EBRD Mobilisation

January 2025

European Bank
for Reconstruction and Development

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

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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)

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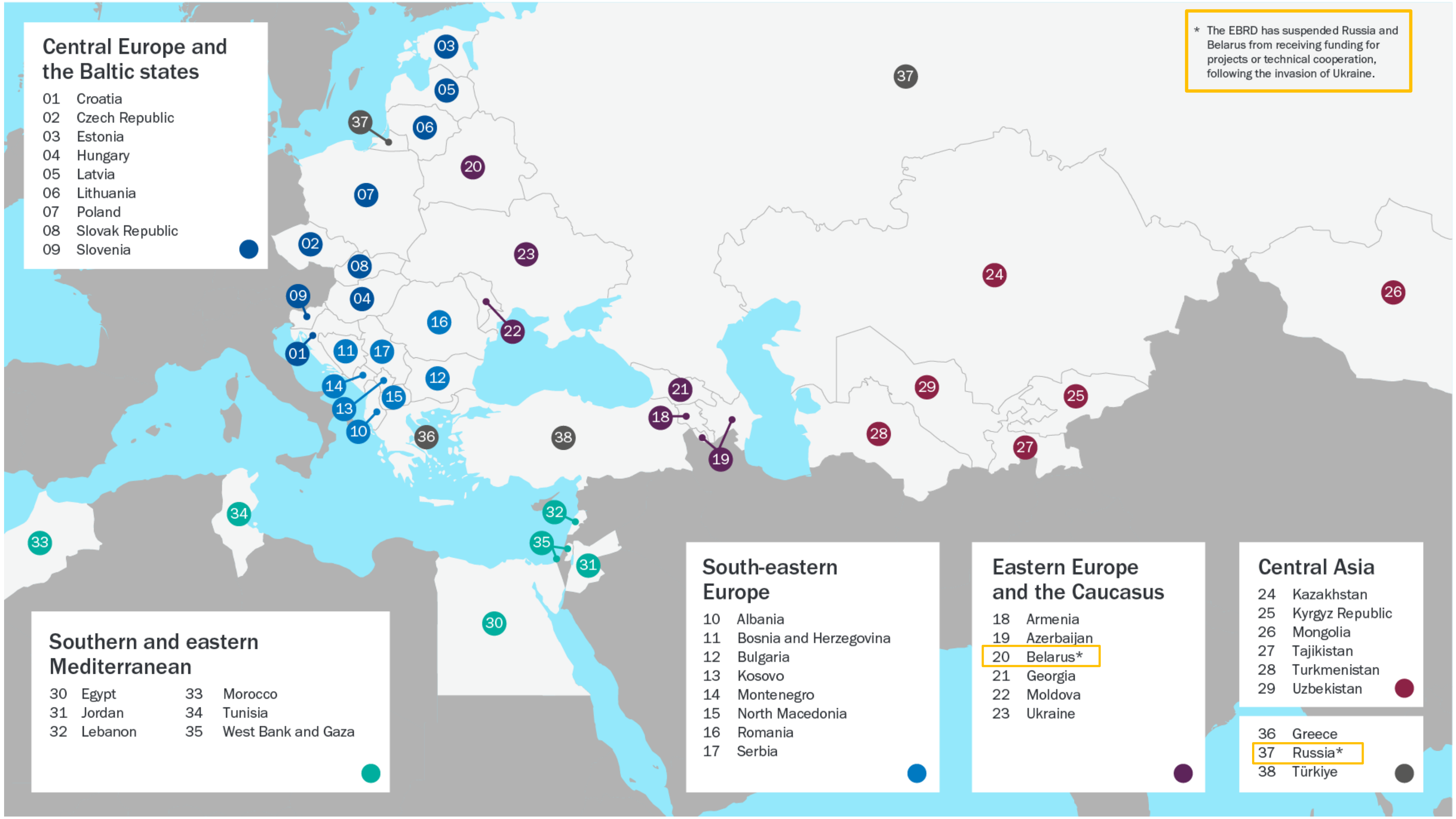

Activities

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

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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

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

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Six EBRD qualities of a sustainable market economy

