EBRD Mobilisation

European Bank
for Reconstruction and Development

August 2024

Outline

European Bank
for Reconstruction and Development

- **Introduction to the EBRD**
- Mobilisation and the EBRD
- Mobilisation Products and Co-financiers
- Recent Mobilisation Initiative/Co-financing Highlights

What we do

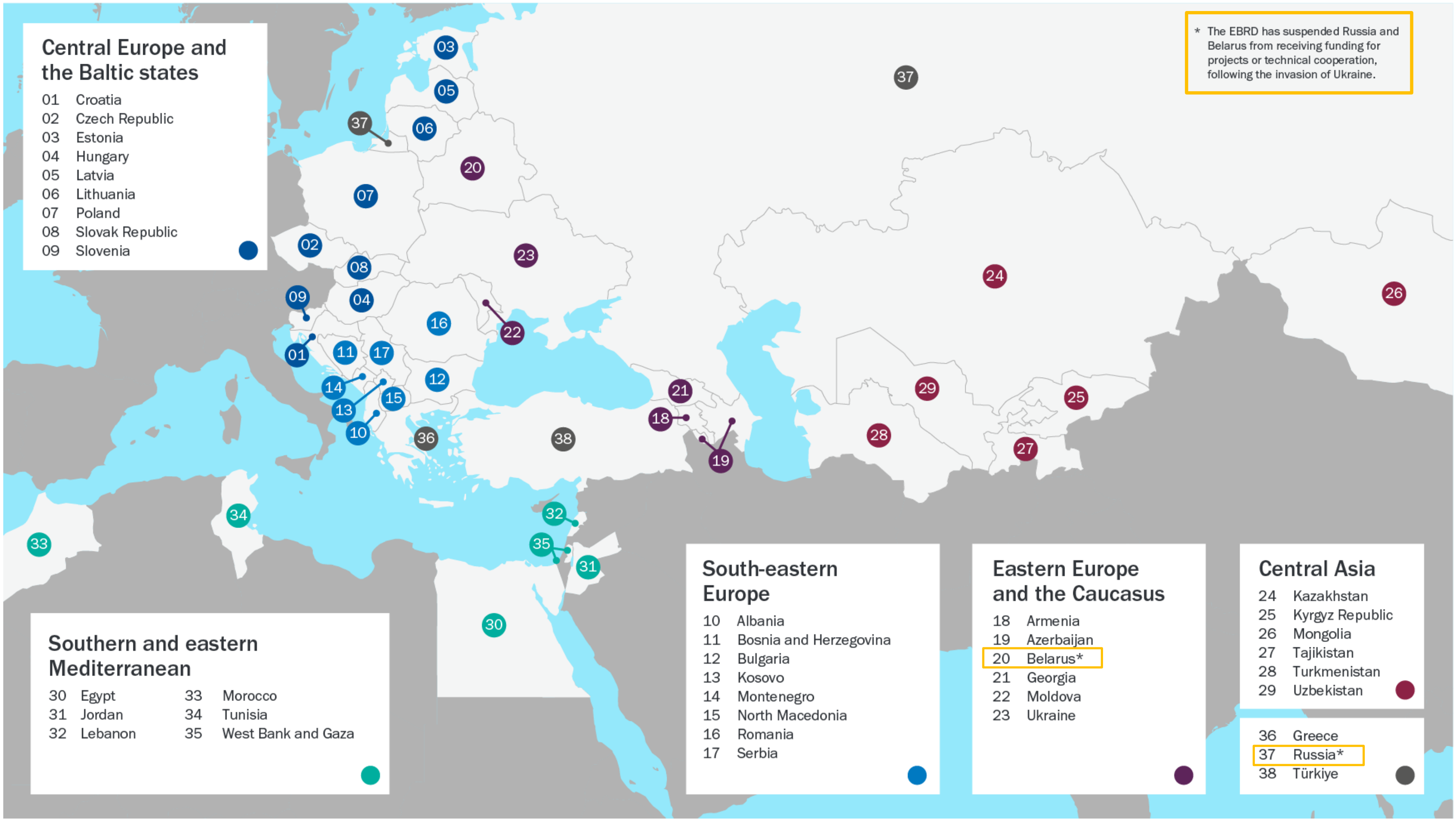
European Bank
for Reconstruction and Development

The EBRD invests to build up open, effective and market-oriented economies in countries across three continents and to make a positive impact on people's lives.

With a focus on private sector investment and support for policy reform, we work to ensure that economies in our regions are competitive, inclusive, well-governed, green, resilient and integrated.

Countries of Operations (COOs)

European Bank
for Reconstruction and Development



Activities

European Bank
for Reconstruction and Development

Providing finance

Loans

- Loans are tailored to meet the particular requirements of a project. The credit risk may be taken entirely by the EBRD or partly syndicated to the market.

Equity investments

- These may be undertaken in a variety of forms, including direct investment in companies, investment in equity funds as well as venture capital investments. When the EBRD takes an equity stake, it expects an appropriate return on its investment and will only take a minority position.

Guarantees

- We also provide guarantees to help borrowers gain access to financing through our Trade Facilitation Programme.

Other ways to work with us

Advisory services for businesses

- In addition to finance, the EBRD provides business advice to small and medium-sized enterprises (SMEs), spurring growth and innovation.

Procurement opportunities

- The EBRD provides many opportunities for suppliers, contractors and consultants worldwide for mainly related to EBRD-financed projects but also internal EBRD projects.

Trade Facilitation Programme

- The programme aims to promote foreign trade to, from and amongst the EBRD countries of operations and offers a range of products to facilitate this trade.

Project Finance

European Bank
for Reconstruction and Development

What we finance

Projects may be considered for EBRD assistance if they:

- are located in an economy where the EBRD operates
- have good prospects of being profitable
- have significant equity contributions in cash or in kind from the project sponsor
- would benefit the local economy
- satisfy the EBRD's environmental standards, as well as those of the host country

What we don't finance

- Defence-related activities
- Tobacco industry
- Substances banned by international law
- Stand-alone gambling facilities.

