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Greece's Thrivest Sets Plan to Build Largest Non-Systemic Bank

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(Bloomberg) -- Investment company Thrivest Holdings Ltd. is planning to create Greece's largest non-systemic lender, filling a gap in the country's banking market that's shut many companies off from financing.

Thrivest has agreed to participate in Attica Bank SA's upcoming capital increase, which will lead to a merger with Pancreta Bank SA, Alexandros Exarchou, one of the investment firm's founders, said in an interview. That will pave the way for "the creation of Greece's fifth banking pillar" to complement the country's four largest banks, he said.

"The benefit of having a fairly big non-systemic bank without systemic restrictions is that we'll be able to facilitate what is currently lacking in the Greek market — banking facilities for small and medium enterprises," Exarchou said in Athens.

Exarchou, 56, is one of Thrivest's three owners, and he's also chief executive officer of Greek construction group Intrakat.

The Bank of Greece, the European Investment Fund and European regulators have welcomed the investment firm's plans, Exarchou said.

"While smaller companies are the core of the Greek economy, they currently find it very difficult to secure financing from the country's principle banks," Exarchou said.

Exarchou founded Thrivest along with Dubai-based Greek shipowners Dimitris Bakos and Ioannis Kaimenakis. They have set up vehicles to invest in sectors of the Greek economy including banking and renewable energy. In 2022, the three acquired the largest stake in Intrakat following a capital increase, gaining a holding of almost 32% as they targeted the company's renewable energy portfolio.

The trio are also the biggest shareholders in Pancreta and have said they plan to buy another 10% stake to lift their total holding in the lender to 44%. In March of last year, Pancreta agreed to buy HSBC Holdings Plc's 15 Greek branches.

Second Capital Increase

After the Attica-Pancreta merger, “another capital increase will be necessary,” Exarchou said. Shareholders including Thrivest will participate equally in the second increase to create a new bank which will then be listed, he said.

Attica Bank has said it wants to raise as much as €473.3 million (\$510 million) as part of a revised business plan that eyes a return to operational profitability at the end of 2024. The Hellenic Financial Stability Fund, Greece’s bank recapitalization fund, currently holds 69.5% of the lender, while another 20.1% belongs to the TMEDE Greek engineers and public works builders’ fund.

Before committing to participate in the Attica capital increase, Thrivest needs current shareholders to commit to ensuring that “Attica’s past is over,” Exarchou said, with sufficient funds “to clean up the slate of the past and for all legacy issue to die.” There may also be a need for additional funds depending on how Attica handles its so-called red-loan packages, he said.