



EBRD in Greece and potential financing of Sustainable Energy Investments

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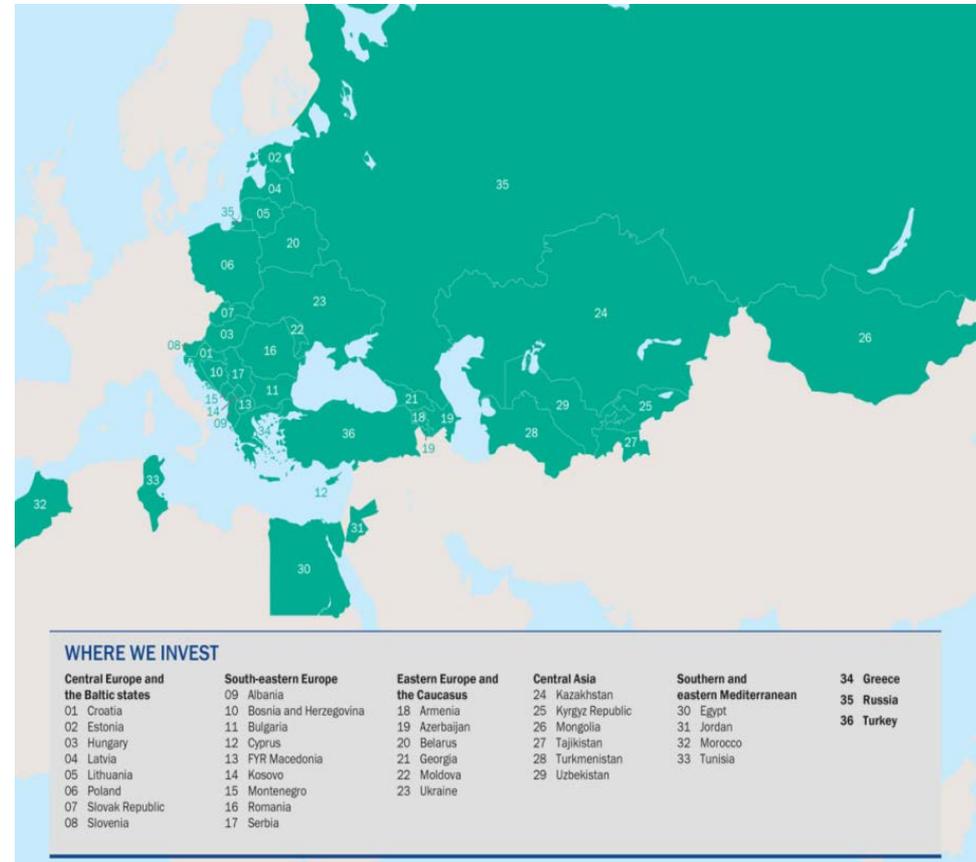


European Bank
for Reconstruction and Development

Introduction to the EBRD

- An international financial institution established in **1991**, owned by **65 countries** and **2** inter-governmental organisations (EU and EIB)
- Invests in **36 countries**
- Capital base of over **€30 billion**
- Over **€115 billion** invested through **4700 projects**
- In 2016, **€ 9.4 billion** in **378** projects
- **AAA** Rating
- Promotes **transition** to market economies by investing mainly in the private sector
- Encourages **environmentally sound and sustainable development**

Where we invest



EBRD's Strategy in Greece

Our country strategy was approved by the Bank's BoD in June 2016:

www.ebrd.com/documents/strategy-and-policy-coordination/greece-country-strategy.pdf

Corporate Sector

Support the resurgence and enhance the resilience of the corporate sector through a shift to a more export-oriented growth model.

Financial Sector

Support the stabilisation of the financial sector and deepen intermediation to unlock private sector access to finance.

Energy & Infrastructure Sector

Support private sector participation and commercialisation in the energy and infrastructure sectors to enhance regional integration and improve quality of utility services.



Corporate Sector:

- Finance corporates' energy efficiency and growth investment plans.
- Focus on export oriented companies.
- Support the development of the domestic capital markets by further participating in local corporate bond issuances.

Financial Sector:

- Support the reopening of structured finance (i.e. securitisations, covered bonds) for the Greek banks.
- Invest in NPL servicing and/or workout and restructuring platforms.
- Further facilitate banks' non-core assets disposals (i.e. insurance, SEE subs).