In addition, we may not finance certain products or processes due to their environmentally harmful nature or if their adverse impact cannot be adequately mitigated.

Our transition qualities

European Bank
for Reconstruction and Development

Competitive

Building dynamic and open markets that stimulate competition, entrepreneurship and productivity growth.

Well-governed

Promoting the rule of law, transparency, and accountability, and stimulating firms to adequately safeguard and balance the interests of their stakeholders.

Inclusive

Building inclusive market economies which ensure equal economic opportunity for all and leave no group behind.

Integrated

Building geographically integrated domestic and international markets for goods, services, capital and labour.

Resilient

Building resilient market economies that can withstand turbulence and shocks.

Green

Building green, sustainable market economies which preserve the environment and protect the interests of future generations.

Alignment to UN Sustainable Development Goals

European Bank
for Reconstruction and Development

Six EBRD qualities of a sustainable market economy

Competitive

Integrated

Inclusive

Green

Well-governed

Resilient

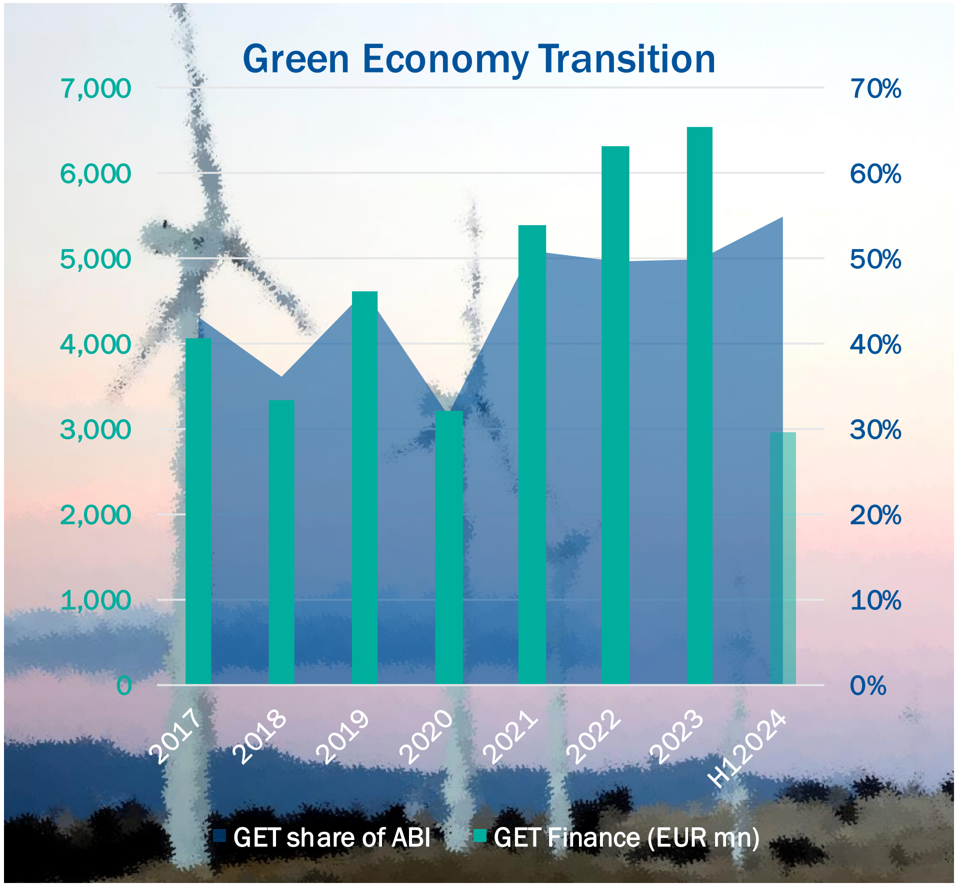
Three EBRD sector groups

Industry, commerce, agribusiness

Sustainable infrastructure

Financial institutions

Sustainable finance



Preserving and improving the environment are central features of a modern, well-functioning market economy and therefore key goals of the transition process that the EBRD was set up to promote.

Building on a decade of successful green investments, the EBRD seeks to increase the volume of green financing to 50 per cent by 2025.

Results
as of H1 2024

European Bank
for Reconstruction and Development

Net cumulative Bank investment

€200.2 billion (since 1991)

€5.4 billion (in H1 2024)

Number of projects

7,152 (since 1991)

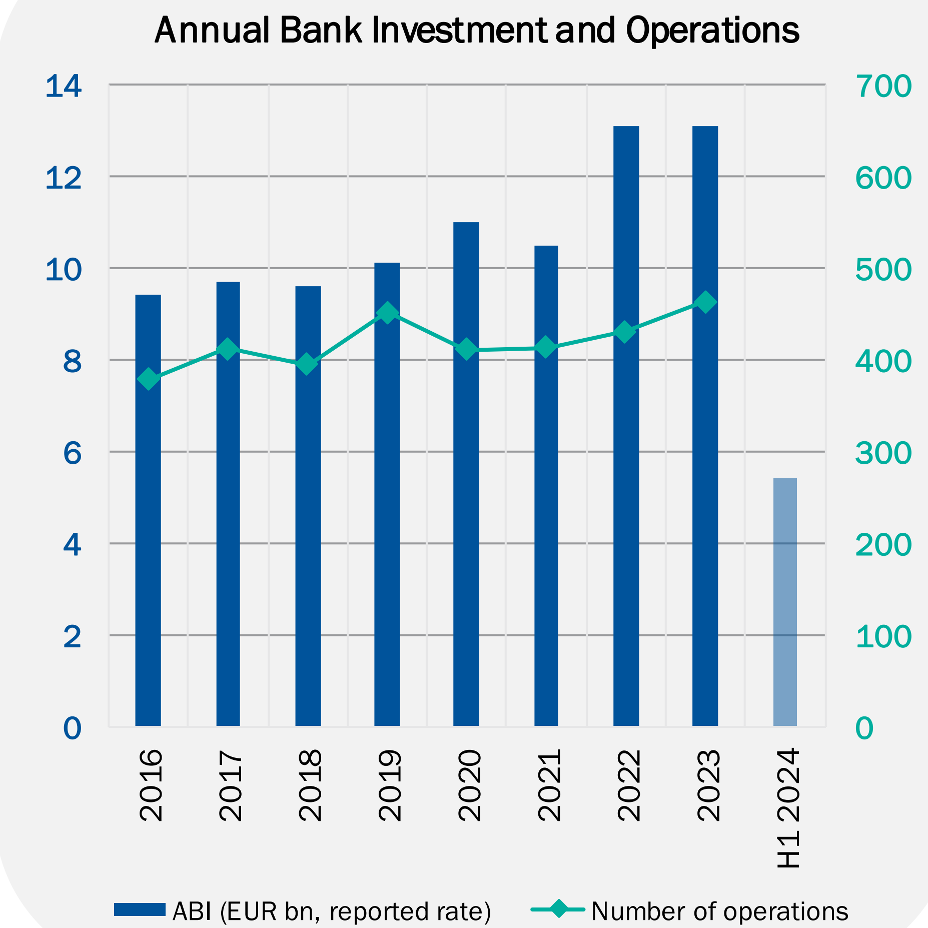
267 (in H1 2024)

