

Enhancing investments and sustainable growth in the Baltic Sea Region

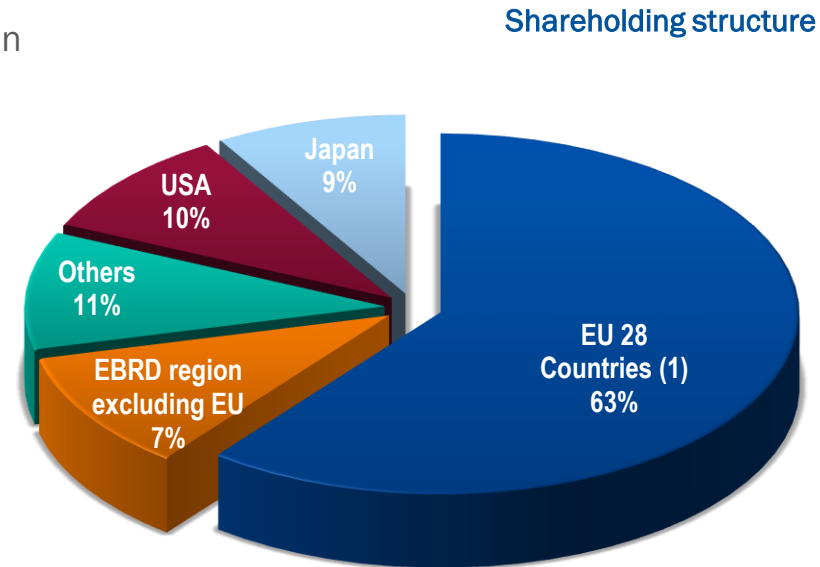
BSSSC 15 September 2016 Hämeenlinna
Johannes Koskinen



European Bank
for Reconstruction and Development

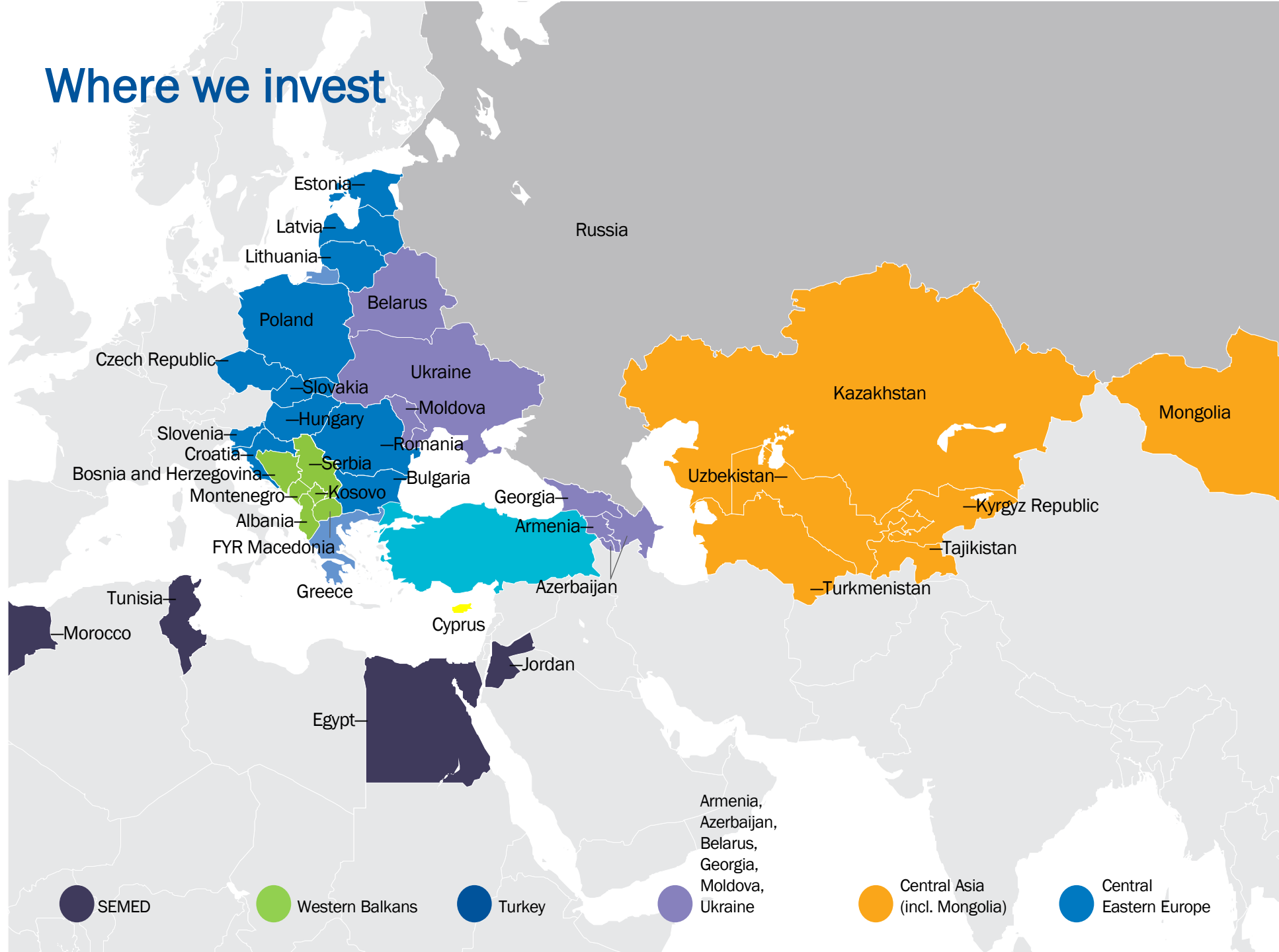
What is the EBRD?

- An international financial institution, with the mandate to promote transition to modern and well-functioning markets in 36 countries from Central and Eastern Europe, Caucasus, Central Asia and the Southern and Eastern Mediterranean – SEMED region.
- Owned by 65 countries and 2 inter-governmental institutions (EU, EIB).
- Capital base of €30 billion.
- Highest credit rating (AAA/Aaa) from all three main rating agencies (S&P, Moody's and Fitch)
- In January 2016, China became the EBRD's 67th shareholder