Competitive

Integrated

Inclusive

Green

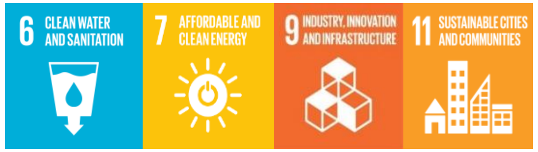
Well-governed

Resilient

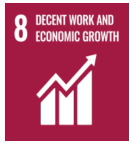
Three EBRD sector groups

Industry, commerce, agribusiness

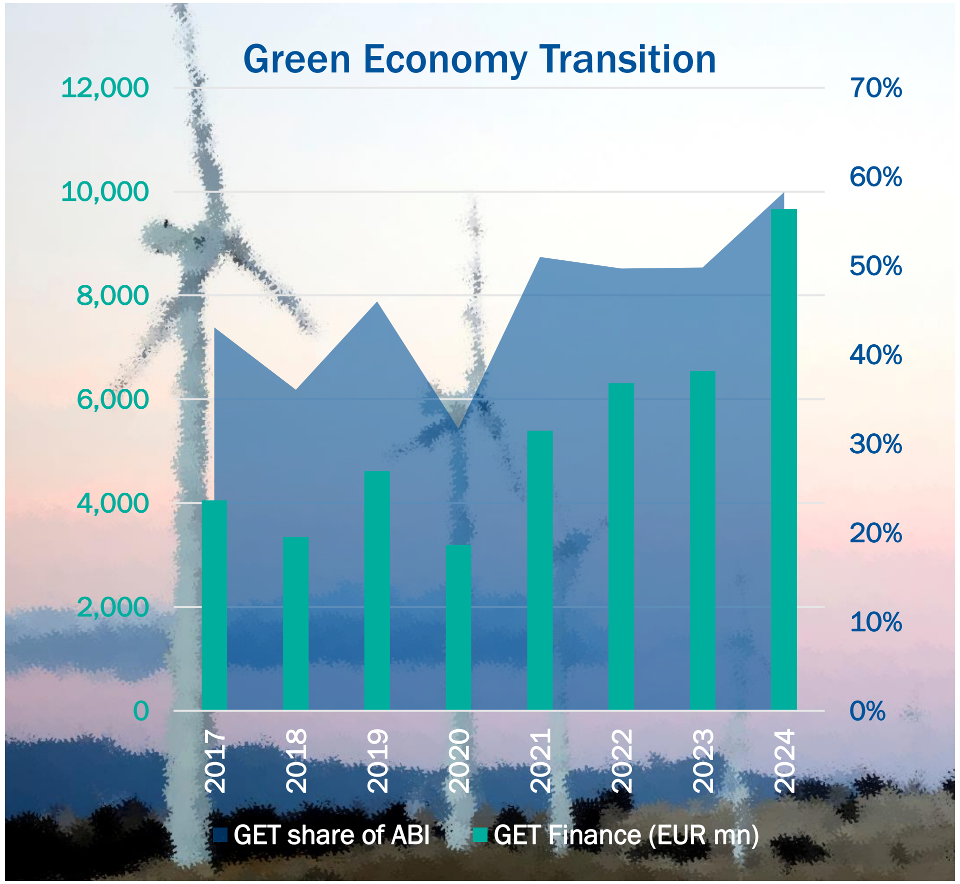
Sustainable infrastructure



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 YE 2024

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Net cumulative Bank investment

€214.0 billion (since 1991)

€16.6 billion (YE 2024)

Number of projects

7,409 (since 1991)

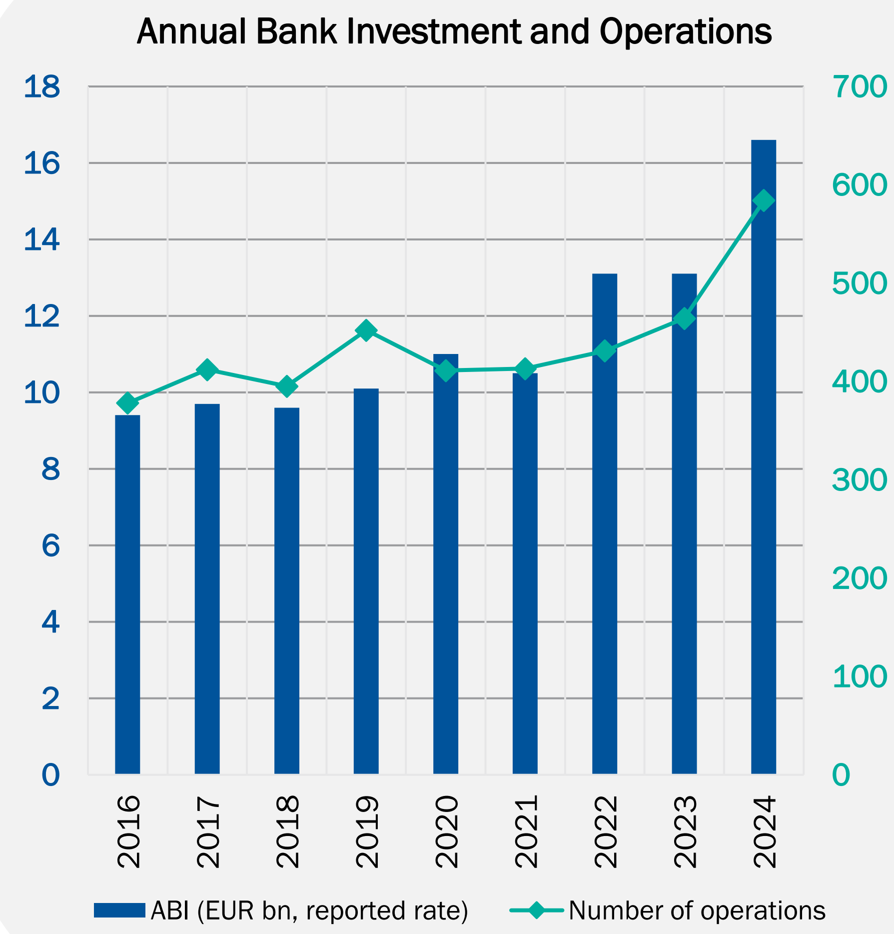
584 (YE 2024)

Cumulative disbursements

€153.9 billion (since 1991)