Cumulative disbursements

€146.1 billion (since 1991)

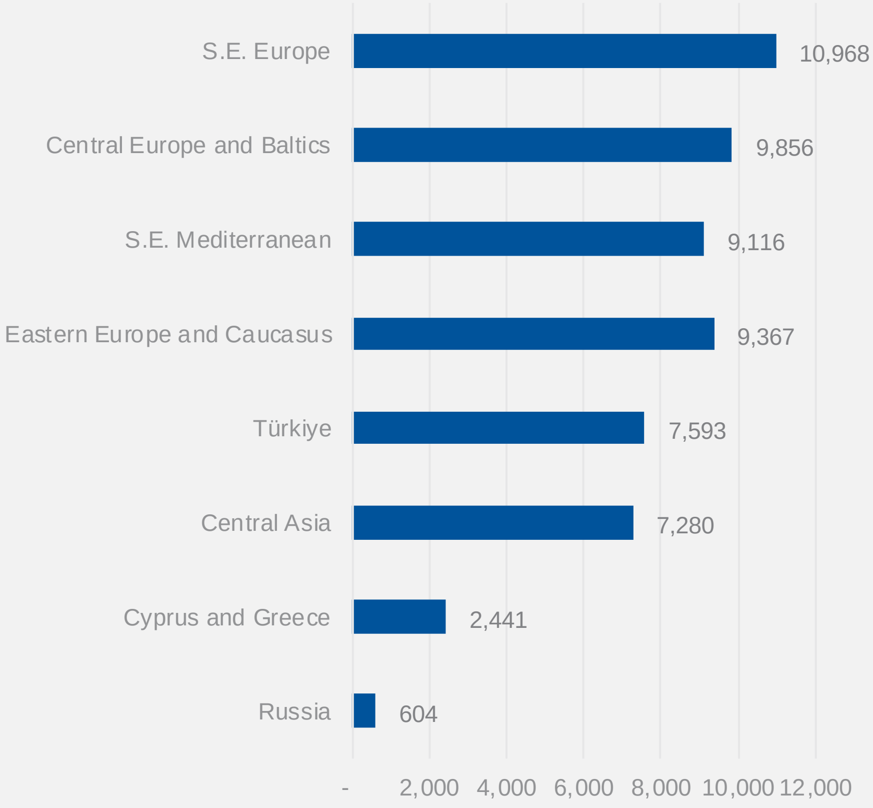
Private share of net cumulative Bank investment

80%

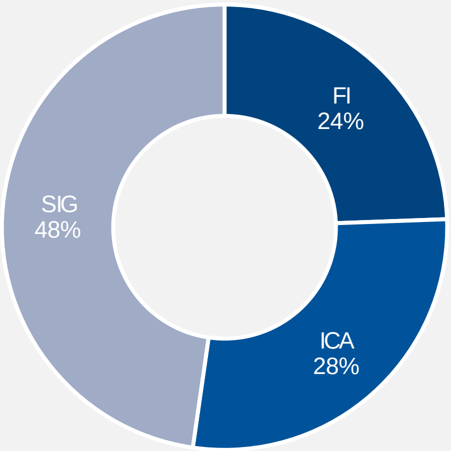


Portfolio
as of H1 2024

Regional breakdown (EUR million)



Sector breakdown (%)



Sustainable Infrastructure - EUR **27.3bn**
- Energy
- Municipal and Environmental Infrastructure
- Transport

Industry, Commerce & Agri. - EUR **15.9bn**
- Agribusiness
- Technology, Media & Telecommunications
- Manufacturing and Services
- Property and Tourism
- Natural Resources

Financial Institutions - EUR **14bn**

Outline

European Bank
for Reconstruction and Development

- Introduction to the EBRD
- **Mobilisation and the EBRD**
- Mobilisation Products and Co-financiers
- Recent Mobilisation Initiative/Co-financing Highlights

Mobilisation and the EBRD

European Bank
for Reconstruction and Development

EBRD has a mandate to mobilise

The agreement establishing the Bank places emphasis on the Bank's role as a catalyst to encourage the involvement of commercial sources of financing for operations in the region.

> *Article 11.1 (i) states that the Bank shall carry out its operations by "co-financing together with multilateral institutions, commercial banks or other interested sources … to facilitate …. the participation of private and/or foreign capital."*

In the context of meeting the investment and financing needs of emerging markets and strengthening the investment climate, the EBRD (in collaboration with other multilateral development banks) committed to substantially increasing the private sector mobilisation over the coming years.

Transition Impact & Additionality

Attracting private sector investment flows supports private sector development and the transition to a sustainable market economy. Mobilisation by the Bank increases the level of investment in countries of operations. It can provide access to more capital for private businesses and introduce new instruments or investors to a market. It also raises the Bank's transition impact by expanding the number and scale of projects.

As such, mobilisation contributes to building the conditions in which finance can flow sustainably.

Mobilisation also strengthens the Bank's additionality where it closes a funding gap or provides comfort to market participants who would otherwise not be able to invest.

