

The EBRD in Romania

June 2024



European Bank
for Reconstruction and Development

Contents



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- **EBRD's activities**
- **EBRD in Romania**
- **Financing Instruments**
- **Contact**

What is the EBRD?

EBRD's activities

EBRD in Romania

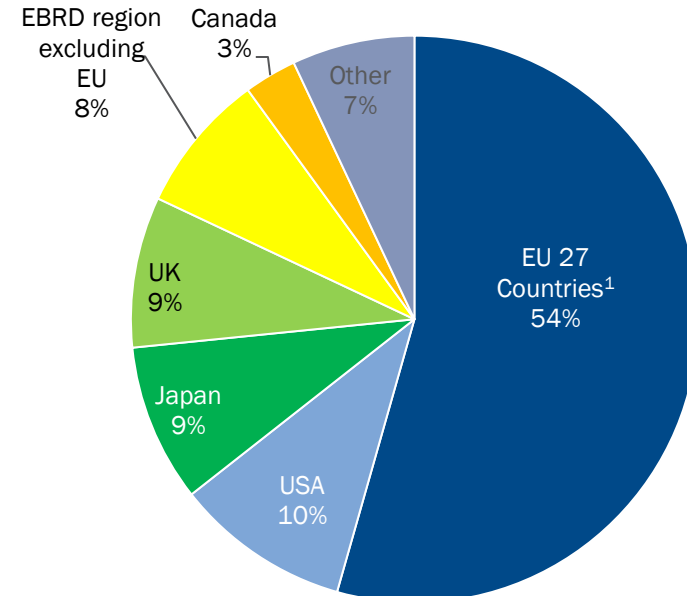
Financing instruments

Selected Investments

Contact

- An **international financial institution**, with the mandate to promote transition to modern and well-functioning markets in more than 35 countries from Central and Eastern Europe, Caucasus, Central Asia and the Southern and Eastern Mediterranean - SEMED region.
- Owned by **73 countries** and **2 inter-governmental institutions** (EU, EIB).
- **€30 billion** authorised capital
- Highest **credit rating (AAA/Aaa)** from all three main rating agencies (S&P, Moody's and Fitch)
- In 2021, Algeria and the United Arab Emirates became our shareholders

Shareholding structure



- (1) Includes European Community and European Investment Bank (EIB) each at 3%. Among other EU countries: France, Germany, and Italy each holds 8.6%
- (2) Russia at 4.0%.



Where we invest?

EBRD's activities

EBRD in Romania

Financing instruments

Selected Investments

Contact

Central Europe and the Baltic states

- 01 Croatia
- 02 Czech Republic
- 03 Estonia
- 04 Hungary
- 05 Latvia
- 06 Lithuania
- 07 Poland
- 08 Slovak Republic
- 09 Slovenia

Southern and eastern Mediterranean

- 30 Egypt
- 31 Jordan
- 32 Lebanon
- 33 Morocco
- 34 Tunisia
- 35 West Bank and Gaza

South-eastern Europe

- 10 Albania
- 11 Bosnia and Herzegovina
- 12 Bulgaria
- 13 Kosovo
- 14 Montenegro
- 15 North Macedonia
- 16 Romania
- 17 Serbia

Eastern Europe and the Caucasus

- 18 Armenia
- 19 Azerbaijan
- 20 Belarus*
- 21 Georgia
- 22 Moldova
- 23 Ukraine

Central Asia

- 24 Kazakhstan
- 25 Kyrgyz Republic
- 26 Mongolia
- 27 Tajikistan
- 28 Turkmenistan
- 29 Uzbekistan

- 36 Greece
- 38 Turkey
- 37 Russia*

Since July 2014, the EBRD has suspended new investments in Russia as a result of the sanctions imposed by the EU on Russia. Additionally, the Russian and Belarusian activities have been wind-down as a result of the additional sanctions imposed starting with 2022.

What is the EBRD?