Private share of net cumulative Bank investment

79%



Portfolio

as of YE 2024

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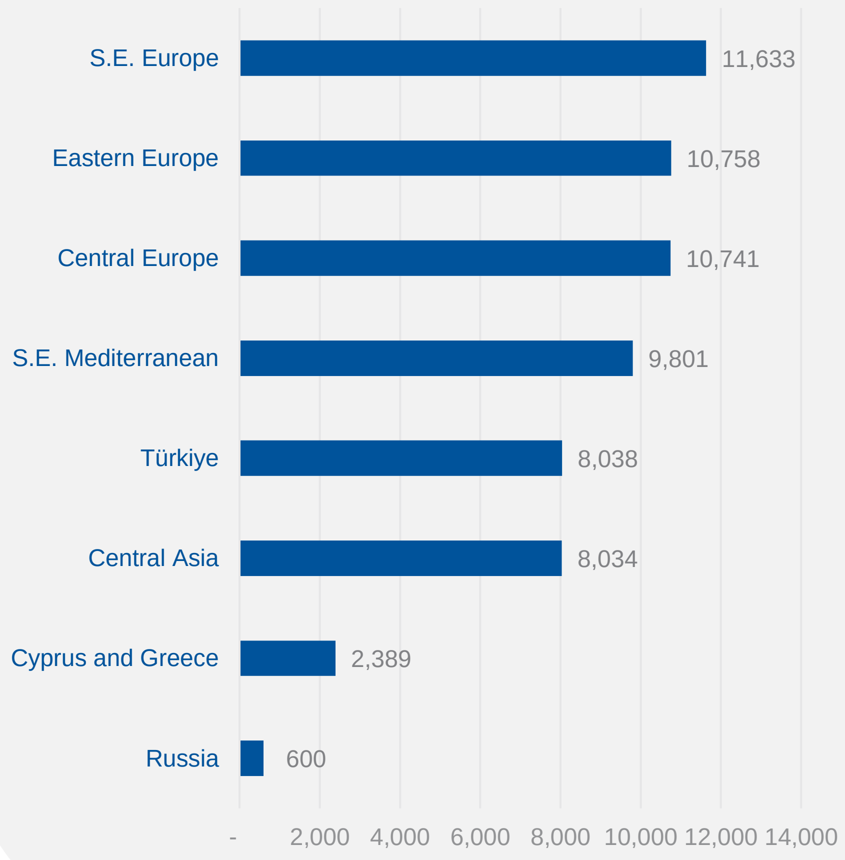
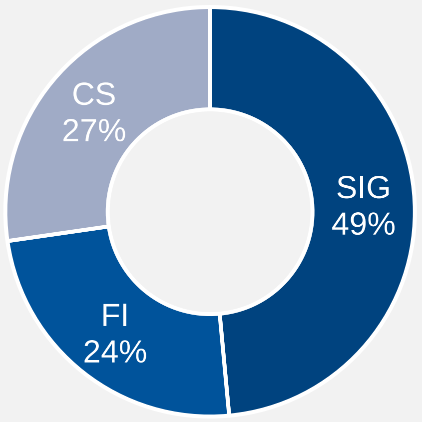
Regional breakdown (EUR million)



Sector breakdown (%)



Sustainable Infrastructure - EUR **30.1bn**

- Energy
- Municipal and Environmental Infrastructure
- Transport

Corporate Sector - EUR **16.9bn**

- Agribusiness
- Technology, Media & Telecommunications
- Manufacturing and Services
- Property and Tourism
- Natural Resources

Financial Institutions - EUR **15.0bn**

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Mobilisation and the EBRD

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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

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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).

Total Mobilisation volumes

2017 – 2024

European Bank
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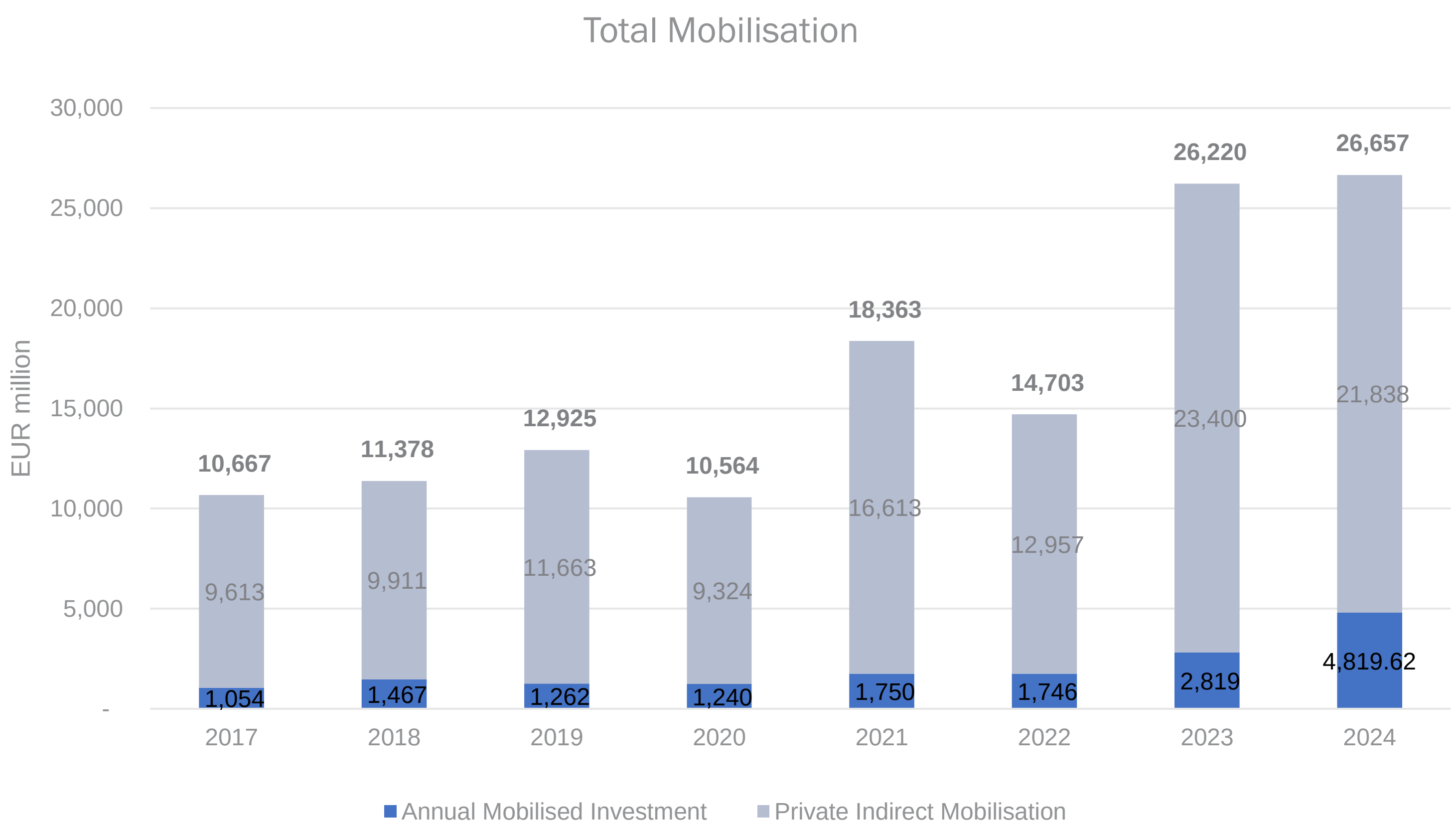

Total Mobilisation is defined as the sum of **Annual Mobilised Investment (AMI)** plus **Private Indirect Mobilisation (PIM).**

- 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.