Mobilisation for Climate Change

European Bank
for Reconstruction and Development

EBRD actively supports the transition to a low carbon and resilient economy in its COOs

The EBRD brings two recent commitments on enhancing its climate action:

1. *To increase the proportion of its green investments to at least 50 per cent of the total by 2025.*
2. *Align all its operations with the goals of the Paris Agreement by 1st Jan 2023*

At COP 26, the Bank announced its intention to double the mobilisation of private sector climate financing by 2025.

Climate finance mobilisation is delivered through four channels:

1. *EBRD's own funding*
2. *Private direct mobilisation*
3. *Private indirect mobilisation*
4. *Enabled mobilisation (catalysation)*

Scaling-up private sector mobilisation

This entails increasing the supply of capital for projects that contribute to reducing GHG emissions and the supply of bankable projects for that capital.

On the supply of capital side: the EBRD applies a wide range of mechanisms to help private investors access EBRD markets that facilitates capital flows into low-carbon investments.

On the supply of bankable projects side: the EBRD is working to increase the demand for climate finance in two ways:

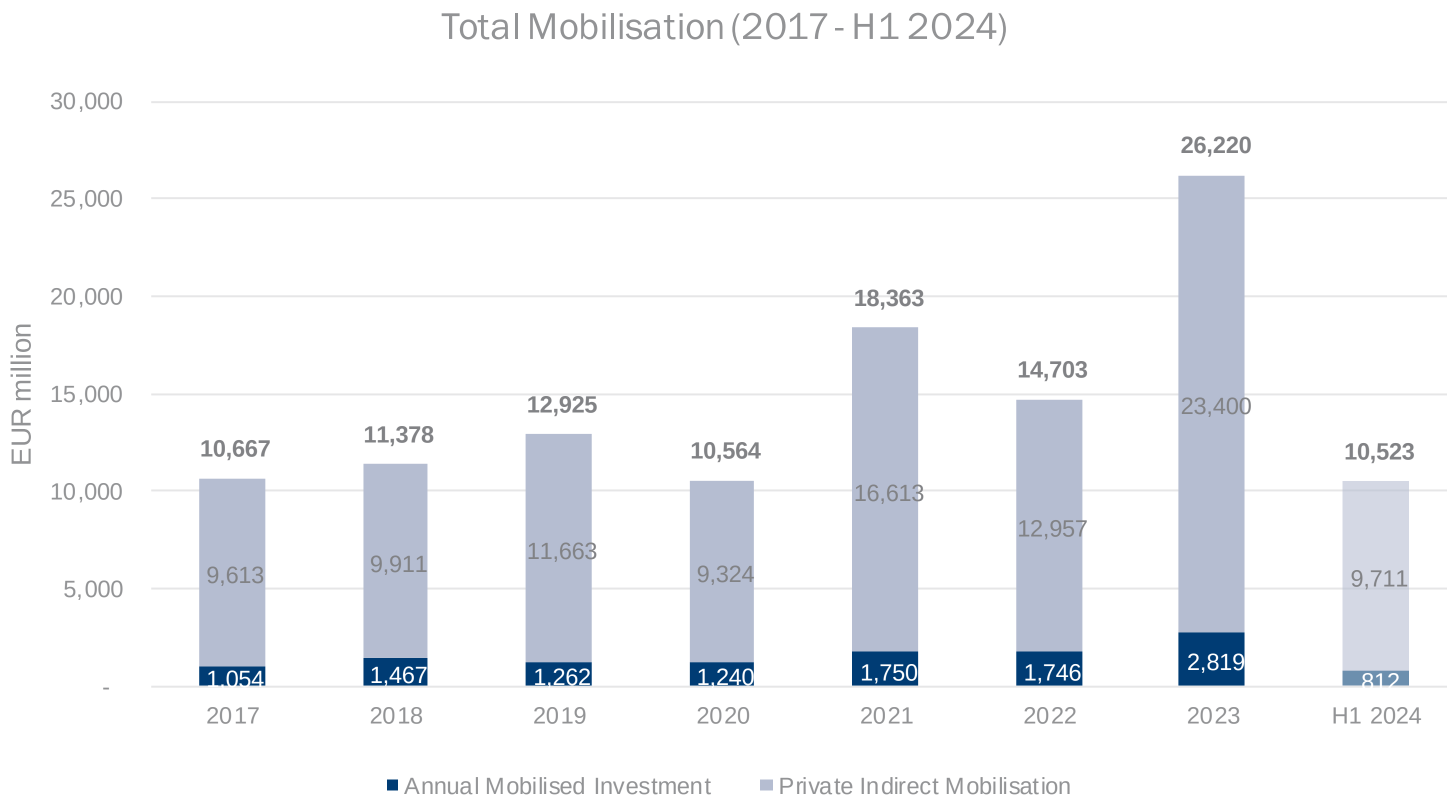
1) *By helping to create a regulatory environment that facilitates and incentivises low-carbon investment*
2) *By addressing the cost barriers that prevent these investments. EBRD flagship GET initiatives are designed to create the incentives to address these market barriers*

Needs for concessional instruments remain significant in the EBRD region, to address the current higher price of low-carbon products and services, in comparison to more carbon-intensive ones (as well as to overcome various other barriers).

Mobilisation Volumes

2017 – H1 2024

European Bank for Reconstruction and Development



Total Mobilisation is defined as the sum of **Annual Mobilised Investment (AMI)** plus **Private Indirect Mobilisation (PIM).**

- AMI is an EBRD-specific definition. It is the volume of commitments from entities other than the EBRD made available to clients due to EBRD's direct involvement in mobilising external financing.
- PIM is an MDB-agreed definition which represents the financing from private entities provided in connection with a specific activity for which an MDB is providing financing, where no MDB is playing an active or direct role that leads to the commitment of the private entity's finance. This amount includes instances where the EBRD was instrumental in the underlying transaction but the structure of the project did not allow to evidence the qualification of the mobilised amount as direct mobilisation.