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

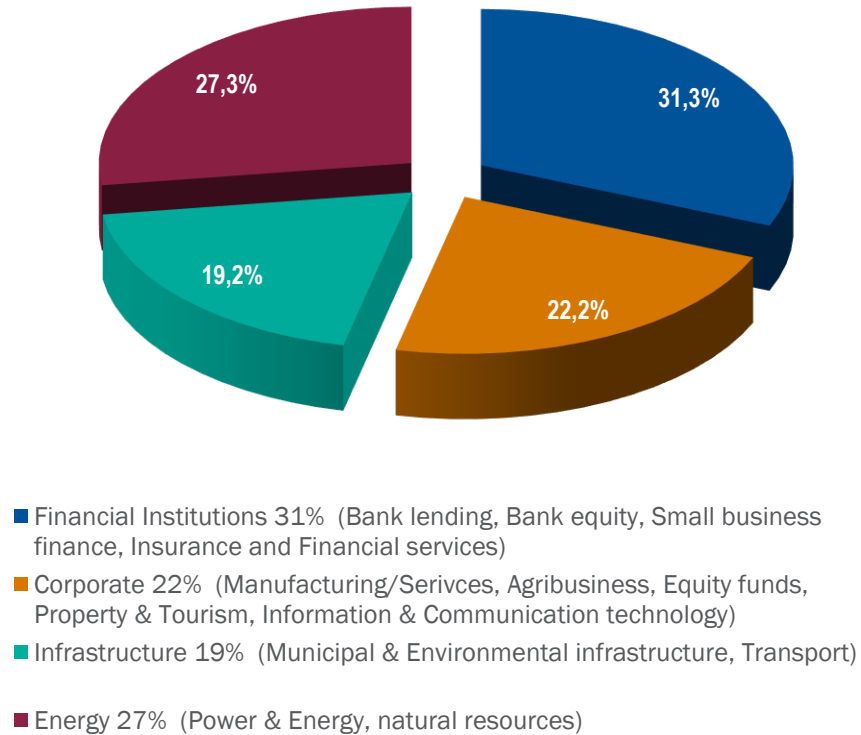
Where we invest



Portfolio distribution by sector and region

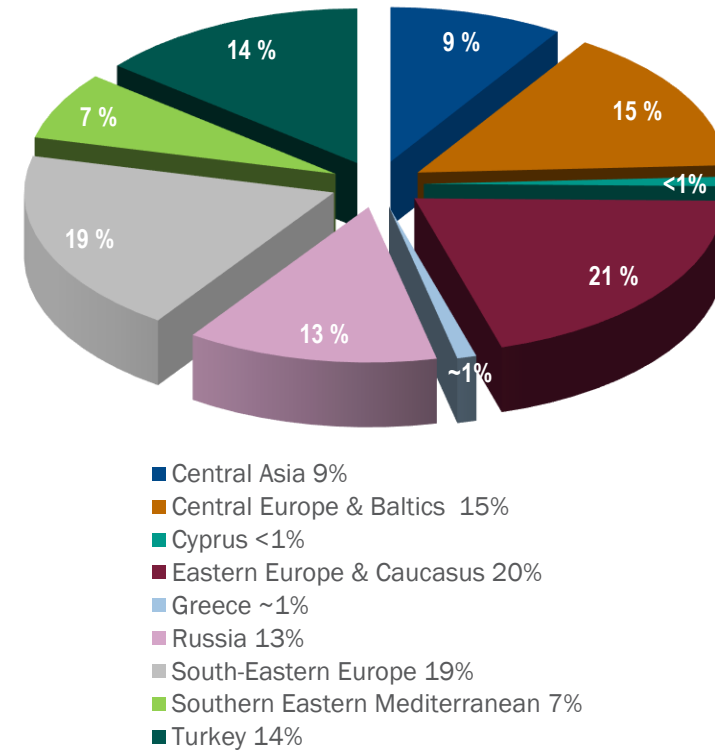
EBRD Portfolio (at 31 December 2015): € 41,574 million

Sector



Note: as at 31 December 2015

Region



The EBRD, its objectives and key strengths

The EBRD



- Strong, internationally recognised financial partner with long-term perspective
- Operates on a commercial basis
- Wide product, currency, tenor range
- Facilitates inward and cross border investments in the region to enhance regional integration
- Promotes through policy dialogue improvements in the investment climate and necessary sector reforms
- Close working relationship with governments and shareholders
- Extensive knowledge of local economy, business environment and practices based on 25 years experience and local presence in 36 countries
- Structuring expertise and project preparation and implementation support available
- Catalyst to access additional equity, debt and trade & project finance to both private and public sector clients

Objectives



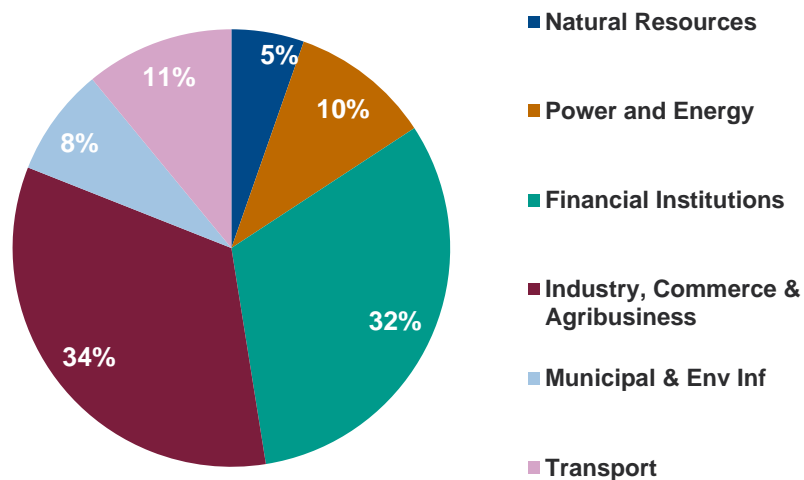
- To promote transition to modern and well-functioning markets by investing both in the private and state sectors
- To support private sector development, privatisation and enterprise restructuring
- To improve competitiveness and promote innovation to enhance energy and resource efficiency
- To encourage environmentally sound and sustainable development
- To support better municipal services to improve people's lives
- To mobilise significant foreign direct investment



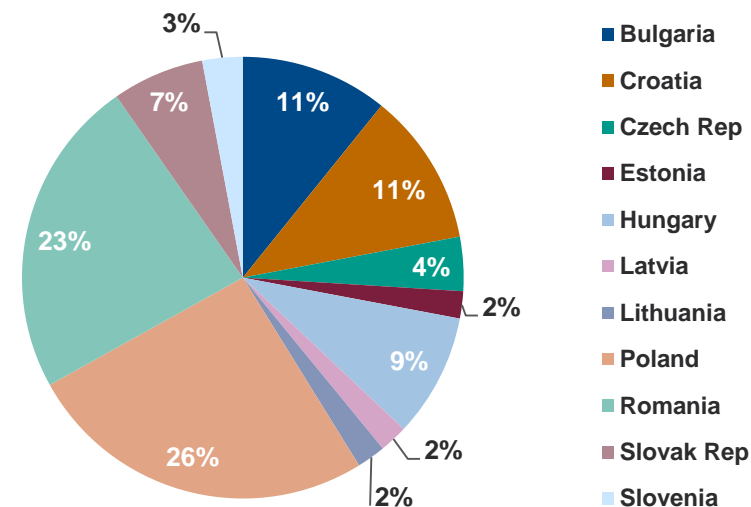
EBRD in EU-10: at a glance

- ❑ Annual new business EU-10: EUR 1.3 billion approx. 3yr average (2013-2015)
- ❑ Total cumulative EBRD investments : EUR 30.9 billion in 1493 projects (EU-11: incl. Czech Republic that graduated)
- ❑ Active Portfolio: EUR 8.9 billion, 445 projects (EU-11: incl. remaining Czech portfolio)
- ❑ Predominantly private portfolio, particularly in Central Europe
- ❑ 25% equity in portfolio