Climate mobilisation/co-finance volumes*

2016 – 2023

European Bank
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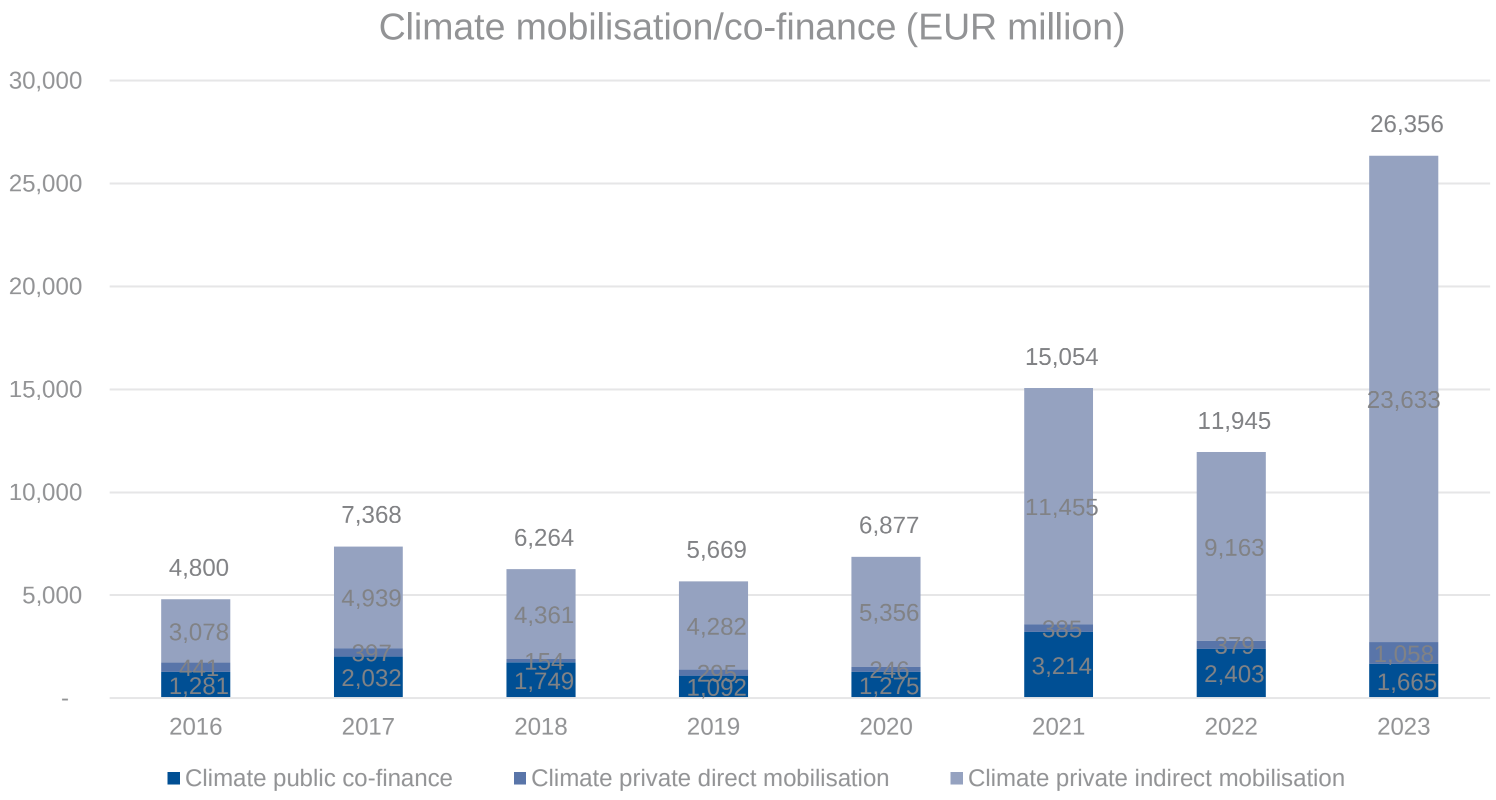

* As reported in the Joint-MDB climate finance reports.
Note: Climate PIM is calculated based on total PIM. PIM reported by the Bank externally is a value that is adjusted for MDBs and DFI co-financing double-counting. Climate PIM is adjusted for MDBs double-counting as part of the MDB joint report on climate finance but it is not adjusted for double-counting for DFI participation.

EBRD's mobilisation toolkit (AMI)

