The National Bank of Greece and the International Finance Corporation (IFC), an affiliate of the World Bank, together with leading private financial institutions in Europe and the United States, are to participate in an increase in the share capital of the National Investment Bank for Industrial Development, S.A. (NIBID), a private development finance company in Greece. The capital increase, from 180 million drachmas ($6 million) to Dr. 300 million ($10 million), will enable NIBID to enlarge its participation in industrial financing in Greece, at a time when the development of industry is of rising importance to the economy. IFC's commitment to subscribe to shares of NIBID amounts to approximately $716,000, which will give it a position equal to that of the largest foreign shareholder.

NIBID was founded in 1963 by the National Bank of Greece, the largest commercial bank in the country, and nine leading foreign financial institutions. Its principal objectives are to provide medium and long-term financial and other assistance to existing and new productive private enterprises in Greece in the fields of manufacturing, mining, tourism and shipping, and to promote the development of the capital market. It is actively concerned with bringing together Greek and foreign interests in the establishment of new productive enterprises. It aims to provide managerial and technical assistance to its clients.

NIBID has embarked on a variety of activities, including long-term lending and investing in equity capital, and has helped to evolve new forms of securities
especially suitable for Greek industry. As of June 30, 1965, its portfolio amounted to Dr. 61.4 million (approximately $2 million), and it has entered into commitments amounting to a further $2 million. NIBID's largest investment, in Titan Cement Company, S.A., was undertaken jointly with IFC and the European Investment Bank (EIB), and represented the first instance of EIB and IFC cooperation in an investment as well as the first instance of collaboration between IFC and NIBID.

The National Bank of Greece holds 55 per cent of NIBID's share capital, the remainder being held by ten foreign institutions, all of whom will be participating in the capital increase. These include Chase International Investment Corporation; Deutsche Bank A.G.; Banca di Credito Finanziario (Mediobanca) S.p.A.; Hambros Bank, Ltd.; Manufacturers Hanover International Banking Corporation; Banque Lambert; Compagnie Financiere et Industrielle "Cofinindus" S.A.; Banque Nationale pour le Commerce et l'Industrie S.A.; Credit Lyonnais; and Credit Commercial de France S.A.

In accordance with its general development policy, the Government of Greece attaches considerable importance to the expansion and modernization of industry and recognizes the need to attract foreign industrial investment to Greece. In recent years total investment has risen rapidly and at present amounts to about 23 per cent of the gross national product. Though in the past a relatively large share of this went into agriculture and to the creation of an infrastructure, industrial investment is now expected to assume greater importance.

The increase in the capital of NIBID will be accomplished in two stages. The first stage provides for an increase of Dr. 33 million ($1.1 million), by issue of 11,000 new shares. The National Bank of Greece will take up 6,000 of these shares and IFC the remaining 5,000 shares. The second stage, to be completed before June 30, 1966, will provide for an increase of Dr. 87 million ($2.9 million), to be taken up proportionately by all the shareholders, including IFC.