Cumulative Investments by Sector



Cumulative Investments by Country



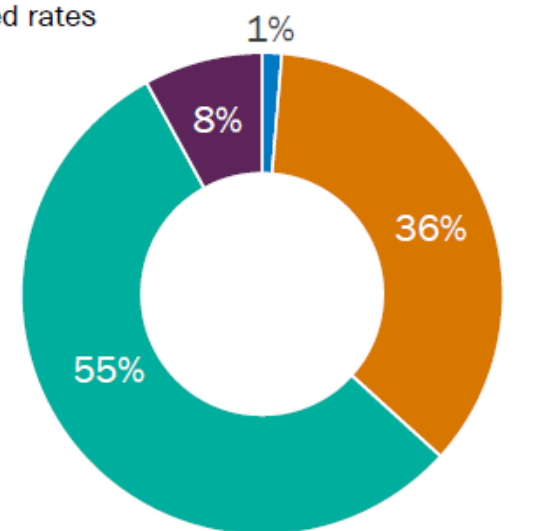
Note: as at 31 December 2015

At a glance

Number of operations to date	73
Net cumulative Bank Investment	€1,754.5 million
Cumulative disbursements	€875.4 million
Portfolio	€514.0 million
Number of active portfolio operations	45
Operating assets	€444.6 million
Private share of portfolio	93%
Equity share of portfolio	10%
Number of operations YTD	0
Bank Investment YTD	€14.7 million
Disbursements YTD	€4.1 million

Portfolio Composition

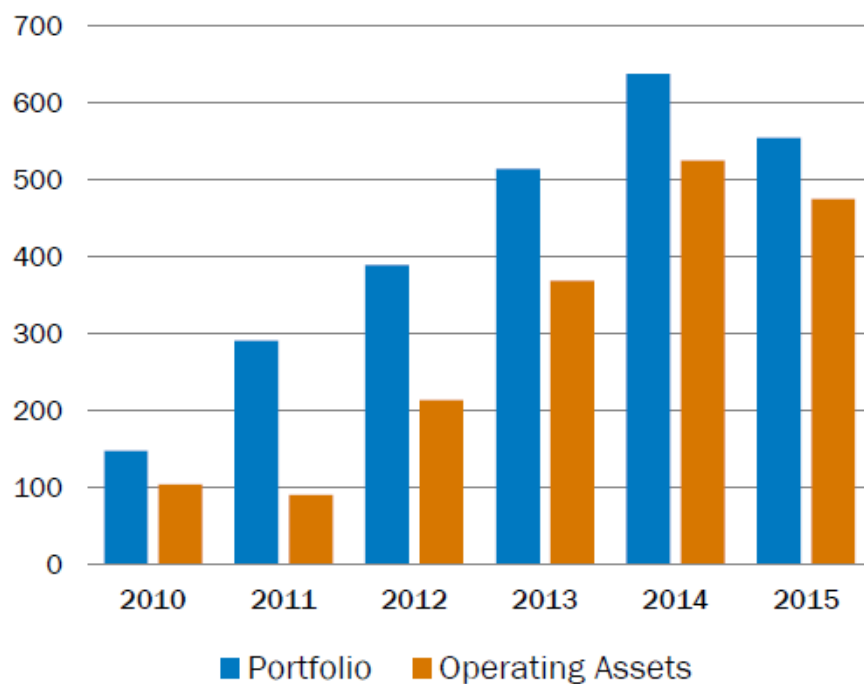
Share of current portfolio at reported rates



- Portfolio - Energy
- Portfolio - Financial Institutions
- Portfolio - ICA
- Portfolio - Infrastructure

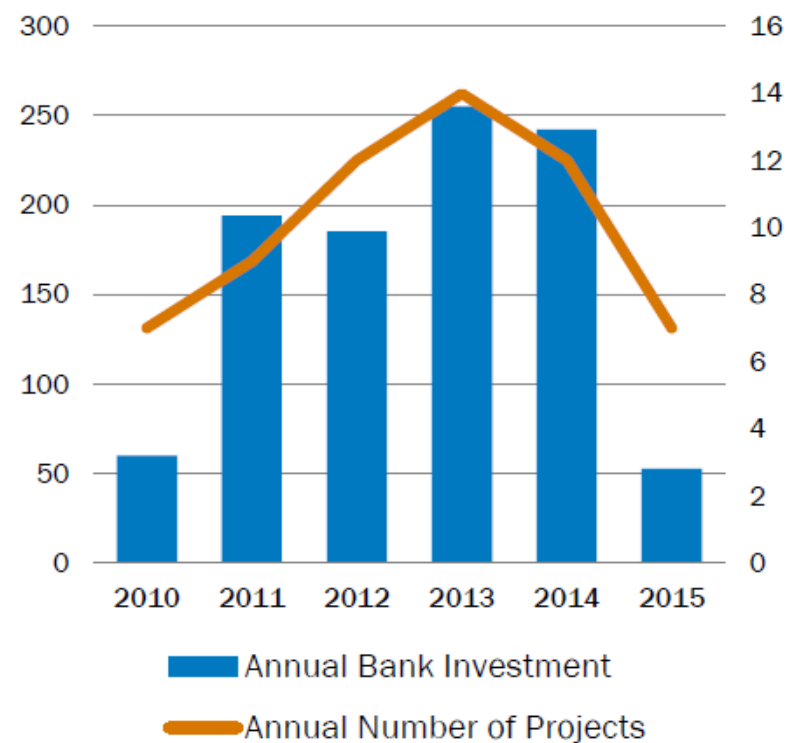
Portfolio and Operating Assets

€ million at reported rates



Annual Bank Investment and number of projects

€ million at reported rates

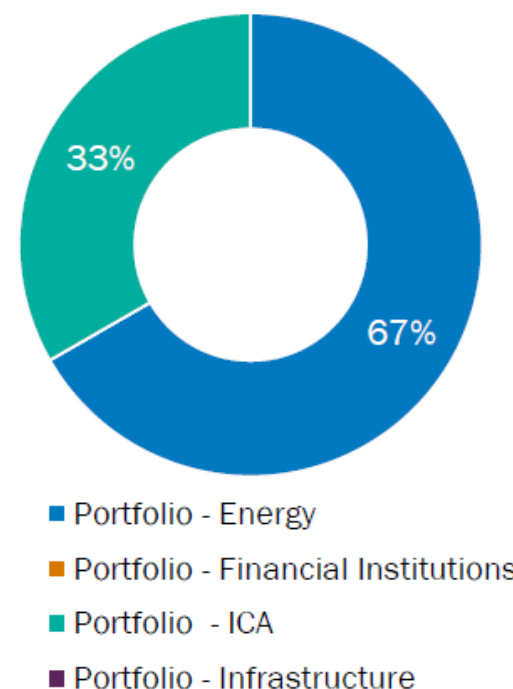


At a glance

Number of operations to date	80
Net cumulative Bank Investment	€615.4 million
Cumulative disbursements	€569.1 million
Portfolio	€110.4 million
Number of active portfolio operations	18
Operating assets	€68.7 million
Private share of portfolio	100%
Equity share of portfolio	33%
Number of operations YTD	1
Bank Investment YTD	€1.2 million
Disbursements YTD	€6.9 million