A holistic approach to mobilisation

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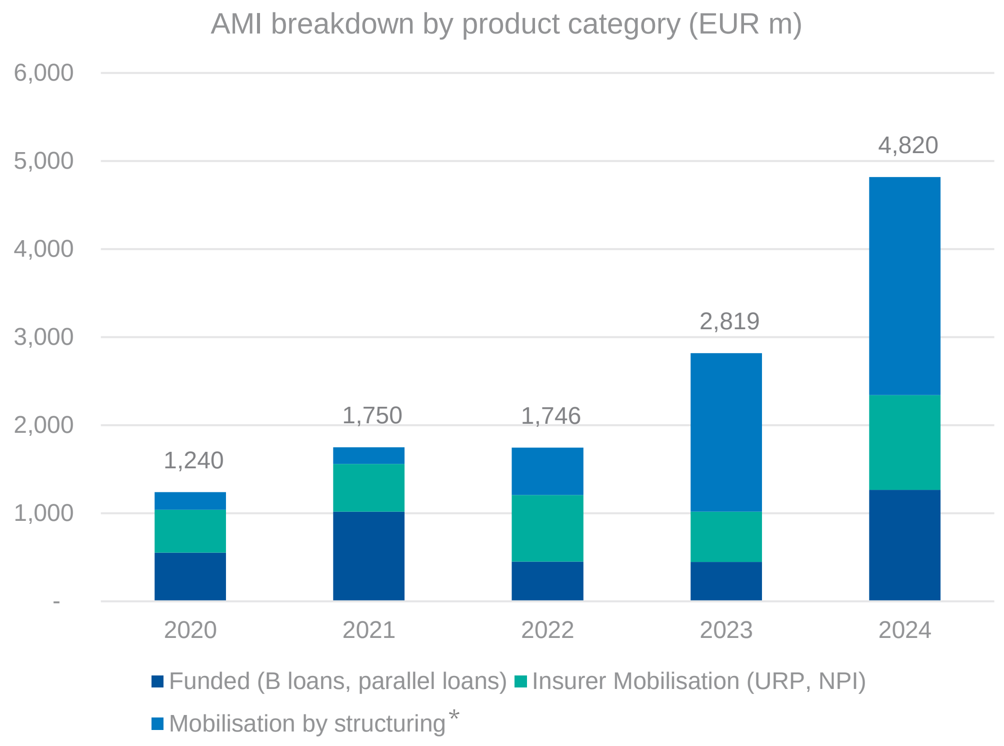
The Debt Mobilisation (DM) department has central responsibility for the AMI definition to capture all EBRD mobilisation activities.

Funded Mobilisation	• A/B loans • Parallel loans	Syndication products; DM led
Insurer Mobilisation	• Unfunded Risk Participations (URPs) • Non-payment Insurance (NPI)	DM led
Mobilisation by Structuring	• On-lending multiples covenanted on bond/loan agreements	DM – captured and advised
	• PPP Advisory and Renewable Energy Auctions Advisory • Risk Sharing Framework (RSF) and Resilience and Livelihoods Framework (RLF) • Trade Facilitation Programme (TFP) • Some bonds and equity investments	



*In 2020, the Mobilisation by Structuring category included donor/special funds and grants which were subsequently removed from the AMI definition.

Mobilisation via the above tools contributes to **Annual Mobilised Investment (AMI).**

Mobilisation overview

Country & sector breakdown of AMI for 2024

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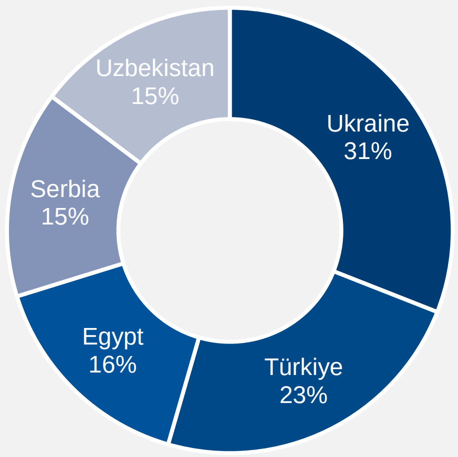
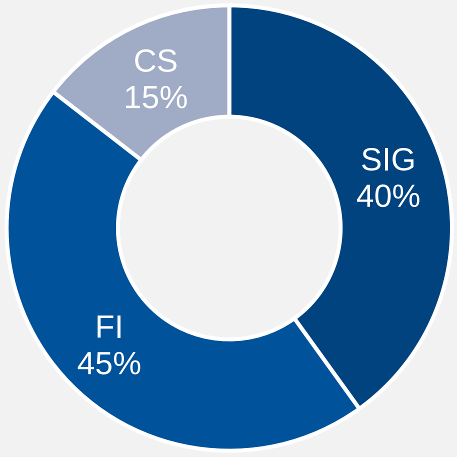
Country Breakdown (%)



Sector Breakdown (%)



Top 5 Country	No. Deals	AMI Size (EUR mn)
Ukraine	34	805
Türkiye	13	611
Egypt	11	409
Serbia	5	391
Uzbekistan	17	383

Sector	No. Deals	AMI Size (EUR mn)
Financial Institutions	66	2,189
Sustainable Infrastructure	70	1,931
Corporate Sector	98	700