EBRD's activities

EBRD in Romania

Financing instruments

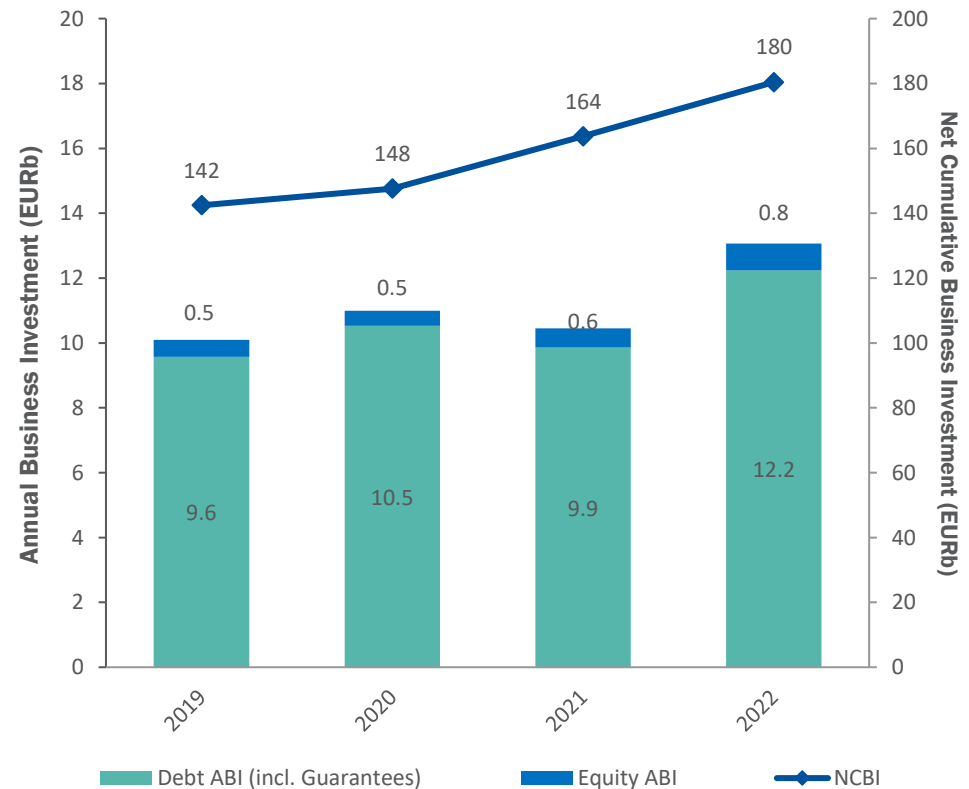
Selected Investments

Contact

- **AAA/Aaa rated multilateral development bank**
- Since 1991, EBRD has invested in excess of **€180 billion** in more than **6,620** projects across private and public sectors in its countries of operations

In 2022:

- **€13.1 billion** invested in **431** projects
- Private sector now accounts for **62%** of existing portfolio



The EBRD and its objectives



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EBRD's activities

EBRD in Romania

Financing instruments

Selected Investments

Contact

The EBRD is:

- Private sector focused
- Wide product, currency, tenor range
- Facilitates inward and cross border investments in the region
- Promotes policy dialogue with regards to investment climate business environment and policy matters

Objectives:

- To promote transition to market economies by investing mainly in the private sector
- To mobilise significant foreign direct investment
- To support privatisation, restructuring and better municipal services to improve people's lives
- To encourage environmentally sound and sustainable development



