

Working with the EBRD



European Bank
for Reconstruction and Development

What does EBRD offer?

Direct Financing

Equity, Quasi Equity, Loans, Credit Lines

Advisory Services and Technical Assistance

Financing through & Co-financing with Financial Institutions

Risk Sharing, AASF, Credit Lines, TFP

Key strengths of EBRD



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Operational

- Extensive knowledge of local economy, business environment and practices, local presence
- Engaged minority partner for business
- A business partner who shares risks, including political
- Catalyst to access additional equity, debt and trade finance
- Provides finance to both private and public sector clients
- High standards for corporate governance and compliance

Institutional

- Strong, internationally recognized financial partner with long-term perspective
- Close working relationships with governments and shareholders
- Political leverage due to EBRD's unique mandate and shareholder structure
- Preferred Creditor Status
- AAA credit rating from all three main rating agencies (S&P, Moody's and Fitch)
- Work closely with market sources of capital to fill "market gaps"



Equity and Quasi Equity

- For companies with high growth and expansion potential
- Common stock or preferred, minority position only (up to 35%)
- Mezzanine

Loans

- Senior, subordinated, convertible
- LT or ST revolving
- Floating/ Fixed rates
- Choice of currencies (€, US\$, ALL)

- ✓ A project from Origination to Approval typically takes 3 to 6 months, provided all necessary information is available and depending on the complexity and length of negotiations
- ✓ The total project cycle from origination to final repayment can range from 1 year, for working capital or trade financing projects, to 10 years or more for long term investments
- ✓ EBRD financing in individual projects has ranged from less than €1 million to more than €250 million

Direct Financing

Enterprise Expansion Fund – ENEF

General Information

- A fund for equity and quasi-equity finance, established to meet the growing financing needs of dynamic local SMEs
- Tailor-made instruments which can be structured to suit the specific needs of a company
- Established in 2014 and financed jointly by the EBRD, EU, EIF, DEG, OeEB and the Italian Government
- Focused on the Western Balkans
- EBRD acts as Investment Advisor
- Total of €48.5 million capital provided and matched one-for-one by a co-financing facility provided by the EBRD for a total of €97 million
- €9.8 million of Technical Cooperation funds for pre- and post-investment technical assistance

Key Features

- Eligible investments: expansion, restructuring or acquisitions of existing businesses
- Eligible sectors: a wide range of sectors, with only few exceptions (military, spirits, tobacco, gambling). All investments must be in line with sound environmental principles
- Size of investments: individual investment range from €1 million up to €14 million (including the co-financing provided by the EBRD)
- Target Stake for equity investments: (preferably) in the range of 20% to 35% of the capital of the company
- Investment horizon: a period between 3 and 10 years (usually 5 to 7 years)

Financing through & Co-financing with Financial Institutions

Purpose

- Support foreign investors and local enterprises through partnerships with local commercial banks
- Particularly suited for smaller companies and investments that would be difficult for EBRD to finance directly
- Typically blended with grants

Instruments and Key Features

- Risk Sharing Facilities (RSF): the product is designed to allow EBRD to share Partner Banks' exposures to local enterprises (most of which are usually SMEs), via funded or unfunded (i.e. guarantees) risk participation
- Albanian Agribusiness Support Facility (AASF): launched by the EBRD and the Government of Albania to address challenges to the sector by improving access to finance for local agribusinesses through dedicated credit lines or by portfolio risk sharing with participating financial institutions. Aims to mobilize €180 million of investments in the sector in a 3-year period.
- Credit lines and Trade finance products (TFPs): dedicated products for Partner Banks to finance directly local enterprises (WiB, GEF, Competiveness, TFPs)

Contacts in Albania



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