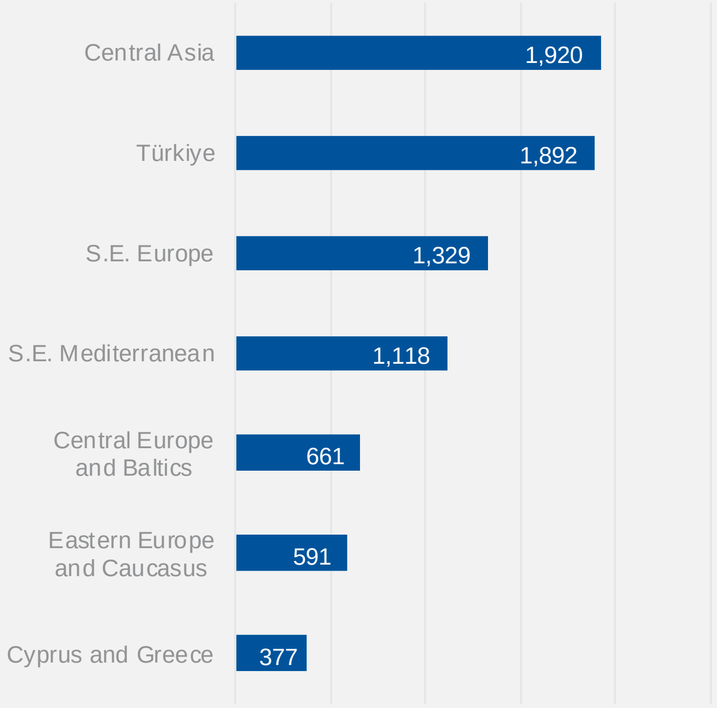
EBRD Mobilised Active Portfolio*

as of H1 2024

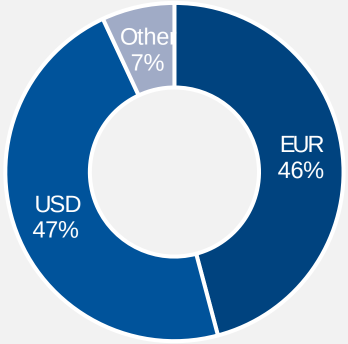
European Bank
for Reconstruction and Development

Regional breakdown

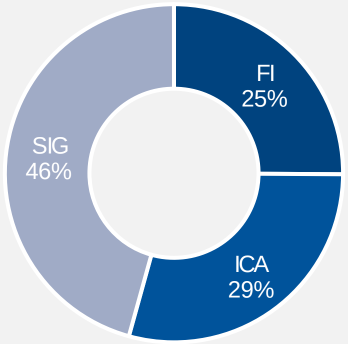
EBRD Mobilised Active Portfolio Volume in EUR million



Currency breakdown (%)



Sector breakdown (%)



€ 7.9bn
Active portfolio volume

>130
Operations

BB/BB-
S&P rating equivalent

1.7%
Non-performing loans

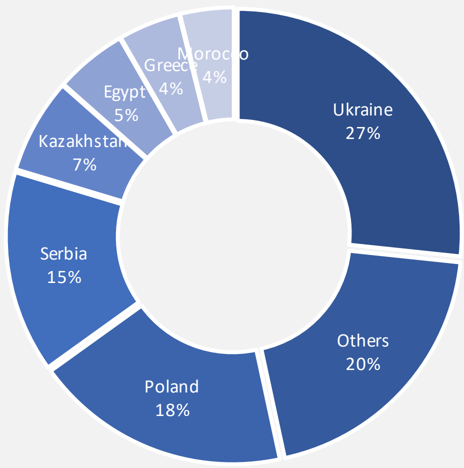
*The **EBRD Mobilised Active Portfolio** reflects the portion of the underlying assets held on EBRD's balance sheet where a co-financier has been mobilised by way of a B loan or Insurer Mobilisation (URP, NPI). For more information on our products please refer to the section "Mobilisation Products and Co-financiers".

Mobilisation Overview

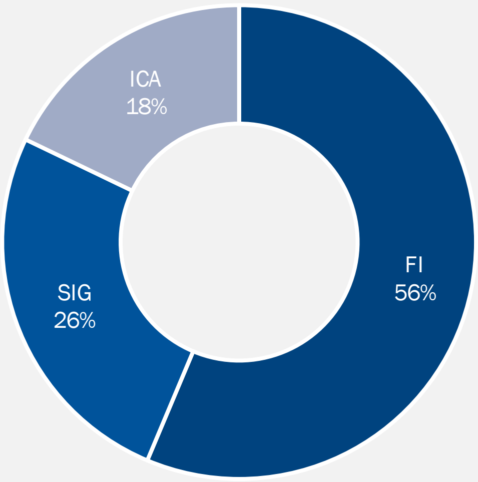
Country & sector breakdown of AMI for H1 2024

European Bank
for Reconstruction and Development

Country Breakdown (%)



Sector Breakdown (%)



Top 5 Country	No. Deals	AMI Size (EUR mn)
Ukraine	17	217
Poland	3	150
Serbia	1	118
Kazakhstan	3	56
Egypt	2	42

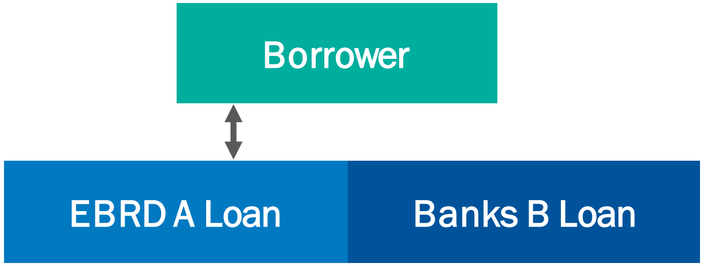
Sector	No. Deals	AMI Size (EUR mn)
Sustainable Infrastructure	8	184
Industry, Commerce & Agribusiness	22	127
Financial Institutions	33	401

Outline

European Bank
for Reconstruction and Development

- Introduction to the EBRD
- Mobilisation and the EBRD
- **Mobilisation Products and Co-financiers**
- Recent Mobilisation Initiative/Co-financing Highlights