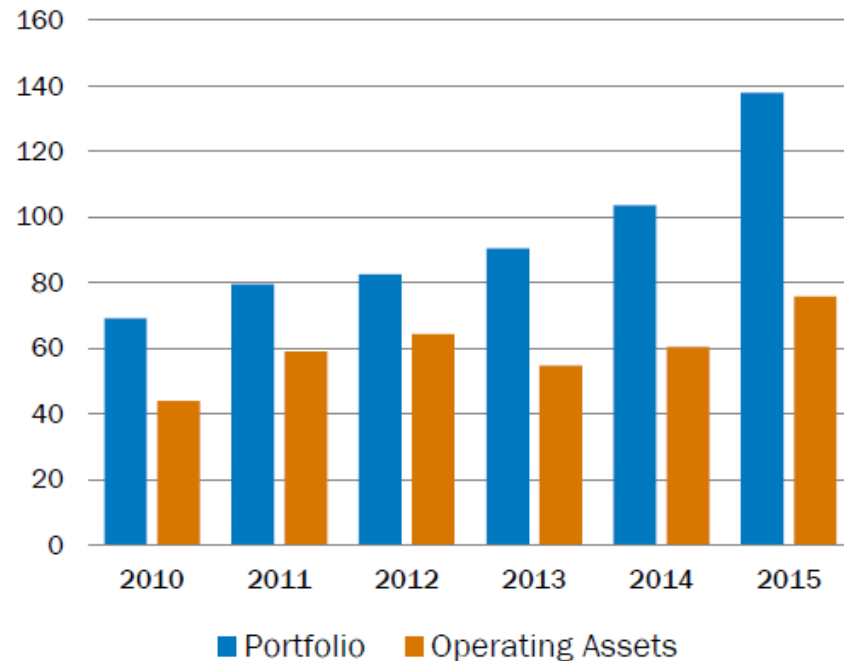
Portfolio Composition

Share of current portfolio at reported rates



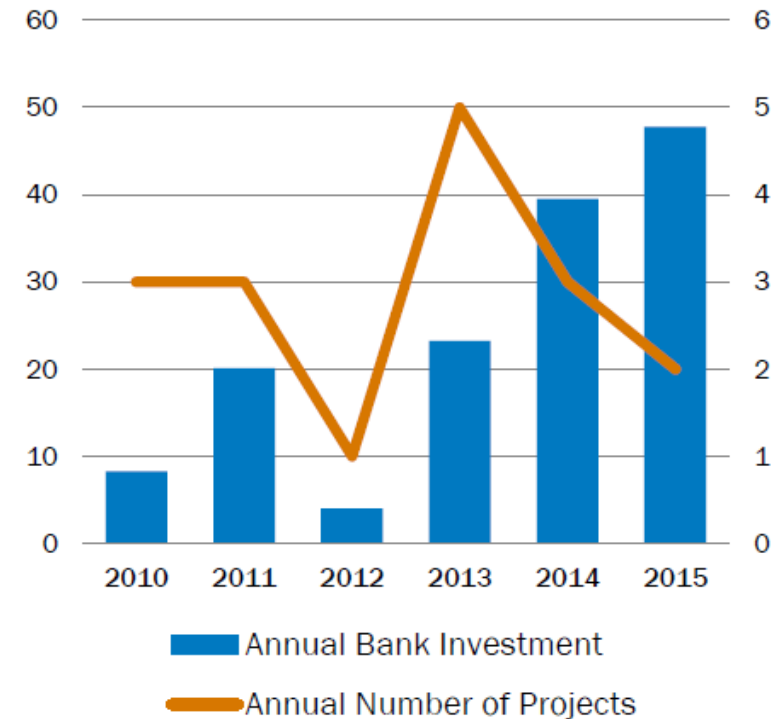
Portfolio and Operating Assets

€ million at reported rates



Annual Bank Investment and number of projects

€ million at reported rates

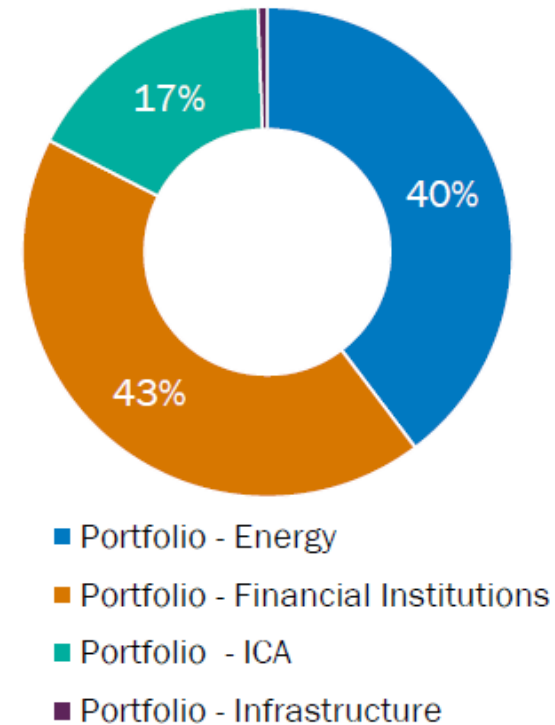


At a glance

Number of operations to date	75
Net cumulative Bank Investment	€633.3 million
Cumulative disbursements	€645.7 million
Portfolio	€266.0 million
Number of active portfolio operations	27
Operating assets	€248.4 million
Private share of portfolio	73%
Equity share of portfolio	53%
Number of operations YTD	1
Bank Investment YTD	€1.2 million
Disbursements YTD	€34.1 million

