

# EBRD in TURKEY

The 2<sup>nd</sup> Euromoney Turkey Finance and Investment Forum  
16 17 June 2009

# Introducing EBRD

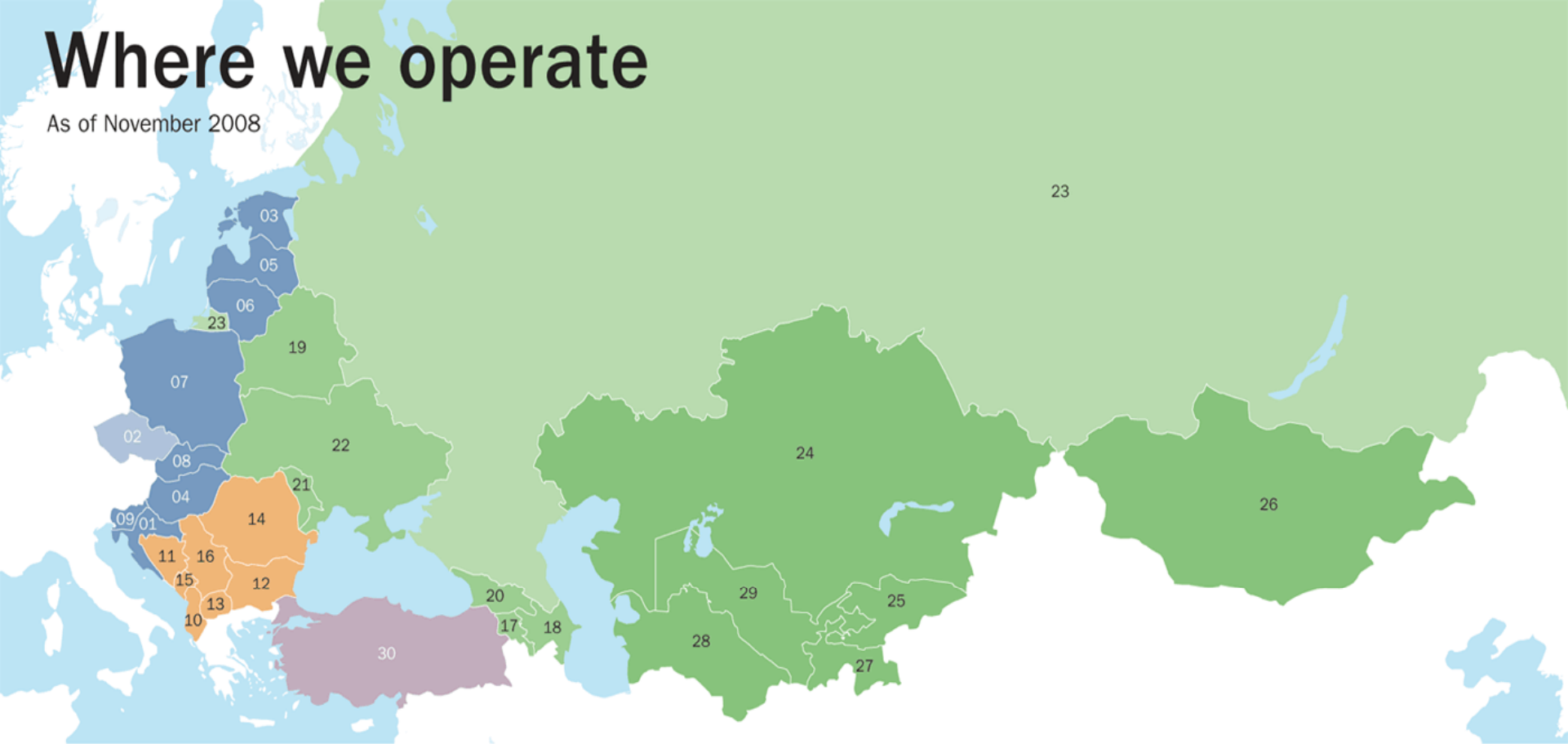
- International financial organisation, supporting projects in 30 countries from Central Europe to Central Asia
- Owned by 61 countries and 2 intergovernmental institutions, including the countries of operations, Turkey 1,2%
- To promote transition of Command Economies to Market driven, competitive economies

# Introducing EBRD

- HQ in London
- Matrix Structure of Business with Country and Sector Teams
- Project Finance Focus