A/B Loan



- EBRD is **the lender of record of the entire loan** - there is only one loan agreement and it is between Borrower and EBRD
- Participants 'sub-participate' in EBRD's Loan as a 'B Lender' through a Participation Agreement (with limited rights)
- The Participation Agreement transfers all risks to B lender / B Lenders (B-Loan)
- B lenders benefit from EBRD's privileges and immunities, such as Preferred Creditor Status

Benefits for B Lenders

European Bank
for Reconstruction and Development

- EBRD's origination, structuring and monitoring expertise
- EBRD's high standards in terms of governance and due diligence (environmental, social and integrity)
- Strong local presence from Residents Offices
- Political leverage with a unique mandate and shareholder structure
- Supports legal and regulatory improvements to facilitate private investments
- Support throughout co-financiers' credit process and post-signing management
- Sharing EBRD's privileges and immunities, such as Preferred Creditor Status (PCS) and tax-immunity

Preferred Creditor Status

European Bank
for Reconstruction and Development

What It Means

- Mitigates certain aspects of the country risk; loans not subject to moratoria, rescheduling or restrictions on convertibility or transferability of hard currency
- EBRD Loans not in Paris Club or London Club

What It Does *Not* Mean

- A guarantee or letter of comfort from the government/EBRD that the loan will perform commercially

  If a loan does not perform for commercial reasons, PCS does not protect the loan

- An indicator of the loan's creditworthiness per se

  Co-financiers must carry out their own due diligence in the normal manner

Preferred Creditor Status has been Tested

European Bank
for Reconstruction and Development

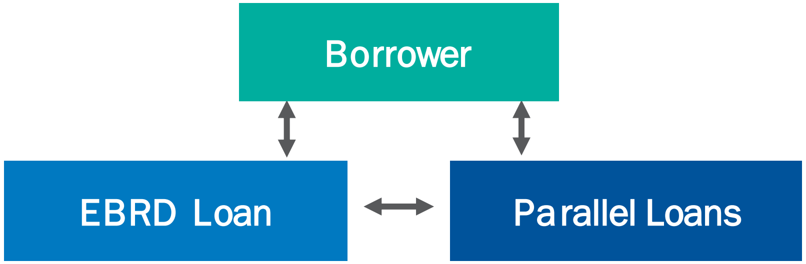
Following the Russian moratorium of 17 August 1998, the Russian Central Bank issued this exemption:

[the moratorium]… *"does not cover … obligations of Russian residents under financial loans from the EBRD, including those involving resources from foreign banks and financial and investment institutions"*

During the moratorium, all payments to the EBRD and its B lenders came through on time.

Parallel Loan

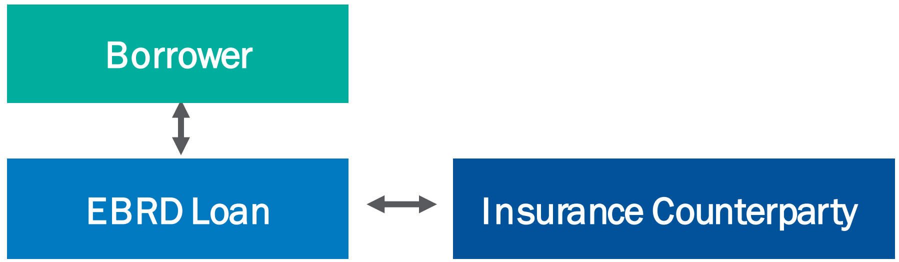
European Bank
for Reconstruction and Development



- Each **lender/group of lenders enters into direct contractual relationship with the Borrower**
- Terms and conditions are often the same or similar
- Parallel lenders do <u>not</u> share EBRD’s Preferred Creditor Status

Insurer Mobilisation Programme

European Bank
for Reconstruction and Development



- An insurance company takes on part of the risk exposure in exchange for a portion of the loan's margin, executed on a silent and unfunded basis
- Insurers fully benefit from EBRD's privileges and immunities, including tax immunity and the preferred creditor status (PCS)
- Since inception in 2014, the Insurer Mobilisation Programme, which includes Unfunded Risk Participations (URPs) & Non-Payment Insurance (NPI), has continued to grow as an essential mobilisation tool, collectively exceeding EUR 2.9bn in cumulative commitments by the end of 2022

Different products for various co-financiers

European Bank
for Reconstruction and Development

B Loans

Suitable co-financiers:

Banks and investment funds located outside of the project country, operating on a commercial basis and not tied to national interest.

Documentation:
Participation Agreement between EBRD and B Lenders

Parallel Loans

Suitable co-financiers:

Domestic banks, international and development financial institutions (IFIs & DFIs) and export credit agencies (ECAs)

Documentation:
Loan Agreement with Common Terms Agreement

Insurer Mobilisation

Suitable co-financiers:

Insurance and reinsurance companies operating on a commercial basis and not tied to national interest.

Documentation:
Unfunded Risk Participation Agreement / Policy Declaration
& Master Risk Participation Agreements (MRPAs) / Master Framework Agreements (MFAs) to streamline the documentation process

EBRD's Top Co-financiers

European Bank
for Reconstruction and Development

	2023 Top 10 Co-financing partners
1	Bank of China
2	AXA XL Insurance Company
3	ICBC
4	HDI Global SE
5	Liberty Mutual Insurance
6	ILX
7	FMO
8	COFACE
9	Great Lakes Insurance (Munich Re)
10	Everest Insurance