EBRD Mobilised Active Portfolio*

as of YE 2024

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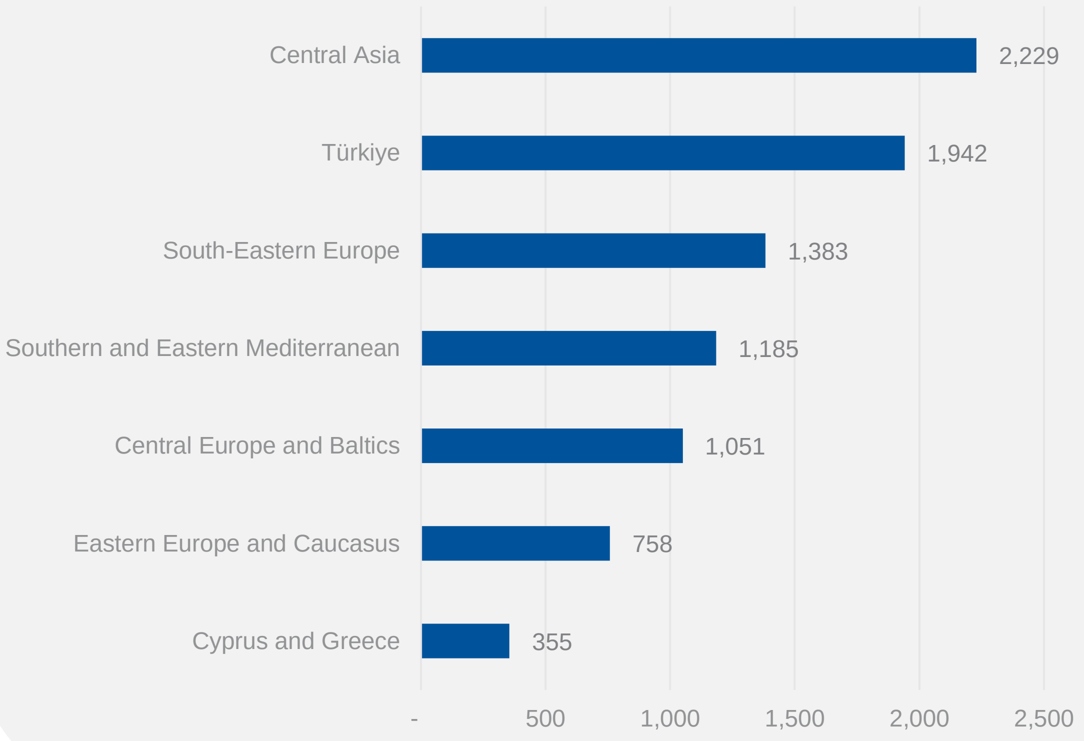
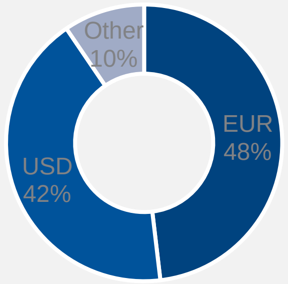
Regional breakdown

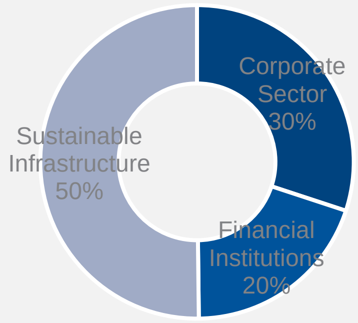
Portfolio Volume in EUR m



Currency breakdown (%)



Sector breakdown (%)



€ 8.9bn Active portfolio volume

>150 Operations

BB S&P rating equivalent

1.9% Non-performing loans

0.94% Net write offs

*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".

** Cumulative write offs net of recoveries over the net cumulative bank investment of all EBRD transactions between 1999 and YE 2024 with a B loan or Insurer Mobilisation component.

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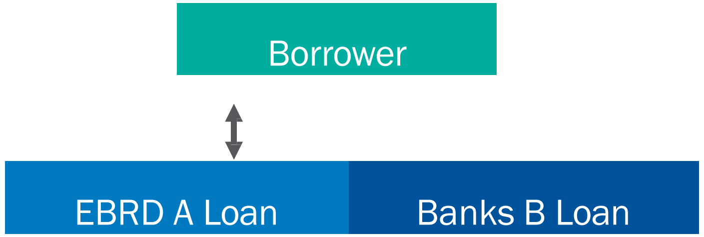
A/B loan



- 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.
- 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 (PCS)

The Bank maintains a set of "lending rules" for co-financiers:

- Eligibility: certain entities are ineligible for PCS sharing, i.e. entities acting in national interest such as Export Credit Agencies, co-financiers domiciled in the project country, local Development Banks & other International Financial Institutions
- "Skin in the game": EBRD needs to be the largest single lender under an A/B Loan and has to keep a minimum of 25% of the overall loan (though OpsCom can approve a lower threshold of 20%) on its books throughout the tenor of the loan
- Tenor difference: General practice has been that the A loan for EBRD's account can be up to 3 years longer than the B loan provided by commercial co-financiers

Benefits for B Lenders

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- 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

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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

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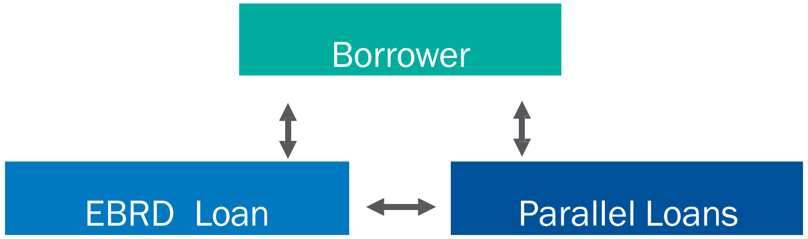
Following the Russian moratorium of 17 August 1998, the Russian Central Bank issued this exemption:

[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

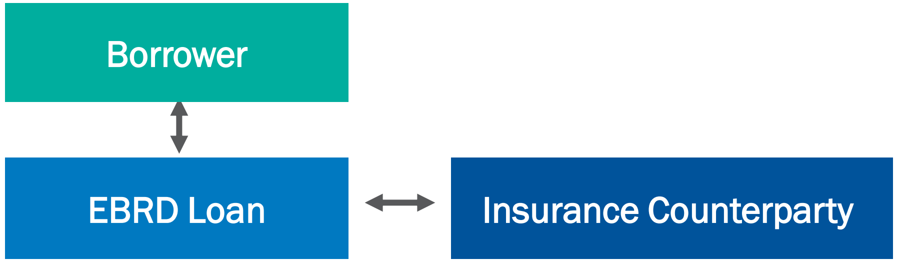


- Each lender/group of lenders enters into direct contractual relationship with the Borrower.
- Terms and conditions are often the same or similar - additional loan documentation (e.g. common terms agreement, intercreditor agreement, security sharing agreement) makes it more complex and costly to the borrower.
- Parallel lenders do not share EBRD's Preferred Creditor Status.

Typical parallel lenders:

- Loans booked by banks located in the country of the borrower are not eligible as participants in B Loans. Local subsidiaries of international banks often prefer to lend to the borrower directly in parallel.
- International Financial Institutions (IFIs),most Development Finance Institutions (DFIs) and Export Credit Agencies (ECAs) are not eligible as participants in B Loans. Co-financing with IFIs, DFIs and ECAs is a common feature in large volume energy & infrastructure projects where long maturities are required.
- EBRD endeavours to charge a mobilisation fee for actively mobilising parallel lenders, resulting in increased AMI.