# Where we operate

As of November 2008



**Central Europe and the Baltic states**

- 01 Croatia
- 02 Czech Republic\*
- 03 Estonia
- 04 Hungary
- 05 Latvia
- 06 Lithuania
- 07 Poland
- 08 Slovak Republic
- 09 Slovenia

**South-eastern Europe**

- 10 Albania
- 11 Bosnia and Herzegovina
- 12 Bulgaria
- 13 FYR Macedonia
- 14 Romania
- 15 Montenegro
- 16 Serbia

**Eastern Europe and the Caucasus**

- 17 Armenia
- 18 Azerbaijan
- 19 Belarus
- 20 Georgia
- 21 Moldova
- 22 Ukraine

**Russia**

23

**Central Asia**

- 24 Kazakhstan
- 25 Kyrgyz Republic
- 26 Mongolia
- 27 Tajikistan
- 28 Turkmenistan
- 29 Uzbekistan

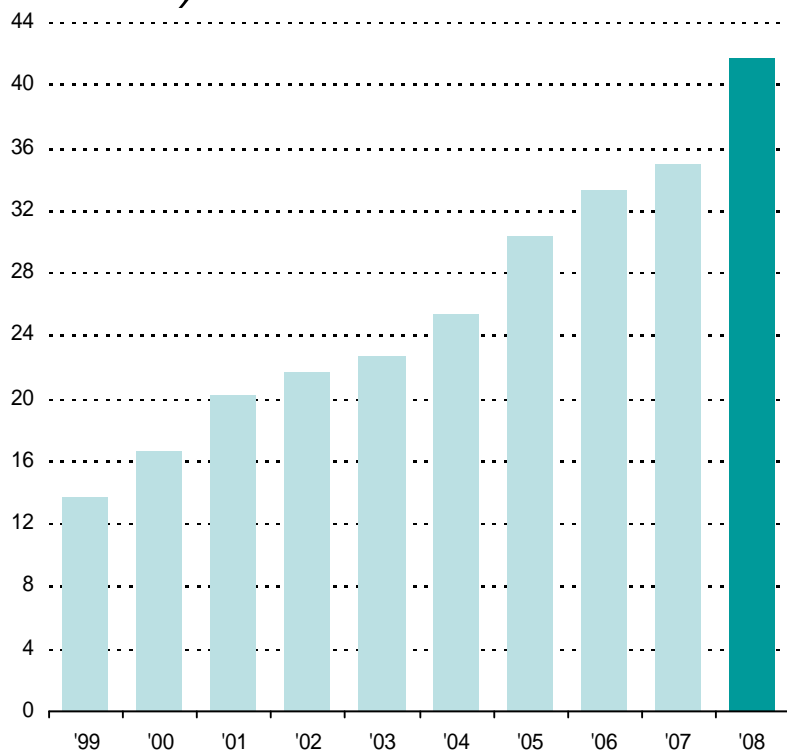
**Turkey**

30

\*as of the end of 2007, the EBRD no longer makes investments in the Czech Republic.