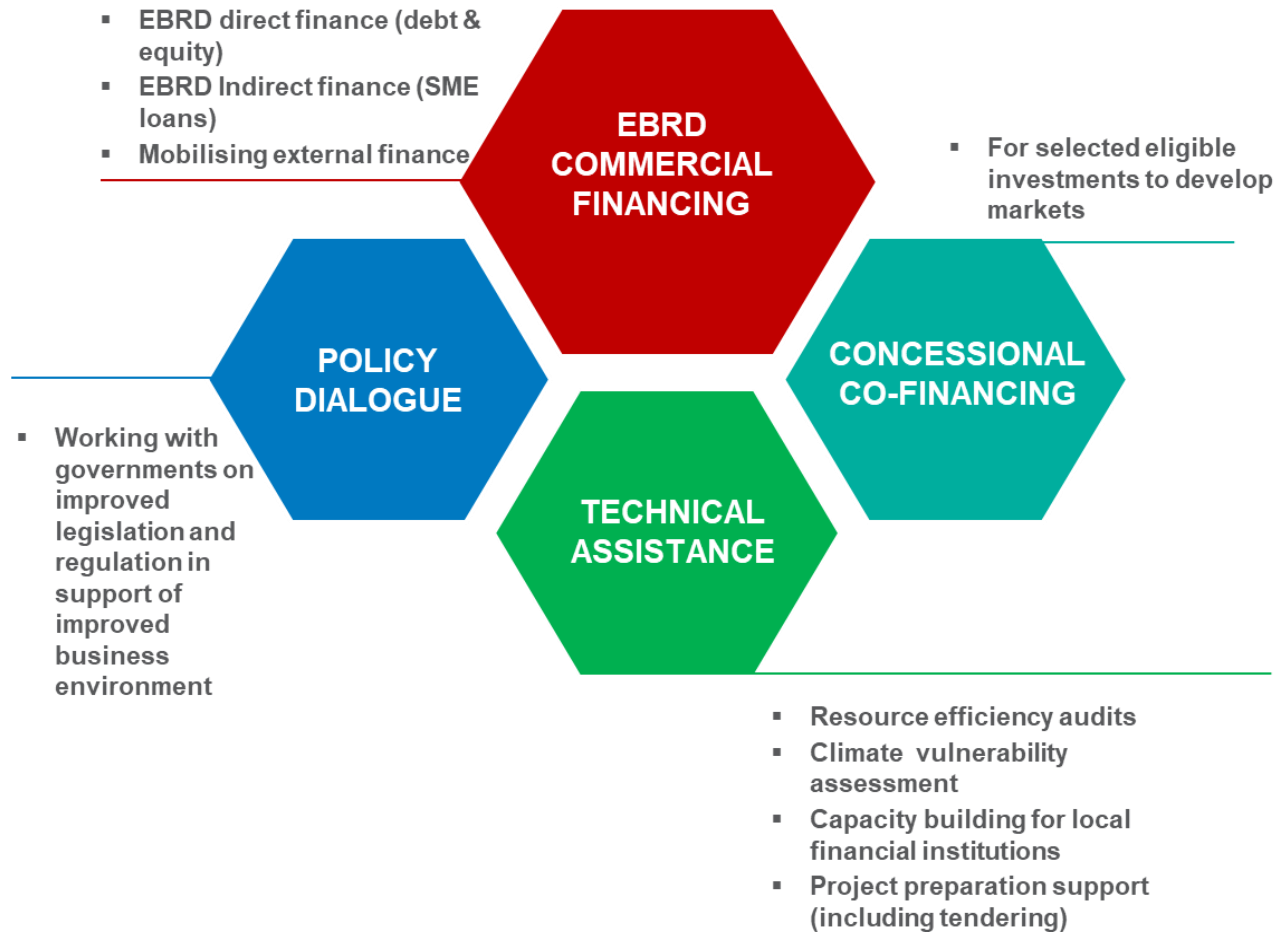
EBRD's activities

EBRD in Romania

Financing instruments

Selected Investments

Contact





EBRD

Business model

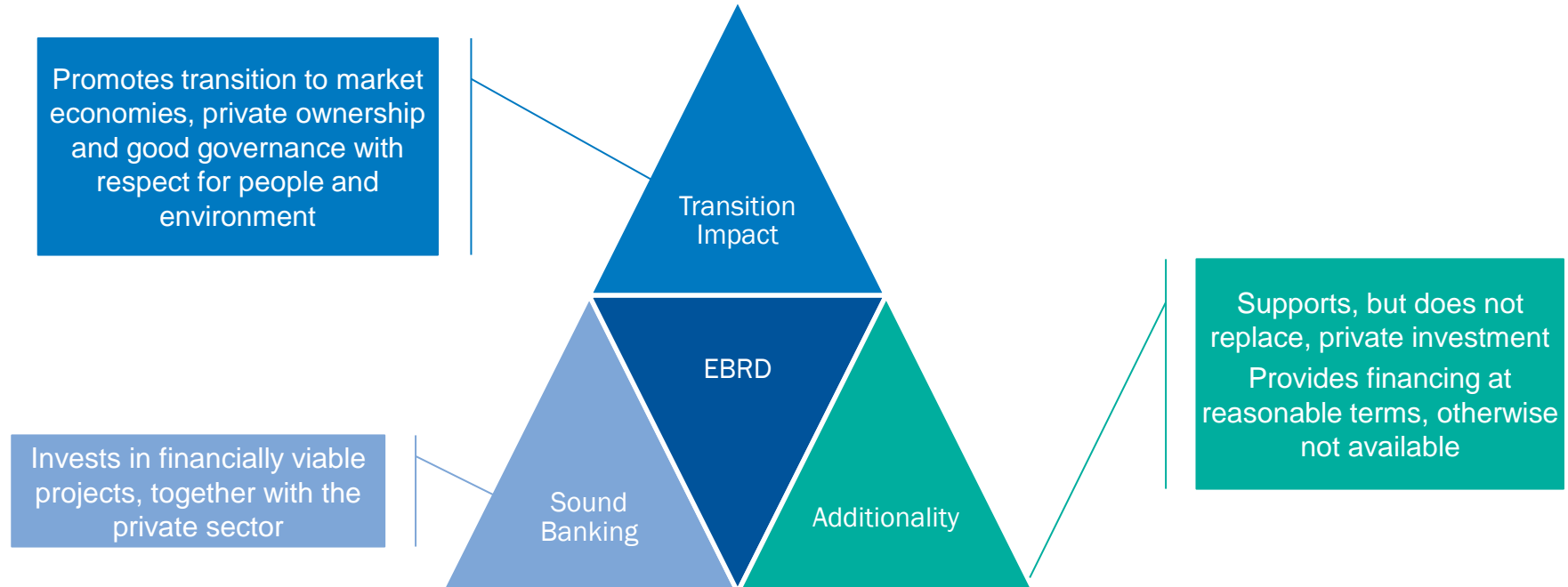
EBRD's activities

EBRD in Romania

Financing instruments

Selected Investments

Contact



- To promote transition to market economies by investing mainly in the **private sector**
- To mobilise significant **foreign direct investment**
- To support **privatisation, restructuring and better municipal services** to improve people's lives