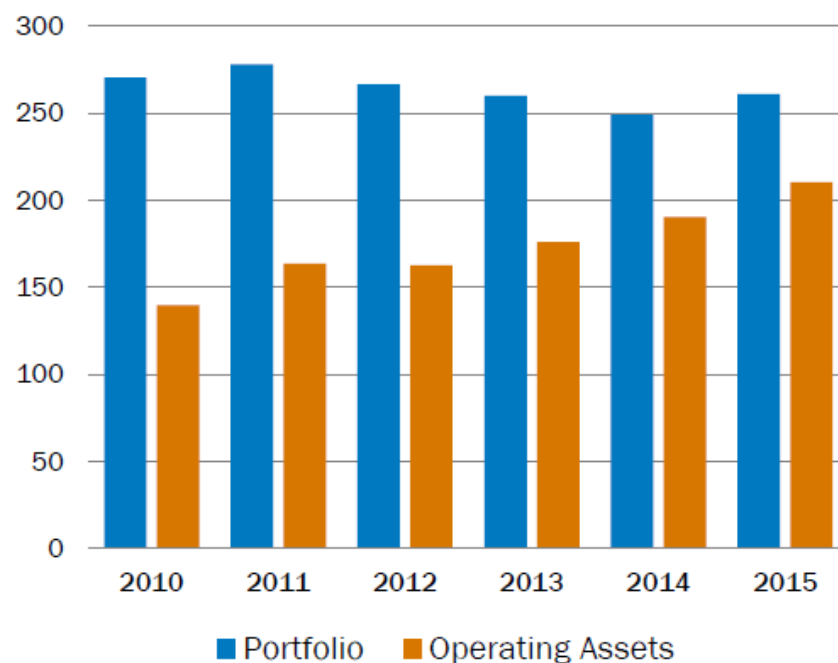
Portfolio Composition

Share of current portfolio at reported rates



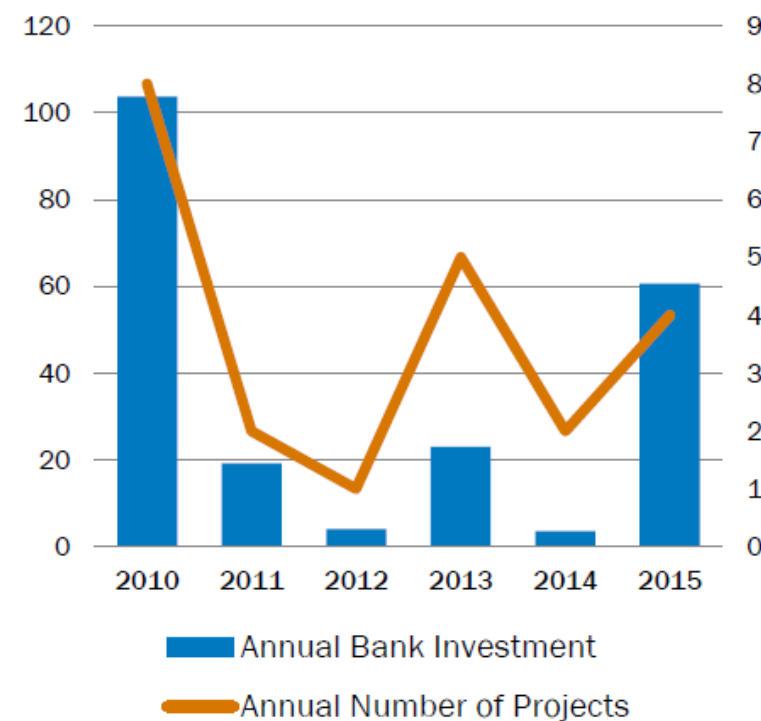
Portfolio and Operating Assets

€ million at reported rates



Annual Bank Investment and number of projects

€ million at reported rates

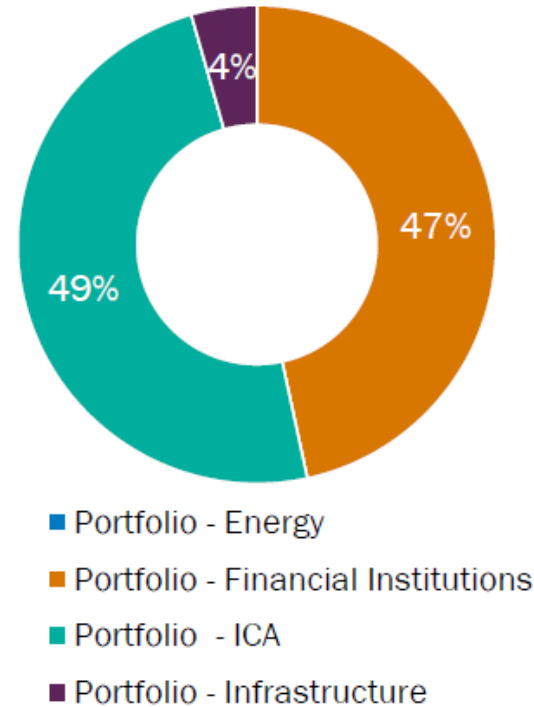


At a glance

Number of operations to date	78
Net cumulative Bank Investment	€647.1 million
Cumulative disbursements	€639.2 million
Portfolio	€80.7 million
Number of active portfolio operations	26
Operating assets	€59.2 million
Private share of portfolio	98%
Equity share of portfolio	73%
Number of operations YTD	1
Bank Investment YTD	€1.6 million
Disbursements YTD	€2.6 million