# EBRD's cumulative investments amount to more than EUR 41.7 billion in 2008

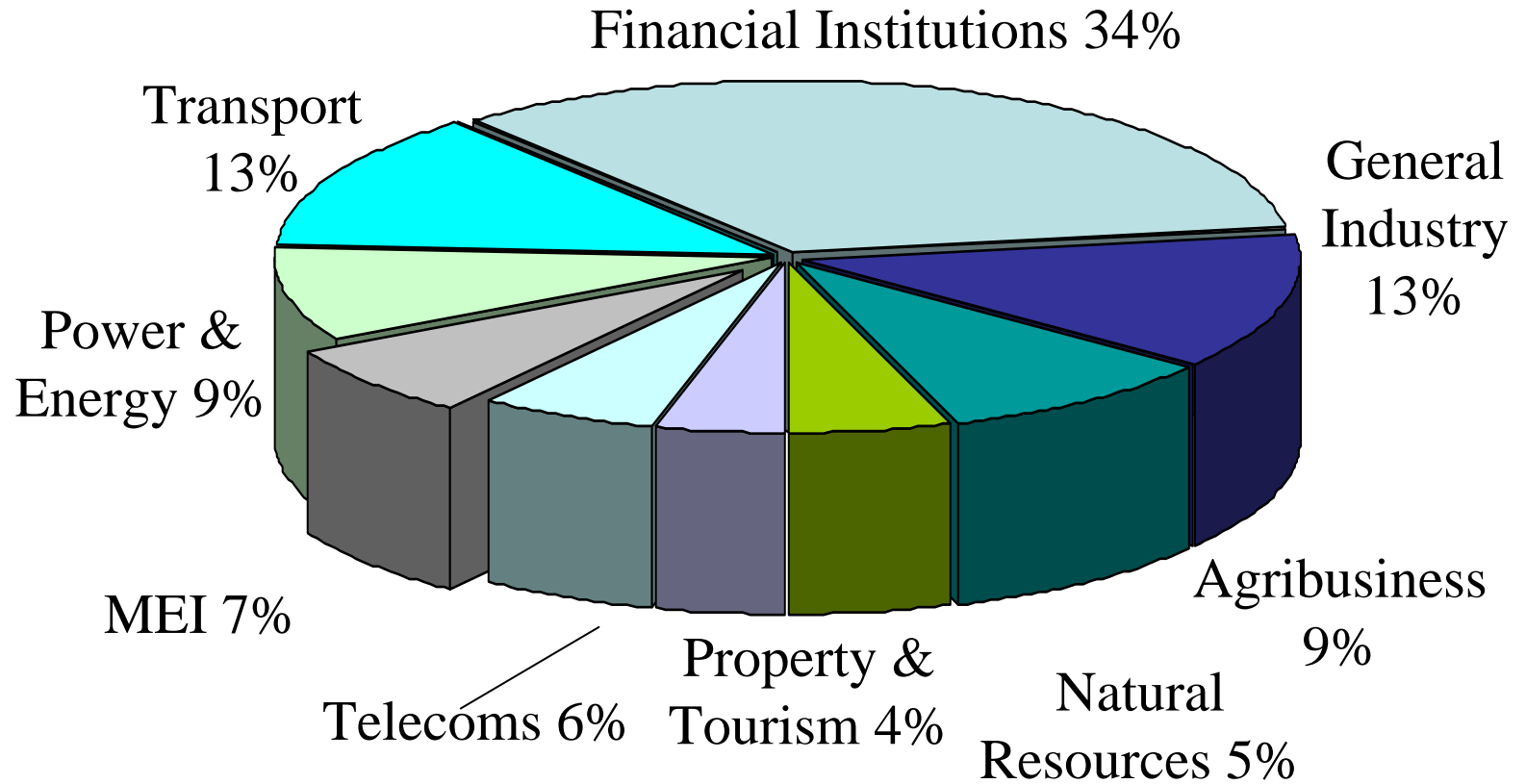
## Cumulative commitments (billions €)