Insurer Mobilisation Programme



- 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 4.1bn in cumulative commitments by the end of 2024.

Different products for various co-financiers

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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

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	2024 Top 10 Funded and Insurer Mobilisation partners
1	AXA XL Insurance Company UK LTD
2	ILX
3	AXIS Specialty Europe SE
4	Liberty Mutual Insurance Europe LTD
5	SCOR Europe SE
6	Great Lakes Insurance SE UK Branch
7	Chubb Bermuda Insurance LTD
8	The Hartford Syndicate 1221 at Lloyds
9	Raiffeisen Bank International AG
10	Pernix Specialty LTD

	Top 10 B Lenders by Operating Assets (to YE2023)
1	Bank of China
2	FMO
3	Societe Generale
4	Industrial And Commercial Bank of China
5	ILX
6	Unicredit
7	Intesa Sanpaolo Spa
8	Kommunalkredit Austria Ag
9	HSBC
10	Australia And New Zealand Banking Group Ltd

Insurer Mobilisation Programme (IMP)

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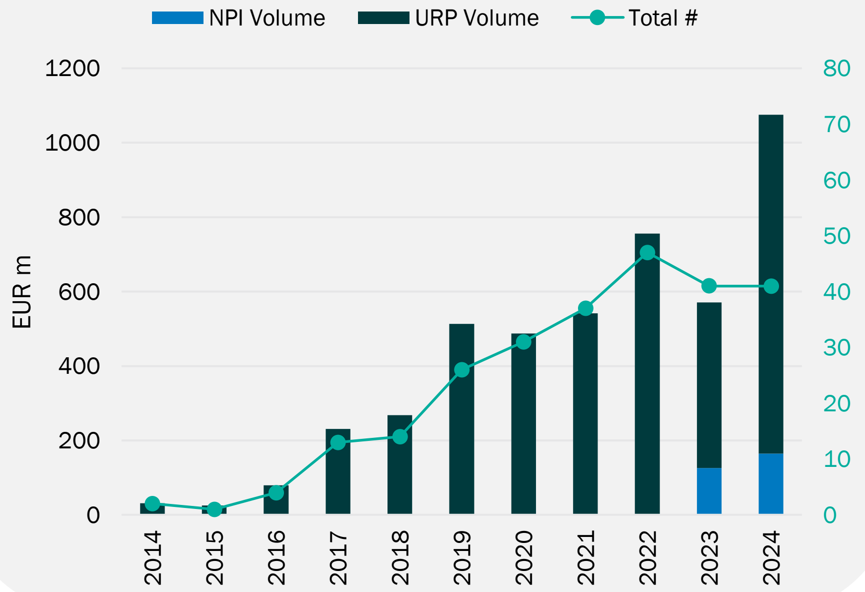
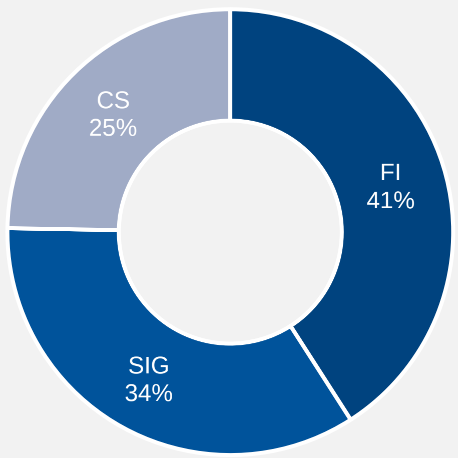
The EBRD IMP is a simple and efficient risk-sharing scheme that enables insurance companies to take exposure in EBRD-originated emerging market transactions over a wide range of sectors and geographies.
This is undertaken via two products: Unfunded Risk Participations (URPs) and Non-Payment Insurance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

Evolution of IMP Activity
(2014 – 2024)



IMP Portfolio split by sector
(as of YE 2024)



In brief
(as of YE 2024)

>€4.1 billion
Total volume mobilised

20
Insurance counterparties

>250
Underlying projects mobilised

20
Countries

10
Currencies

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Tashkent Solar PV and BESS

Uzbekistan – B loans, Parallel loans

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The Project:

The EBRD is contributing to Uzbekistan's objective of developing up to 25 GW of solar and wind capacity by 2030, by organising a 20-year facility of up to USD 229.4 million for the development, design, construction and operation of a 500 MWh battery energy storage system (BESS) and a 200 MW solar photovoltaic power plant in the Tashkent region.

The Borrower:

The financing will be provided to ACWA Power Riverside Solar, a special purpose company established in Uzbekistan.

The Sponsor of the Project is ACWA Power Company, the Bank's existing client, a developer of power generation and desalinated water projects, with above 55.1 GW generation portfolio across 12 different countries.

EBRD finance

A loan amount:
USD 183.5m

Concessional finance

USD 5.4 million under HIPCA

Funded mobilisation

B loans:

- USD 40.5m
- From four B lenders

Parallel loans:

- USD 156.6m
- From six parallel lenders

EBRD value added/impact

- This is the second project in Uzbekistan, where the Bank achieved B Loan participations for a 20-year tenor on an uncovered basis (i.e. without ECA-type cover), which is very challenging to achieve in any market.
- The Project stands as a landmark for the region as the largest BESS project in Central Asia and one of the largest BESS across all EBRD COOs.
- Will generate up to 418 GWh of electricity per year and reduce annual CO2 emissions by more than 230,000 tonnes.
- Will further decrease Uzbekistan's reliance on carbon-intensive generation.

Signed in 2024

Retele Electrice Banat, Dobrogea & Muntenia

Romania - Parallel Loan

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The Borrower:

Retele Electrice Banat, Retele Electrice Dobrogea and Retele Electrice Muntenia (together the “Borrowers”) are incorporated in Romania and jointly form the second-largest power distribution company in the country, controlling c. 35% of the market.