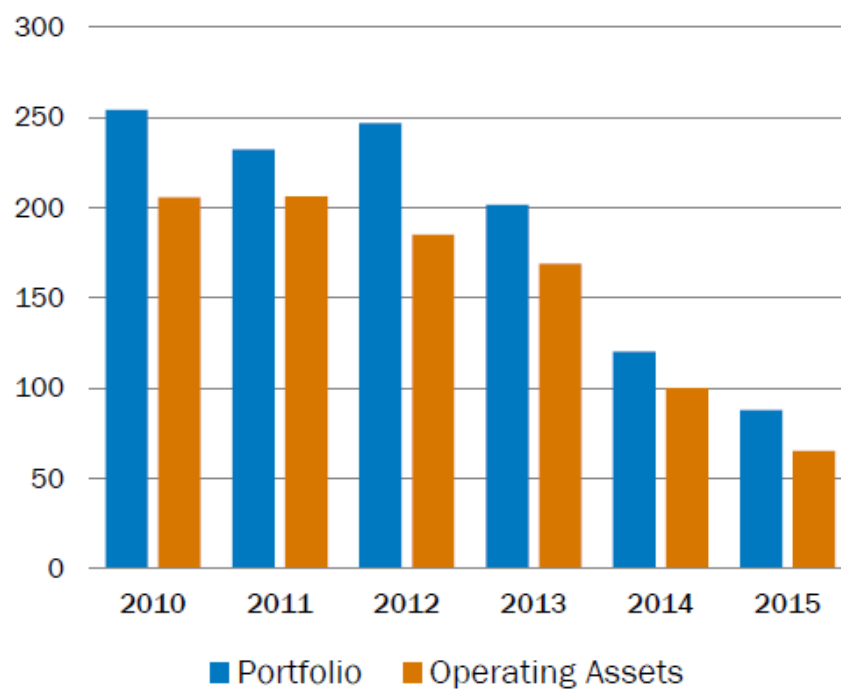
Portfolio Composition

Share of current portfolio at reported rates



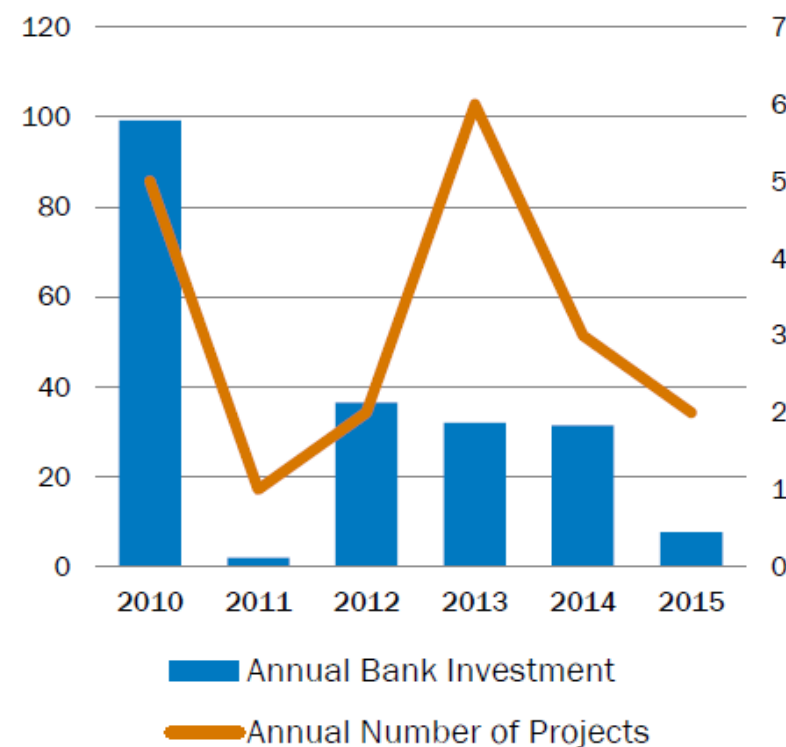
Portfolio and Operating Assets

€ million at reported rates



Annual Bank Investment and number of projects

€ million at reported rates

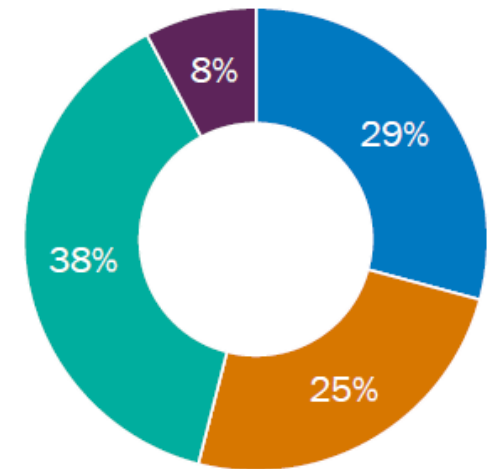


At a glance

Number of operations to date	368
Net cumulative Bank Investment	€7,862.4 million
Cumulative disbursements	€7,172.3 million
Portfolio	€2,974.0 million
Number of active portfolio operations	123
Operating assets	€2,342.4 million
Private share of portfolio	91%
Equity share of portfolio	30%
Number of operations YTD	6
Bank Investment YTD	€222.0 million
Disbursements YTD	€159.5 million

Portfolio Composition

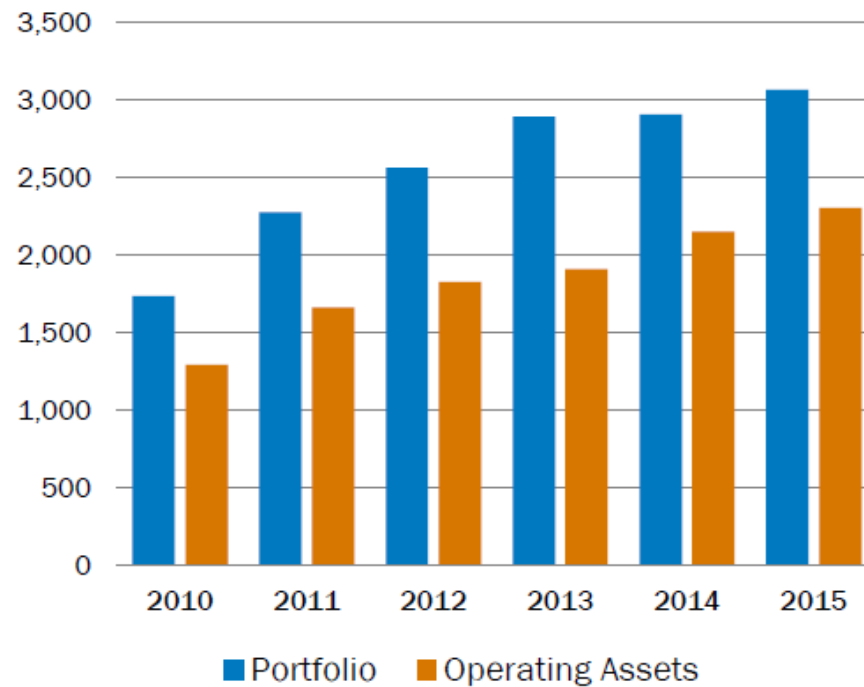
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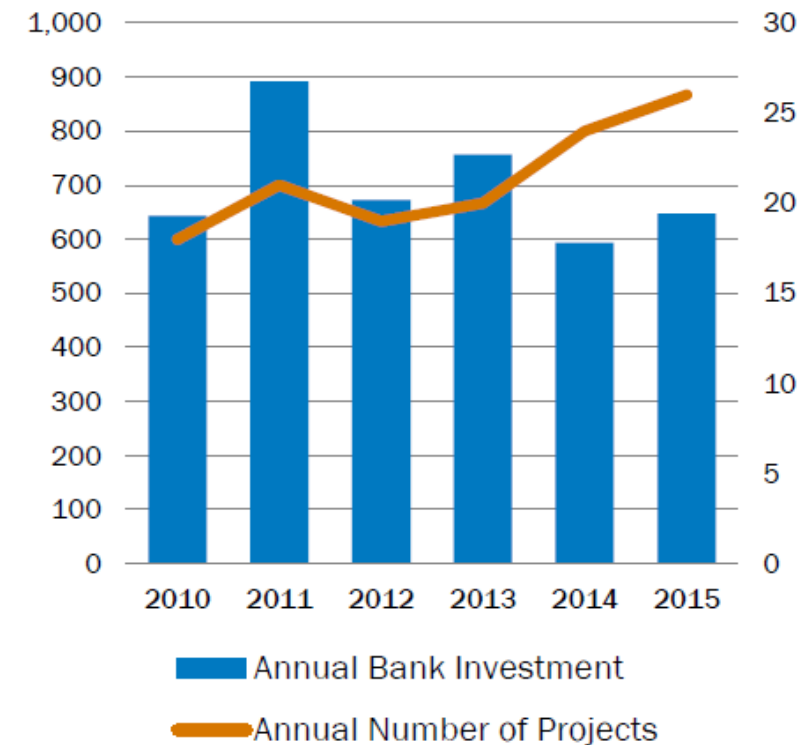
Portfolio and Operating Assets

€ million at reported rates



Annual Bank Investment and number of projects

€ million at reported rates

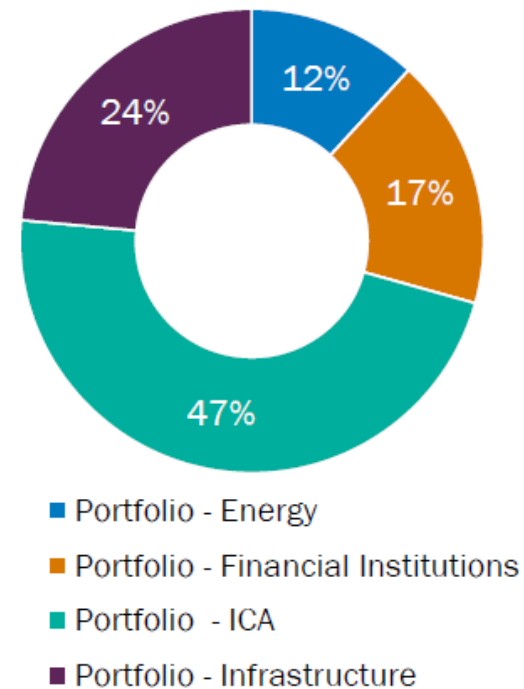


At a glance

Number of operations to date	788
Net cumulative Bank Investment	€24.8 billion
Cumulative disbursements	€18.9 billion
Portfolio	€5.1 billion
Number of active portfolio operations	204
Operating assets	€4.5 billion
Private share of portfolio	85%
Equity share of portfolio	43%
Number of operations YTD	0
Bank Investment YTD	€0.0 million
Disbursements YTD	€16.2 million