Energy & Infrastructure Sector:

- Provide support and participate in Government's privatisation/PPP programme.
- Support gas and power infrastructure for further integration into regional markets.
- Provide finance for private renewable energy producers.

EBRD Product Flexibility tailored to project needs

Loans

Senior, subordinated, convertible

Long term (up to 10yr. or more) or short term

Floating/Fixed rates

Choice of currencies (€, US\$, etc.)

Equity

Common stock or preferred

Minority position only (up to 35%)

Mezzanine debt

Private equity, VCs

Technical Cooperation

As a Multilateral Development Bank, EBRD can bring in additional financing and technical assistance to economically viable projects

Other: PPPs, guarantees, swaps, etc.

Potential to complement some EBRD products/programmes with those from other IFIs

Three Core Principles of EBRD Financing

- **Sound banking:** Bankable projects that make economic sense
- **Additionality:** EBRD's investment expected to crowd-in and not crowd-out private investors. Market pricing, no preferential terms available.
- **Transition Impact:** pure private return to lending must be supplemented by a suitable concept of development/social return

Additional Factors

- **Scale:** Small size (<€5m for EBRD) is difficult directly from EBRD
- Maturities between 5 to 15 years
- Flexibility on commitment amounts (but normally up to 35% for Project Financing)
- Syndication to commercial banks, where possible or other IFIs
- **Socially responsible and environmentally sustainable investment (EU standards)**

EBRD commitment to Responsible Investment

The European Bank for Reconstruction and Development is committed to promoting **environmentally sound and sustainable development** in the full range of its investment activities. The EBRD seeks to ensure that the projects it finances:

- Are socially and environmentally sustainable;
- Respect the rights of affected workers and communities; and
- Are designed and operated in compliance with applicable regulatory requirements and good international practices.

EBRD commitment to disclosure and transparency

- Part of the Bank's own check on its record for good governance is its constant dialogue with shareholders as well as other stakeholders such as non-governmental organisations.
- The Bank is an active participant in international sustainability initiatives and policy development. The EBRD also operates a robust independent complaints mechanism.
- The process of self-review and dialogue has honed the main three governance policies that guide the Bank's disclosure and transparency:
 - Environment and Social Policy
 - Public Information Policy
 - Project Complaint Mechanism



Selected Cases

Terna Energy

Signed in November 2016



Client Description

Terna Energy SA, owned by GEK Terna Group, is one of the largest and most respected renewable energy companies active in Greece. It directly owns and operates 110 MW of renewable energy projects while another 557 MW are indirectly owned through SPVs located in Greece, Bulgaria, Poland and the USA

Project Size

Senior secured €60 million Greek bond loan

EBRD Finance

€50 million senior secured loan alongside a €10 million parallel loan to be provided by a Greek commercial bank

Use of Proceeds

The proceeds will finance the development, construction and operation of renewable energy power plants in Greece, which will support Greece in achieving the target to reach 40% of electricity consumption from renewable sources by 2020

Energean Oil & Gas

Signed in May & July 2016



Client Description

Energean Oil and Gas SA is a private company active in the exploration and production of oil and gas in the Mediterranean basin. Energean has a portfolio of producing assets in Greece and assets in exploration in Egypt and Israel

Project Size

\$250 million

EBRD Finance

\$75 million Senior Loan A and \$20 million Subordinated Loan B

Use of Proceeds

The proceeds will be used to support the further development of the company's existing offshore oil fields in the Gulf of Kavala and finance the exploration and appraisal at the additional fields for which the Company holds licenses in Greece

Greek Renewable Energy Framework

Board Approved in March 2017

Framework Description

The Framework will consist of EBRD financing of up to EUR 300 million for:

- (i) electricity generation from renewable energy under Greece's newly established renewable energy support scheme, and
- (ii) electricity distribution and transmission investments to improve efficiency, reduce losses, and enable the incorporation of renewables onto the grid

EBRD Finance

€ 300 million

Use of Proceeds

The first project under the Greek Renewable Energy Framework (GREF) will finance with up to € 35 million Hellenic Petroleum's pipeline of investments in renewable energy, which is a key strategic priority for the Company in order to both diversify the Group's energy portfolio and partially offset its greenhouse emissions