- To encourage **environmentally sound and sustainable development**

EBRD finances a diverse range of enterprises

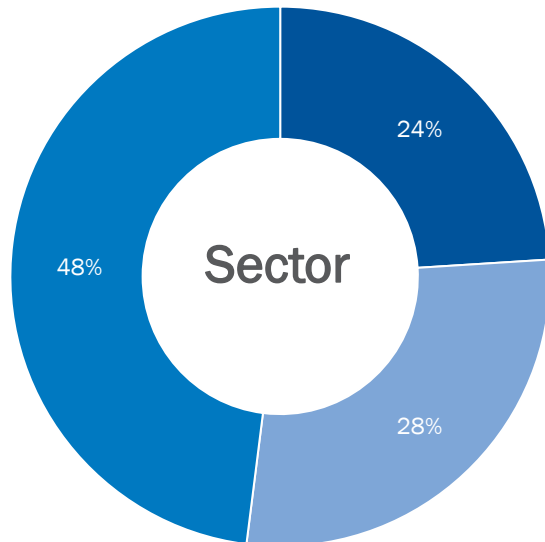
EBRD's activities

EBRD in Romania

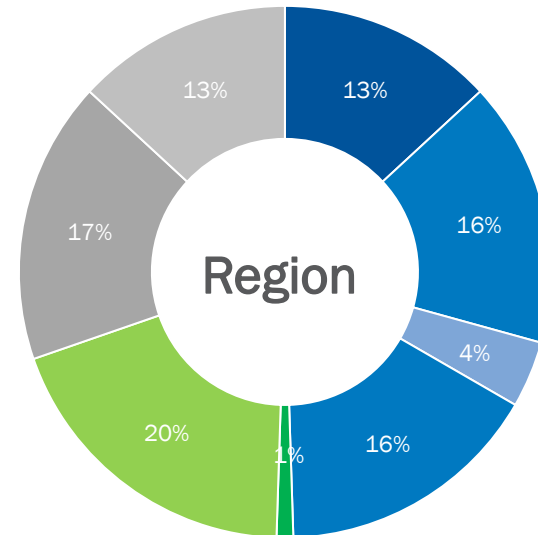
Financing instruments

Selected Investments

Contact



- Financial Institutions (Banks, Leasing, Insurance, Pension, Mutual, Other)
- Corporate (Agribusiness, M&S, P&T, ICT, Equity funds, Natural Resources)
- Sustainable Infrastructure (Transport, Municipal Infrastructure, Energy)