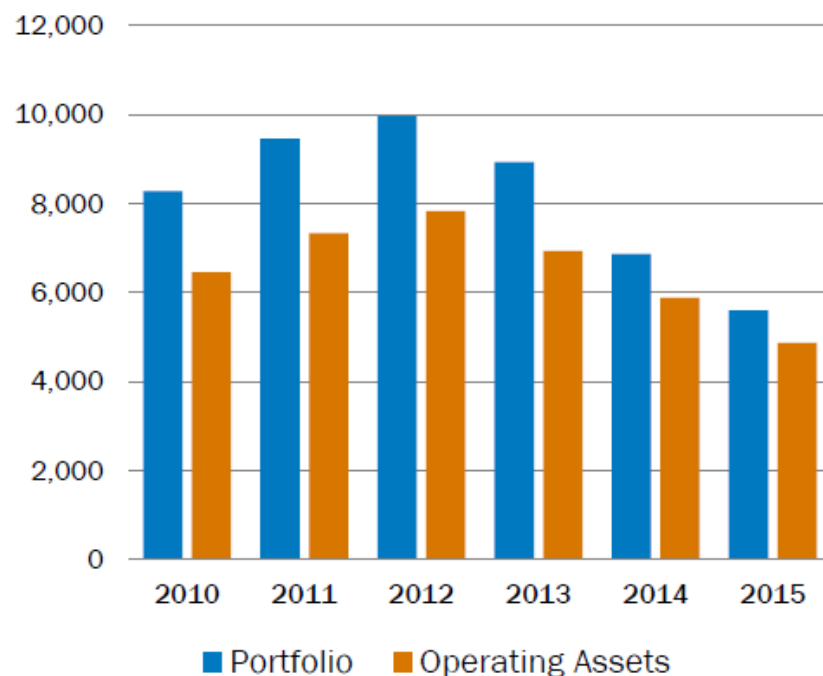
Portfolio Composition

Share of current portfolio at reported rates



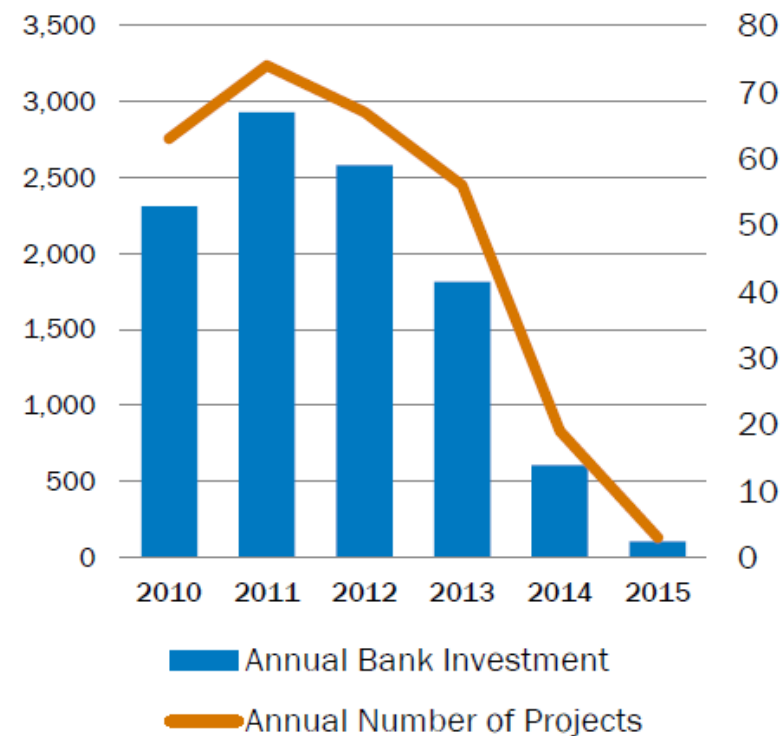
Portfolio and Operating Assets

€ million at reported rates



Annual Bank Investment and number of projects

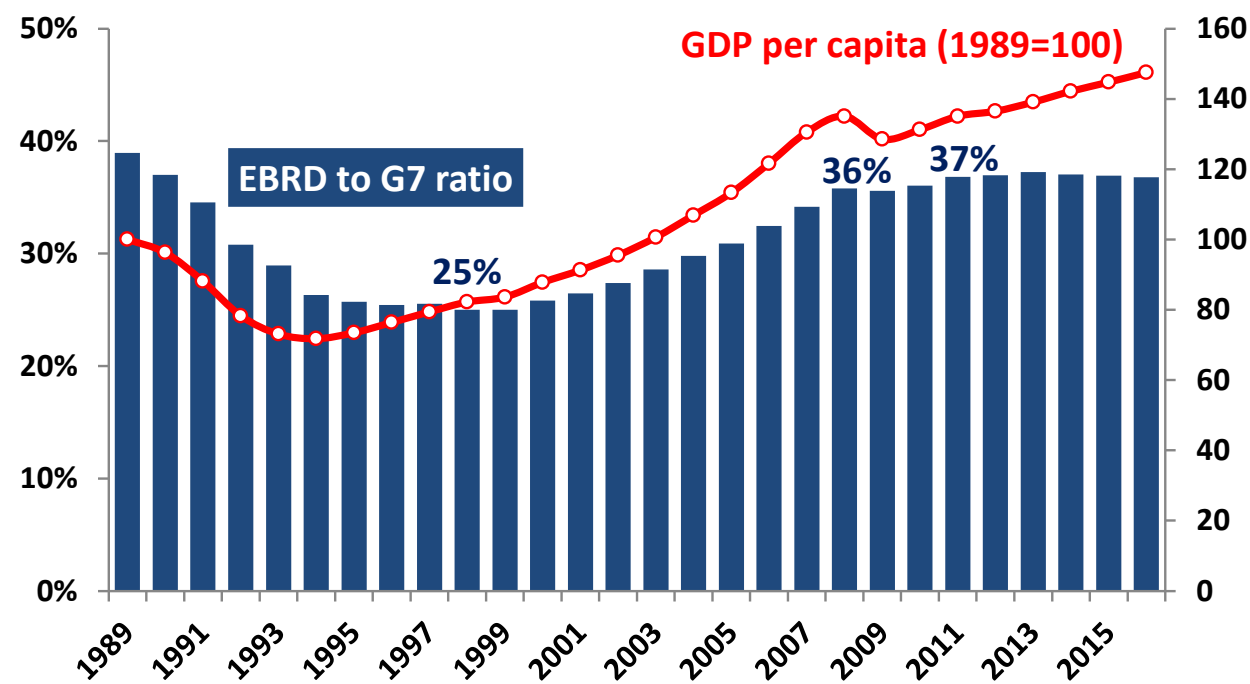
€ million at reported rates





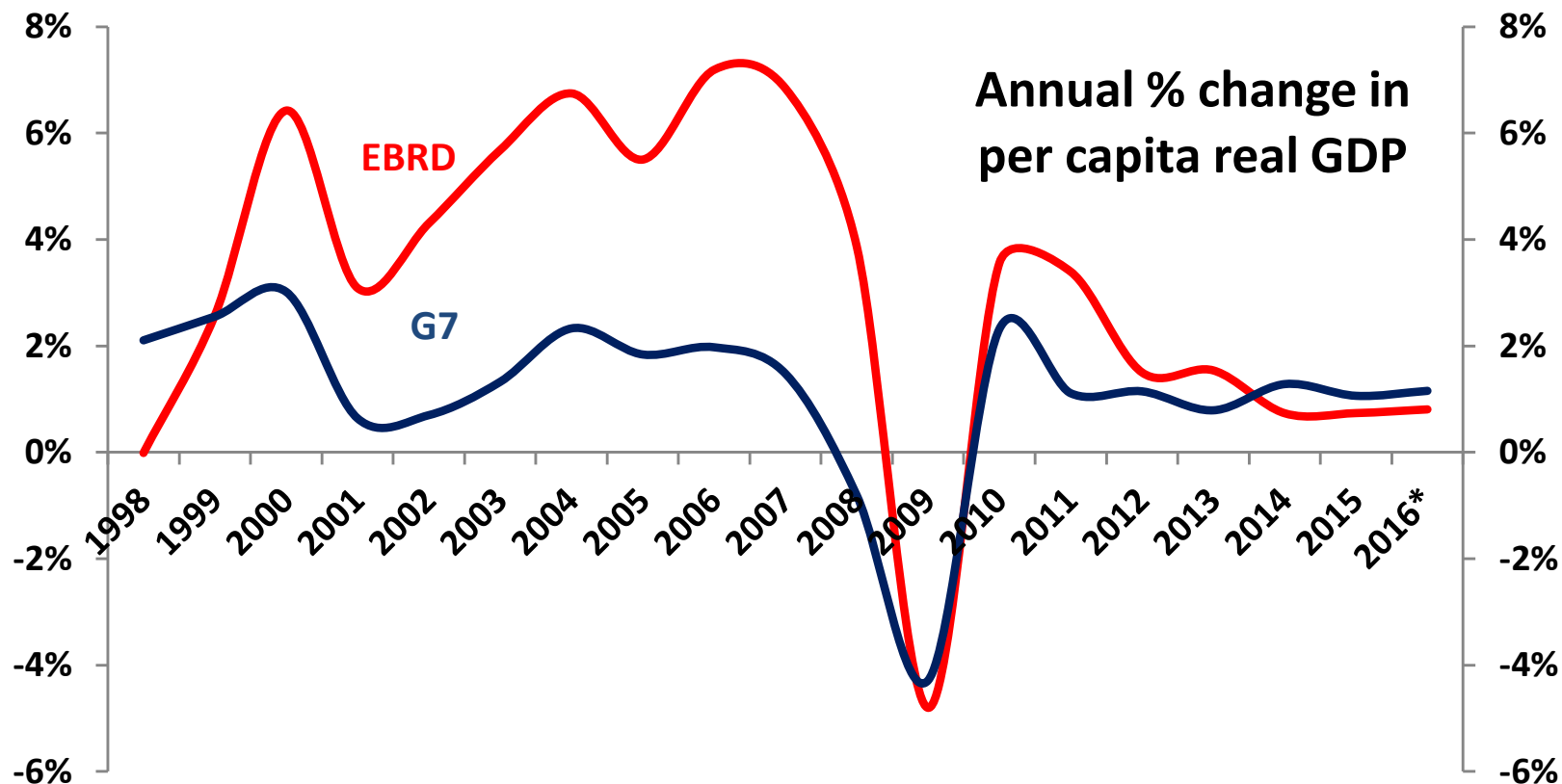
Impressive convergence at least 1996-2011

- Average income of EBRD region converged towards G7
- Convergence follows deep transition recession
- Although convergence has stalled since 2011 (Stuck in Transition)
- Income today is on average 50% higher than in 1989



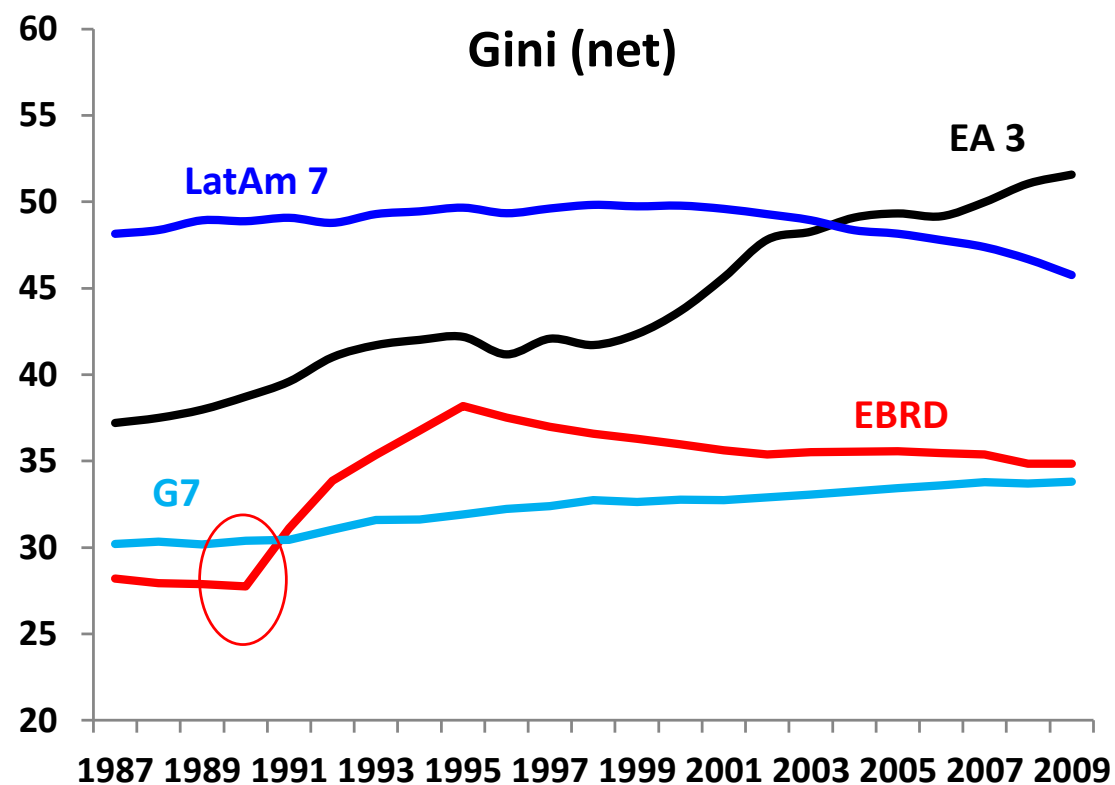


Headline numbers reassuring – at least until 2011

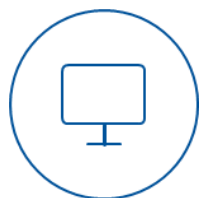


EBRD region: Early transition – Rising inequality

- Global trends compounded by transition experiences
- At the start of transition, income inequality was low by international standards – then rose steeply in the 1990s



Sources: Solt, World Development Indicators and authors' calculations.



EBRD website:

www.ebrd.com

Information about the countries of operations & Sectors of EBRD:

www.ebrd.com/news/publications/factsheets.html

Project Summary Documents, details of the projects signed with EBRD:

www.ebrd.com/work-with-us/project-finance/project-summary-documents.html

Sending your project financing request online:

<http://www.ebrd.com/work-with-us/project-finance/funding-adviser.html>

Team dedicated for SMEs :

<http://www.ebrd.com/work-with-us/advice-for-small-businesses/overview.html>

Trade Facilitation Programme:

<http://www.ebrd.com/work-with-us/trade-facilitation-programme.html>