An Overview of the EBRD
Why finance with the EBRD?

- Strong, internationally recognised, neutral financial partner with long-term perspective and mission
- Willing to share risks, including political risks
- Catalyst to access additional equity, debt and trade finance
- Extensive knowledge of local economy, business environment and practices
- Good corporate governance including protection of minority interests
**IFI with investment banking skills**

- Specialised project finance skills in CEE and CIS
- Multi-national staff including nationals from our countries of operations
- Local presence
- In-depth legal know-how
- Dedicated project teams tailored to each project
**What is the EBRD?**

- International financial institution established in 1991, owned by 62 national and supranational shareholders
- Promotes market-based economies in 27 countries in central & eastern Europe and the former Soviet Union
- Committed € 20.5 billion for 850 projects to date
- Capital base of € 20 billion
32 offices in 27 countries of operations

Albania • Armenia • Azerbaijan • Belarus • Bosnia and Herzegovina
Bulgaria • Croatia • Czech Republic • Estonia • FR Yugoslavia • FYR Macedonia • Georgia • Hungary • Kazakhstan • Kyrgyzstan • Latvia
Lithuania • Moldova • Poland • Romania • Russian Federation • Slovak Republic • Slovenia • Tajikistan • Turkmenistan • Ukraine • Uzbekistan
Combining Industry Knowledge with Experience and Contacts in the Region to deliver tailored solutions to financing and political risk.
The Bank enjoys Preferred Creditor Status

... and offers its benefits to Investors

- Granted by shareholders - including host countries in establishing EBRD
- No rescheduling of EBRD loans
- PCS loans exempt from country provisioning in many jurisdictions

Directly in equity investments

- Political risk carve-out in exit mechanism

And indirectly in debt transactions

- No restrictions on local currency conversion
- Not included in rescheduling of country's foreign debt
- Exempt from provisioning requirements in many jurisdictions
Catalyst for change

Cumulative funds mobilised
€ 67.7 billion

- Stimulates foreign direct investments
- Attracting third party financing triples EBRD’s investments
- Mobilises domestic capital
- Promotes environmentally sound and sustainable projects
- Access to TC funds - which assist project preparation

Unaudited June 2002
Cumulative commitments € 20.5 billion

Other countries (20) 56%

- Russia 20.4%
- FR Yugoslavia 1.4%
- Slovenia 2.1%
- Romania 9.8%
- Croatia 4.9%
- Bulgaria 3.1%
- Macedonia 1.3%
Portfolio by sector

Cumulative commitments € 20.5 billion

- Financial Institutions: 29%
- General Industry: 14%
- Agribusiness: 7%
- Natural Resources: 8%
- Property & Tourism: 4%
- Telecoms: 9%
- Energy Efficiency: 1%
- MEI: 6%
- Power & Energy: 9%
- Transport: 13%

August 2002
EBRD commitments by facility type

Private loans 44%
State loans 36%
Guarantees, etc 3%
Equity 17%

June 2002
Cumulative commitments in the republics of the former Yugoslavia

Euro million

Cumulative commitments € 2.4 billion

August 2002
Project portfolio in the republics of the former Yugoslavia

Cumulative commitments € 2.4 billion

<table>
<thead>
<tr>
<th>Euro milion</th>
<th>Private sector</th>
<th>State sector</th>
</tr>
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<tbody>
<tr>
<td>Bosnia &amp; Hercegovina</td>
<td>40.9</td>
<td>145.6</td>
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<tr>
<td>Croatia</td>
<td>457.0</td>
<td>257.4</td>
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<td>Macedonia</td>
<td>116.4</td>
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<tr>
<td>Slovenia</td>
<td>331.9</td>
<td>74.1</td>
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<tr>
<td>FR Yugoslavia</td>
<td>41.8</td>
<td>309.0</td>
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</tbody>
</table>

August 2002
Portfolio by sector for the republics of the former Yugoslavia

Cumulative commitments €2.4 billion

- Financial Institutions: 29%
- Transport: 20%
- Power, Energy & Natural Resources: 16%
- MEI: 9%
- Telecoms: 6%
- General Industry: 10%
- Agribusiness: 8%
- Property & Tourism: 2%

August 2002
Portfolio by sector for FR Yugoslavia

Cumulative commitments €350.8 million

- Financial Institutions: 6%
- General Industry: 6%
- MEI: 22%
- Transport: 38%
- Power, Energy & Natural Resources: 28%
- Telecoms: 0%
- Property & Tourism: 0%
- Agribusiness: 0%
Operational priorities in Yugoslavia

- Implementation and disbursement of 2001 committed funds
- Shift to private sector ("blue chip" private corporates, privatisation, restructuring, concessions and new FDI)
- Demonstrate ways of restructuring large enterprises
- Banking sector and SME support
- Continued infrastructure investment (together with other IFIs co-financing)
- Promote a sound investment climate, good corporate governance and stronger institutions
Signed projects in Yugoslavia

1. Private Corporate
   - Hemofarm corporate loan (€ 18M)
   - Direct Investment Facility - Progas (€ 0.4M)
   - Working Capital Facility (€ 65M)
     - incl. Tigar sub-project (€ 4M)

2. Financial Sector
   - Micro Finance Bank (€ 8M)
   - Eksim Banka equity investment (€1.4 M)
   - Raiffeisen Subordinated Loan (€ 10 M)

3. Infrastructure sector
   - Emergency power sector reconstruction (€ 100M)
   - Railway reconstruction programme (€ 57M)
   - Novi Sad, Nis, Kragujevac Water Supply (€16 M)
   - Belgrade Municipal Infrastructure (€ 60M)
   - Road Recovery Project (€ 76 M)
Financial flexibility

- Financing structured to meet project specific needs including repayment schedules
- Tailored to special situation of the country / region and sector
- Pricing reflects risks with project, borrower and country
EBRD provides finance across the entire balance sheet

From ... Senior Debt
- secured and unsecured
- full or limited recourse
- local currency funding available
- varying maturities
- fixed or floating rates

Through ... Mezzanine Debt
- secured and unsecured subordinated debt
- participating and fixed return
EBRD provides finance across the entire balance sheet

To ... Equity

- voting and non-voting
- preferred or common

... and Off-Balance Sheet Hedging As Well

- hedging
- to support projects when appropriate
Environmental standards for EBRD projects

- Local, national, EU and World Bank standards and regulations
- Where standards cannot be met initially, project will include programme for achieving compliance
How to get started

Free and open dialogue = partnership

- IAS compatible accounts
- Ownership Structure
- Business plan
  - market
  - product
  - competition
  - projected financials
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