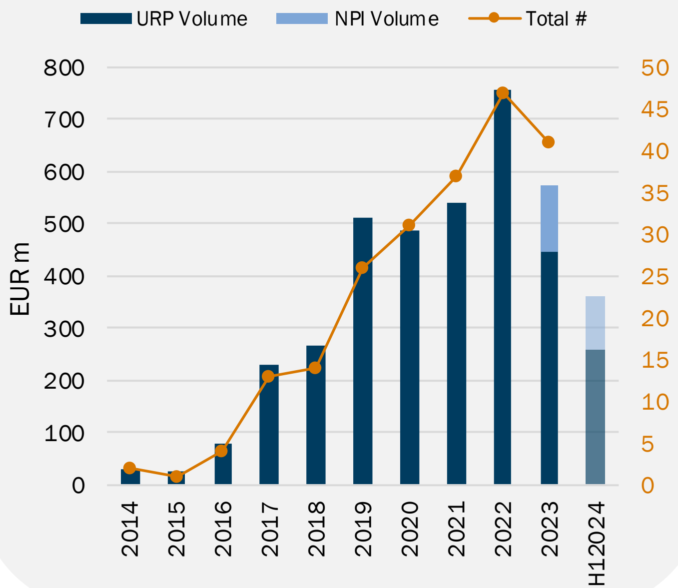
	Top 10 B Lenders – Cumulative (to YE2023)
1	Raiffeisen Bank International
2	Standard Chartered
3	Unicredit
4	FMO
5	Societe Generale
6	MUFG Bank
7	Bank of China
8	Kommunalcredit
9	HSBC
10	ICBC

Insurer Mobilisation Programme (IMP)

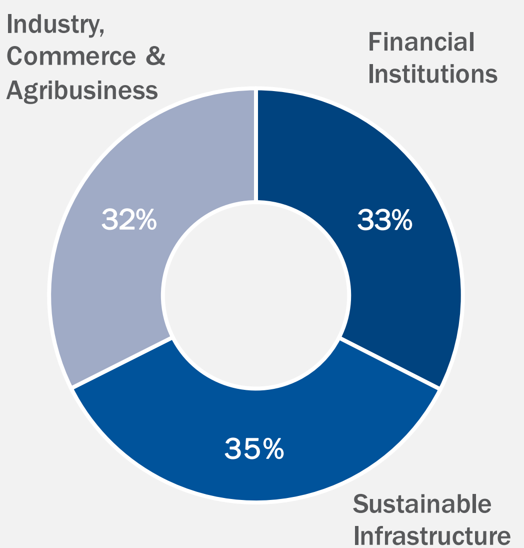
European Bank
for Reconstruction and Development

The EBRD IMP is a simple and efficient risk-sharing scheme that enables insurance companies to take exposure in EBRD-originated emerging market transactions over a wide range of sectors and geographies. This is undertaken via two products: Unfunded Risk Participations (URPs) and Non-Payment Insurance (NPI).

Evolution of IMP Activity (2014 – H1 2024)



IMP Portfolio split by sector (as of H1 2024)



In brief (as of H1 2024)

> €3.8 billion
Total volume mobilised

19
Insurance counterparties

> 100
Underlying projects mobilised

18
Countries

10
Currencies

Outline

European Bank
for Reconstruction and Development

- Introduction to the EBRD
- Mobilisation and the EBRD
- Mobilisation Products and Co-financiers
- **Recent Mobilisation Initiative/Co-financing Highlights**

ACWA Power: Bash Wind & Dzhankeldy Wind

Uzbekistan

European Bank
for Reconstruction and Development

A/B Loan

The Borrowers are SPVs created solely for the purpose of implementing their respective projects, and are incorporated in the Republic of Uzbekistan.

The SPVs are owned by ACWA Power (an international developer of power generation, desalinated water and green hydrogen production projects).

EBRD finance

Bash	Dzhankeldy
USD 284m	**USD 262m**
USD 150m A Loan (from EBRD) + USD 134m B Loan (from 3 lenders)	USD 150m A Loan (from EBRD) + USD 112m B Loan (from 3 lenders)

Use of proceeds and EBRD value added/impact

The two loans are provided on a project finance basis to, separately, finance the development, design, construction and operation of the:

500 MW Bash Wind Power Plant, and the;

500 MW Dzhankeldy Wind Power Plant.

The Projects will be highly representative in terms of energy supply diversification, increased use of renewables potential and attracting private investment.

They will assist the country in its low-carbon transition, reducing its current high reliance on thermal power generation.

B loans signed in 2023

Ford Otomotiv Sanayi A.Ş.

Türkiye

European Bank
for Reconstruction and Development

EBRD finance

A/B Loan

Ford Otosan is a Joint Venture between Ford Motor Company and Türkiye's Koc Holding. The Borrower manufactures, assembles and sells motor vehicles and parts under the Ford brand. It is the leading commercial vehicle manufacturer in Europe and a long standing client of the Bank. It is currently one of the largest companies on Borsa Istanbul by market capitalisation.

EUR650m
7-year EUR175m A Loan (from EBRD)
+
5 & 7-year EUR 475m B Loan (from 11 lenders)

Extension

EUR197m
6-year EUR 54m A Loan (from EBRD)
+
5 & 7-year EUR 143m B Loan (from 5 lenders)

Use of proceeds and EBRD value added/impact

The Bank's financing will support Ford Otosan to establish a battery assembly facility and manufacture a new line of electric and hybrid vehicles, becoming the electric commercial vehicle production hub of Ford Europe and the first integrated electric vehicle production facility in Türkiye.

The project will pave the way to achieve 2050 carbon neutrality target in line with Ford Motor Company's global commitments.

Signed in 2021 and 2022 (extension)

Big Almaty Ring Road (BAKAD)

Kazakhstan

European Bank
for Reconstruction and Development

A/B Loan with Bank of China and and Dutch asset manager PGGM

A USD585m financing package consisting of an A/B loan, along with parallel loans from IFIs Islamic Development Bank and Eurasian Development Bank to design, build, operate and maintain the BAKAD under a 20-year concession contract.

EBRD finance

USD350m
15-yr facility

A loan USD 225m
B loan USD 125m

Use of proceeds and EBRD value added/impact

The first large scale infrastructure PPP transaction in Kazakhstan, demonstrating an alternative and cost-efficient method of financing of infrastructure investment

The will comprise a 66-km long half-ring road in the north of Almaty.
The project will be implemented under a 20-year concession. Construction is expected to be completed within a 50-month period and will be followed by a 16-year operating period.
The project will help remove a major transport bottleneck in Almaty and increase the transit throughput capacity, while reducing local air pollution.

