 2009. "Institutional and Policy Dynamics in the EMU's Internal Governance and External Representation." In *Liberalism in Crisis?: European Economic Governance in the Age of Turbulence*, edited by Carlo Secchi and Antonio Villafranca. Northampton, MA: Edward Elgar Publishing.

## V. Key Program Documents

### Implementation Documents

State Aid N 504/2009 – Greece Prolongation and amendment of the Support Measures for the Credit Institutions in Greece – *European Commission State Aid document amending and extending support measures for financial institutions.*  
[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2009\\_09\\_18.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2009_09_18.pdf).

State Aid N 690/2009 – Greece Prolongation of the Support Measures for the Credit Institutions in Greece – *European Commission State Aid document amending and extending support measures for financial institutions.*  
[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2010\\_01\\_25.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2010_01_25.pdf).

State Aid N 163/2010 – Greece Amendment to the Support Measures for the Credit Institutions in Greece – *European Commission State Aid document amending and extending support measures for financial institutions.*  
[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2010\\_05\\_12\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2010_05_12_0.pdf).

State Aid N 260/2010 – Greece Extension of the Support Measures for the Credit Institutions in Greece – *European Commission State Aid document extending support measures for financial institutions.*  
[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2010\\_06\\_30.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2010_06_30.pdf).

State Aid SA.31998 (2010/N) – Greece Fourth extension of the Support Measures for the Credit Institutions in Greece – *European Commission State Aid document amending and*

*extending support measures for financial institutions.*  
[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2010\\_12\\_21.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2010_12_21.pdf).

State Aid SA.32767 (2011/N) – Greece Amendment to the Support Measures for the Credit Institutions in Greece – *European Commission State Aid document amending support measures for financial institutions.*  
[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2011\\_04\\_04.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2011_04_04.pdf).

State Aid SA.33153 (2011/N) Greece Fifth prolongation of the Support Measures for the Credit Institutions in Greece – *European Commission State Aid document extending support measures for financial institutions.*  
[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2011\\_06\\_27.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2011_06_27.pdf).

State Aid SA.34149 (2011/N) Greece Sixth prolongation of the Support Measures for the Credit Institutions in Greece – *European Commission State Aid document extending support measures for financial institutions.*  
[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2012\\_02\\_06\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2012_02_06_0.pdf).

State Aid SA.35002 (2012/N) Greece Seventh prolongation of the Support Scheme for Credit Institutions in Greece – *European Commission State Aid document extending support measures for financial institutions.*  
[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2012\\_07\\_06\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2012_07_06_0.pdf).

State aid SA.35999 (2012/N) Greece Prolongation of the Guarantee Scheme and the Bond Loan Scheme for Credit Institutions in Greece – *European Commission State Aid document extending support measures for financial institutions.*  
[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2013\\_01\\_22\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2013_01_22_0.pdf).

State aid SA.36956 (2013/N) Greece Prolongation of the Guarantee Scheme and the Bond Loan Scheme for Credit Institutions in Greece – *European Commission State Aid document extending support measures for financial institutions.*  
[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2013\\_07\\_25\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2013_07_25_0.pdf).

State aid SA.37958 (2013/N) Greece Prolongation of the Guarantee Scheme and the Bond Loan Scheme for Credit Institutions in Greece – *European Commission State Aid document extending support measures for financial institutions.*  
[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2014\\_01\\_14\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2014_01_14_0.pdf).

State aid SA.38857 (2014/N) Prolongation of the Guarantee Scheme and the Bond Loan Scheme for Credit Institutions in Greece –  
[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2014\\_06\\_26\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2014_06_26_0.pdf).

State aid SA.40030 (2014/N) Prolongation of the Guarantee Scheme and the Bond Loan Scheme for Credit Institutions in Greece – *European Commission State Aid document*

*extending support measures for financial institutions.*  
[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2015\\_01\\_14\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2015_01_14_0.pdf).

State aid SA.42215 (2015/N) Prolongation of the Greek financial support measures (Art. 2 law 3723/2008) – *European Commission State Aid document extending support measures for financial institutions.*  
[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2015\\_06\\_29\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2015_06_29_0.pdf).

State aid SA.43825 (2015/N) Prolongation of the Greek financial support measures (Art. 2 law 3723/2008) – *European Commission State Aid document extending support measures for financial institutions.*  
[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2015\\_12\\_18.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2015_12_18.pdf).

State aid SA.45629 (2016/N) Prolongation of the Greek financial support measures (Art. 2 law 3723/2008) – *European Commission State Aid document extending support measures for financial institutions.*  
[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2016\\_06\\_29.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2016_06_29.pdf).

State aid SA.46955 (2016/N) Prolongation of the State Guarantee Scheme (Art. 2 law 3723/2008) – *European Commission State Aid document extending support measures for financial institutions.*  
[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2016\\_12\\_19\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2016_12_19_0.pdf).

State aid SA.48400 (2017/N) Prolongation of the Greek State Guarantee Scheme for banks (Art. 2 law 3723/2008) – *European Commission State Aid document extending support measures for financial institutions.*  
[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2017\\_07\\_03\\_0.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2017_07_03_0.pdf).

State aid SA.49583 (2017/N) Prolongation of the Greek State Guarantee Scheme for banks (Art. 2 law 3723/2008) – *European Commission State Aid document extending support measures for financial institutions.*  
[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC\\_SA\\_2017\\_12\\_01.pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/EC_SA_2017_12_01.pdf).

## **Reports/Assessments**

The Chronicle of the Great Crisis: The Bank of Greece 2008-2013 – *Bank of Greece report on the government actions and interventions in response to the global financial crisis.*  
[https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/The%20Chronicle%20of%20The%20Great%20Crisis%20\(BOG%202014\).pdf](https://ypfsresourcelibrary.blob.core.windows.net/fcic/YPFS/The%20Chronicle%20of%20The%20Great%20Crisis%20(BOG%202014).pdf).

Copyright 2019, 2020 © Yale University. All rights reserved. To order copies of this material or to receive permission to reprint any or all of this document, please contact the Yale Program for Financial Stability at [ypfs@yale.edu](mailto:ypfs@yale.edu).