- Central Asia
- Central Europe
- Cyprus & Greece
- Eastern Europe & Caucasus
- Russia
- South-Eastern Europe
- Southern Eastern Mediterranean
- Turkey

Benefits of working with us

EBRD's Value-Added: a unique offering

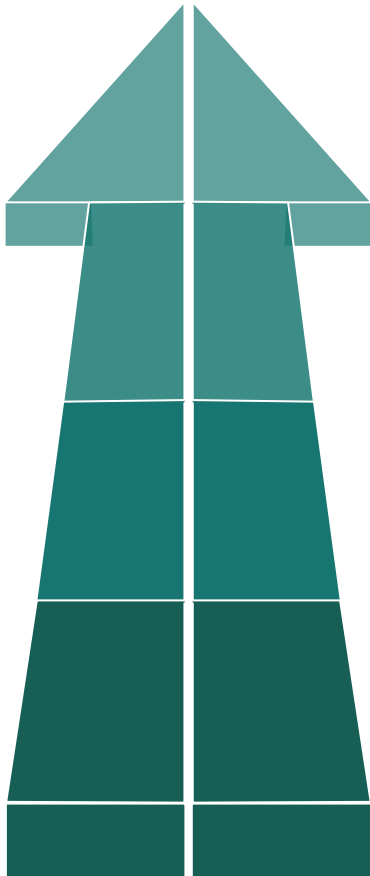
EBRD's activities

EBRD in Romania

Financing instruments

Selected Investments

Contact



Strong, internationally recognised partner with long term perspective

Long established policy dialogue with Government and Regulators

Unparalleled presence in the region provides mitigation of political and regulatory risks

Preferred creditor status in all countries of operations

Flexible deal structure and product matching services

Catalyst to access additional finance

Dedicated team with expertise in a variety of sectors and countries

Donor-funded technical assistance available for economically viable sustainable development projects

EBRD's Focus in Romania since 1992



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EBRD's activities

EBRD in Romania

Financing instruments

Selected Investments

Contact

- **Over €10 billion** invested in Romania in **over 500** projects inception-to-date
- **Over 75%** of the EBRD's cumulative investments in Romania in the private sector
- Team of **18 bankers** in Resident Office in **Bucharest**
- Team of **3 Advisors for Small Businesses** in **Bucharest** and **Cluj**

Future Strategic Directions in Romania:

In the period from 2020 to 2025, the EBRD's investments and policy work will support:

- **Sustainable infrastructure** and **regional development**
- **Productivity** by helping private companies expand and improve workforce skills
- Financial **intermediation** and further **development** of capital markets

EBRD's Investment Activity in Romania



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EBRD's activities

EBRD in Romania

Financing instruments

Selected Investments

Contact



Financing Instruments

EBRD product flexibility – Tailored to the client's needs



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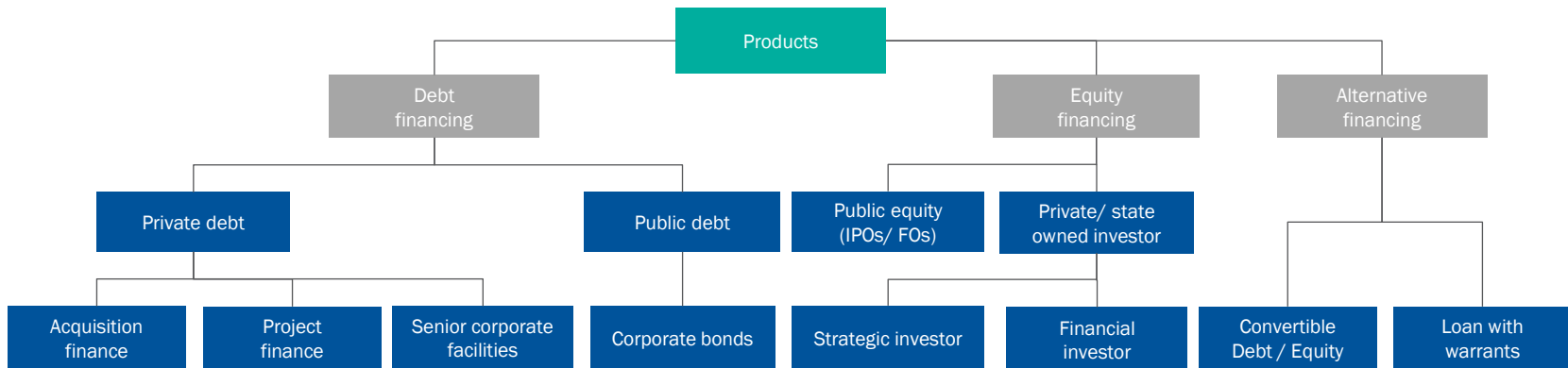
EBRD's activities