Signed in 2020

Selected Syndicated Loans in 2023

Aya Gold and Silver	Dzhankeldy WPP	Bash WPP
Nat Res	Energy	Energy
Morocco	Uzbekistan	Uzbekistan
EUR 140M	USD 262M	USD 284M

NBE	Banque Misr	Absheron-Khizi WPP
FI	FI	Energy
Egypt	Egypt	Azerbaijan
USD 120M	USD 120M	USD 197M

Selected Syndicated Loans in 2022

European Bank
for Reconstruction and Development

Borusan EnBW Enerji Loan Energy Türkiye USD 80M	**Zarafshan Wind** Energy Uzbekistan USD 52M	**Ford Otosan** M&S Türkiye EUR 200M
NBE FI Egypt USD 100M	**Akbank** FI Türkiye USD 50M	**Bank Lviv** FI Ukraine EUR 10M

Selected Syndicated Loans in 2021

European Bank
for Reconstruction and Development

Project Air
M&S
Ukraine
USD 81M

Novus Retail and Logistics
Agribusiness
Ukraine
USD 100M

Kom Ombo
Energy
Egypt
US 78M

Ford Otosan
M&S
Türkiye
EUR 650M

Electric Networks of Armenia
Energy
Armenia
USD 70M

Yellow Door Energy
Energy
Jordan
USD 31M

Project Zone
ICT
Romania
EUR 19M

Syrdarya Power Project
Energy
Uzbekistan
USD 10M

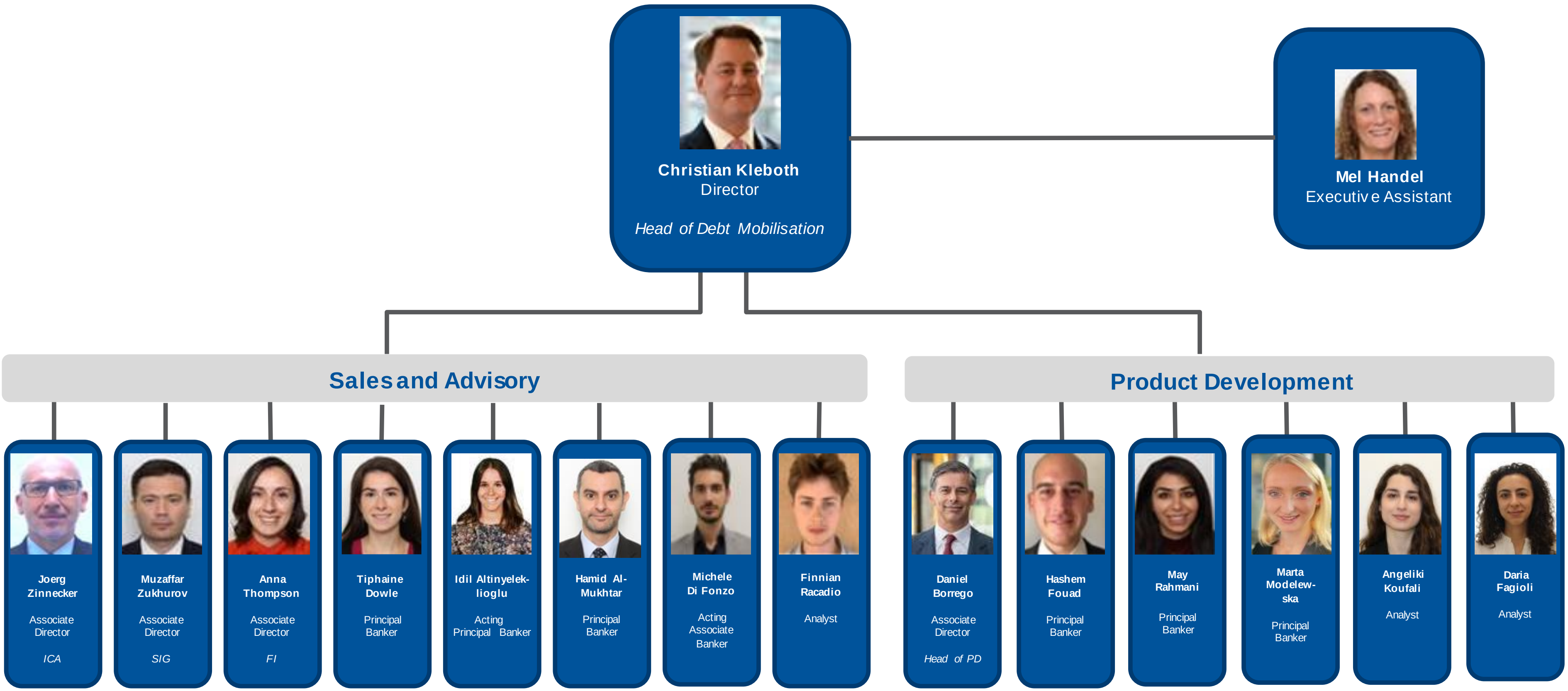
Selected Syndicated Loans in 2020

European Bank
for Reconstruction and Development

BAKAD Infrastructure Kazakhstan USD 350M	**Izmir Metro** Infrastructure Türkiye EUR 105M	**VMG Akmene** Manufacturing & Services Lithuania EUR 86M	**Polenergia S.A. Windfarms** **Energy** Poland PLN 553M
Anatolian Orchards Agribusiness Türkiye EUR 102M	**Warsaw Metro Line** Infrastructure Poland PLN 393M	**Project Bulba** Agribusiness Belarus USD 50M	**WKN Pomerania Wind** Energy Poland PLN 329M

Debt Mobilisation: Team Organigram

European Bank
for Reconstruction and Development



Sales and Advisory is responsible for sales (B loans, parallel loans, URPs, NPI, additional products once they are available) as well as for advising various EBRD teams on AMI-optimum deal structures.

Product Development focuses on advancing the EBRD's mobilisation agenda, developing new products and helping communicate EBRD's deep impact story to new co-investment partners.

Notice and Disclaimer

European Bank
for Reconstruction and Development

EBRD makes no representation, express or implied, as to the accuracy or completeness of the information contained in this presentation and liability therefore is expressly disclaimed