Since October 2023, they are fully owned by Public Power Corporation S.A (“PPC”), a Greek utility company.

EUR 200m
In RON equivalent

c. EUR 100m from EBRD
+
c. EUR 100m from 3 lenders

Use of proceeds and EBRD value added/impact

The loan proceeds will be used to part finance and refinance the Borrowers’ 2023-2025 capital expenditures programme aimed at modernising and digitalizing their electricity distribution networks in Romania.

The Project is 100 % GET. The loan will support the investment programme aiming at energy efficiency improvements and grid system reliability enhancement which will lead to an overall decrease in grid losses.

The EBRD sourced the parallel lenders and organised the loan documentation on behalf of the lending group thereby providing a convenient one stop shop for the Borrower that could be replicated for other transactions.

Signed in 2024

ACWA Power: Bash Wind & Dzhankeldy Wind

Uzbekistan – B loan

The Borrower

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).

Finance

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

Selected Syndicated Loans in 2024

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Tashkent Solar PV and BESS Energy Uzbakistan USD 229m	**Ruisi Wind** Energy Georgia USD 189M	**Nakkas - Basaksehir Motorway PPP** Infra Turkiye EUR 280M
Project New Dawn - A101 Food & Agri Türkiye USD 200M	**Kormotech Expansion** Food & Agri. Lithuania - Ukraine EUR 55M	**Giurgiu Solar** Energy Romania USD 110M

Selected Syndicated Loans in 2023

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Aya Gold and Silver Nat Res Morocco EUR 140M	**Dzhankeldy WPP** Energy Uzbekistan USD 262M	**Bash WPP** Energy Uzbekistan USD 284M
NBE FI Egypt USD 120M	**Banque Misr** FI Egypt USD 120M	**Absheron-Khizi WPP** Energy Azerbaijan USD 197M

Annex: Debt Mobilisation - team organisational chart

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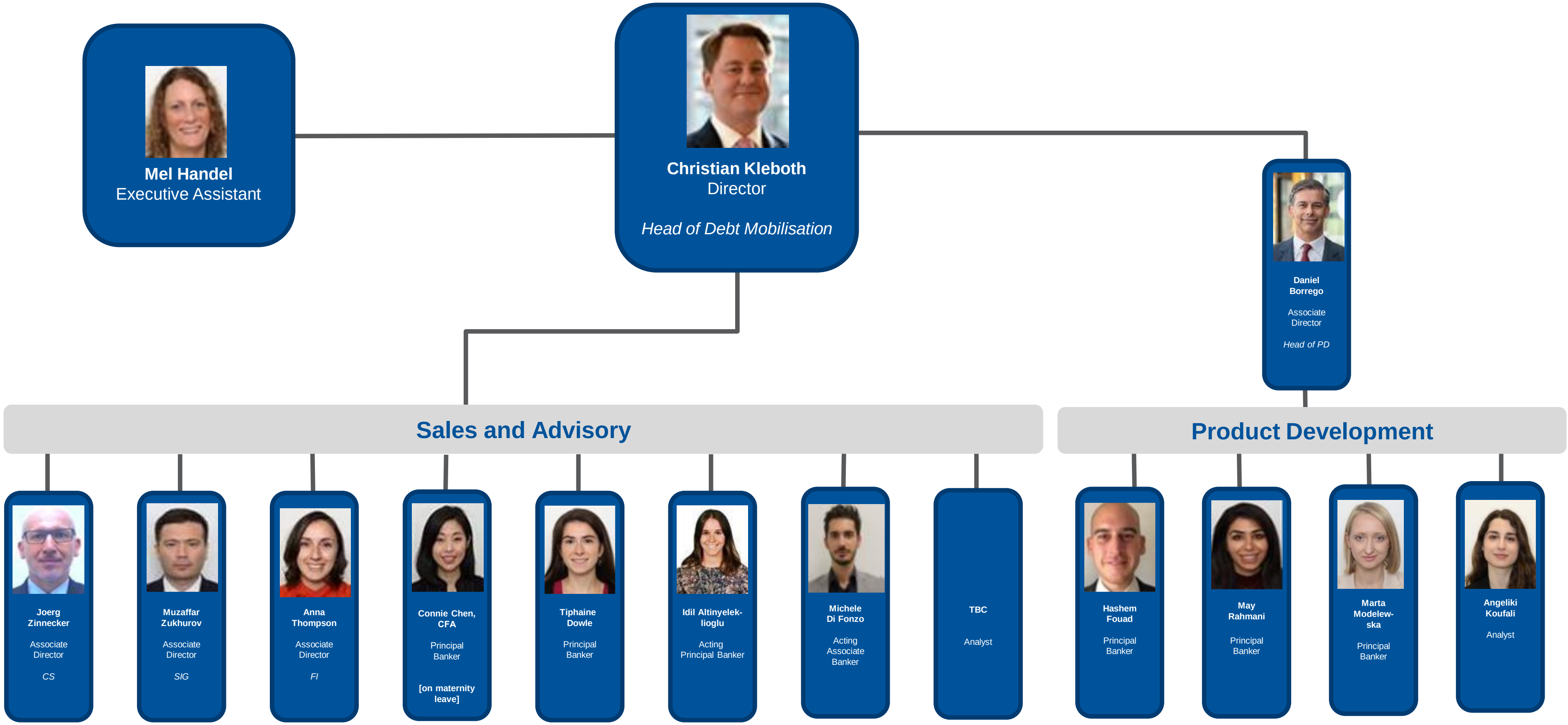

Sales and Advisory is responsible for sales (B loans, parallel loans, URPs, NPI, additional products once they are available) as well as for advising various EBRD teams on AMI-optimum deal structures.

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.

As of January 2025

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