



ACADEMIC YEAR 2014 – 2015

TITLE OF DIPLOMA THESIS:

The Financing of Greek Construction Companies and the evaluation of Greek Banks during the Current Greek Depression

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ABSTRACT

The current investigation focuses on the financing of Greek construction companies and on the evaluation of Greek banks for the above financing, during the current Greek depression. Furthermore, the mutual relationship of the Greek construction companies and the Greek banks is analyzed towards this objective. To begin with, four of the largest Greek construction companies are briefly presented. Then, three basic principles related to the firms' financing are analyzed. The aforementioned principles concerning the companies under investigation are reviewed for the last decade 2005-2015; during the same period current liabilities, equity, current assets, long-term loans, fixed assets are computed. In an attempt to evaluate the Greek banks' performance, financial ratios are calculated. The period of economic boom for Greek banks ended along with the global crisis that started in 2008, and especially with the Greek fiscal crisis one year later. Such a behavior is displayed through the calculated financial ratios, especially between 2011 and 2012, when Greek banks posted deep losses. As a result, they had to deal with liquidity problems, low capital adequacy, low profitability and low credibility. Despite the crisis, construction companies are still looking for financing and of course banks are looking for clients. However, due to the crisis, a lot of restrictions can be referred to. In this study are suggested methods that —by taking into account a broad spectrum of selection criteria— contribute to the proper selection of bank or company. The aforementioned basic principles of financing and the financial ratios calculated are the most important criteria in the selection procedure. Sensitivity analysis, analytical hierarchical process and quantification of criteria and alternatives are also implemented. The selection procedure is a daunting task and lots of calculations are used. The results are influenced by the adverse economic conditions in Greece. Finally, at the end of the day, the performance of construction companies is sensitive to the prevailing economic conditions and such conditions should be improved in our country. I believe the proposed and detailed-out framework in this investigation addresses this concern.

KEYWORDS

financing, selection criteria, mutual relationship, construction companies, banks