EBRD in Romania

Financing instruments

Selected Investments

Contact



Debt

- **Flexible loan structure.** Senior/subordinated, mezzanine, project finance, convertible debt, reserve-based or subscription of bond issues.
- **Long tenors.** Up to 10 years, tailored to needs.
- **A/B syndication structures.** Preferred creditor status. Mobilisation of commercial credit under the Bank's umbrella.
- **Co-financing/Parallel lending** with local/international banks
- **Multi-currency lending.** EUR, USD or local currency.

Equity

- **Common and preferred stock.** Minority stake, typically in the range of 20-30%
- **Support to strategic investors.** Sharing of development-stage risk.
- **Long term partnership.** Long exit horizons (5-10 years).
- **IPO participation as an anchor investor.** Increased credibility and comfort to investors and financiers.
- **Board representation.** Positioning as a neutral party ("honest broker") providing commercial/technical advice and promoting best Corporate Governance practices.

Working Together

Approval process and due diligence



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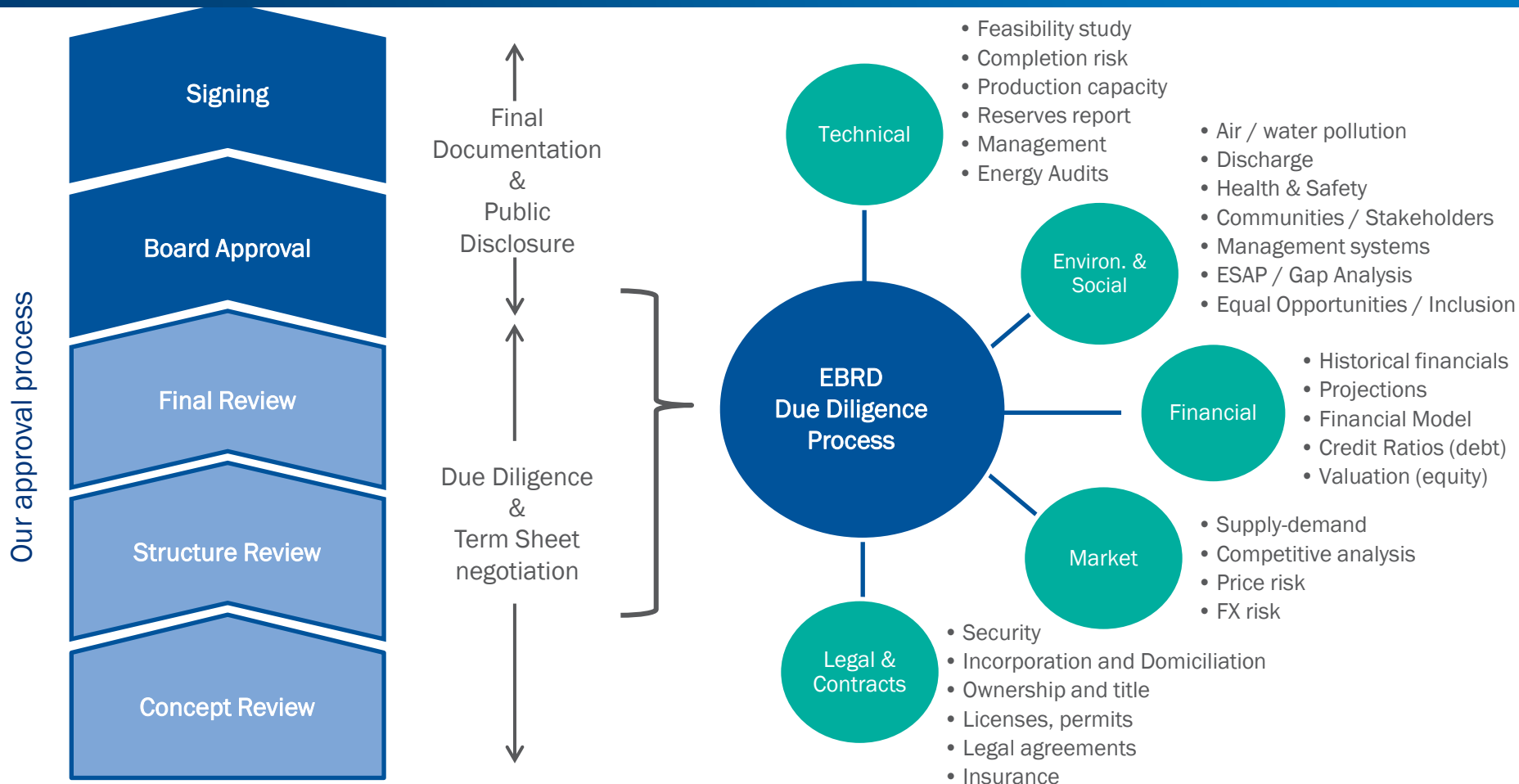
EBRD's activities

EBRD in Romania

Financing instruments

Selected Investments

Contact



Industry, Commerce and Agribusiness



European Bank
for Reconstruction and Development

EBRD's activities

EBRD in Romania

Financing instruments

Selected Investments

Contact



Calihory Group
2022
EUR 13 million



WDP
2022
EUR 100 million



Premier Energy
2022
EUR 30 million



Kaufland (RO & MD)
2022
EUR 100* million



Lidl Discount (RSF)
2022
EUR 25** million



Emag
2021
EUR 16 million



Paypoint
2021
EUR 19 million



Autonom
2021
EUR 10 million



UACE
2020
EUR 20 million



Altex
2020
EUR 12 million



Teraplast
2019
EUR 16 million



Egger
2019
EUR 25 million



Alu Menziken
2017
EUR 25 million



Schwarz Gruppe
2017
EUR 180 million



Siepcofar
2017
EUR 10 million

* EUR 65 million to Kaufland Romania and EUR 35 million to Kaufland Moldova.
** Part of a Risk Sharing Framework with a local Partner Bank.

Industry, Commerce and Agribusiness

EBRD's activities

EBRD in Romania

Financing instruments

Selected Investments

Contact

Manufacturing and Services (M&S) Sector

EBRD M&S clients include small and SMEs but also some of the world's industry leaders



Volkswagen

PSA PEUGEOT CITROËN



General Motors



RENAULT



Air Liquide



SAINT-GOBAIN



ArcelorMittal



SOLVAY



MONDI



LG Chem



ARÇELİK



ELSEWEDY
ELECTRIC



WC financing for Borusan Makina



US\$ 25 million senior loan to Borusan Makina Kazakhstan, a fully owned subsidiary of Borusan Makina ve Guc Sistemleri Sanayi ve Ticaret A.S. (engaged in the distribution and sales of Caterpillar heavy machinery equipment, power systems, spare parts and provision of related services for these products)

The loan will finance the company's working capital requirements and help maintain the borrower's financial stability during Covid-19

As part of the project, the company will, in cooperation with the Bank, aim to establish a dedicated module on "Mechatronic engineering" as an elective module in ongoing engineering degree programmes at local university. The project will train a substantial number of young people (between 100 and 250+ students)

Kazakhstan

Retail

Loan

US\$ 25m

**Client
Borusan Makina**

Signed 2020



First local SLB in Romania for leading operating lease firm



€10 million investment in the first Sustainability Link Bond (SLB) issuance of €48 million placed by Autonom, the largest locally owned Romanian car leasing and rental company

The proceeds will be used for general business purposes, supporting the company in acquiring new vehicles to be used for expanding its operating leasing and short term rental business lines

In line with its sustainability strategy, the company plans to cut its operating fleet's carbon emissions by 25% by 2025 and by 51% by 2030

Romania

.....

Automotive

.....

SLB
€10m

.....

Client
Autonom

Signed 2021

Contact



European Bank
for Reconstruction and Development

EBRD's activities

EBRD in Romania

Financing instruments

Selected Investments

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