Audited December 2008

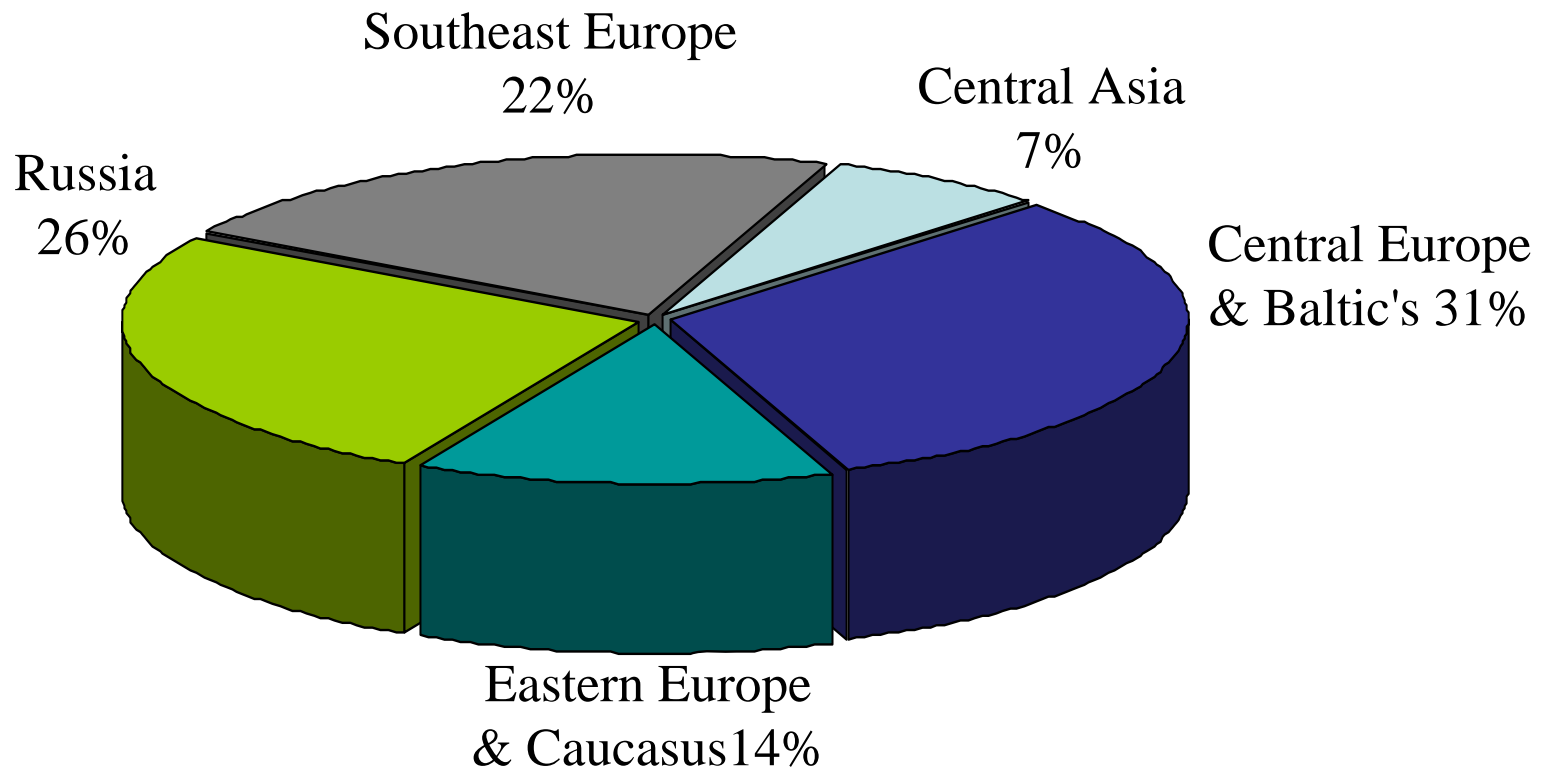
- Own capital of Euro 20 bln
- Largest investor in Central and Eastern Europe
- **Volume:** Since its foundation in 1991 more than 2,587 transactions for more than Euro 41.7 billion cumulative investments
- **Risk appetite:** Mitigate political risk and promote the private sector
- **Preferred Creditor Status**

# Portfolio by sector



# Active in all countries of operations

*Cumulative commitments Euro 41.7 billion*



# Opening to Turkey

- As of Nov 1<sup>st</sup> 2008
- Following Turkish Government's Application
- To Help Turkey's Economic Progress as well as to Balance Bank's Portfolio
- Strategy to Cover:

Improve the availability of risk capital and long term funding to businesses

Agribusiness

Energy and Energy Efficiency

MEI

SME Micro Lending through FI's

Assist Privatizations

Equity, Direct and through Funds

Regional Cross Border in bound and out bound investments

# Opening to Turkey

- Cooperate with Other IFI's and Bilateral Development Agencies EIB, IFC, KfW, AFD
- Approximately Euro 500 million by 2010, May be up to Euro 700 million
- Steady State 1 billion to 1.5 billion p.a. thereafter
- 10 Bankers This and 15 the Next Year

# Financing

- Tailored according to Project's needs
- Cash Flow based investor
- 35% of Total Project Costs
- Size Euro 8 to 10 million, LEF for smaller equity,
- Tenor to 15 years, Grace 3 years Market Rates
- Products

*Debt*

*Equity*

*Mezzanine*

*Guarantees*

*TFP*

*LEF*

# Golden Rules

- 3 Pillars

Transition

Additionality

Sound Banking

- 3 Principles

Transparency

Integrity

Environmental and Social Responsibility

# Joint Turkish - EBRD Investments

- Total value of over 30 projects undertaken jointly by the EBRD and Turkish companies (all in private sector) in 30 of the EBRD's countries of operation was Euro 3.6 billion as at December 2008.
- EBRD provided Euro1.32 billion *financing for the joint projects, which constitutes about 3.4% of its total commitments.*
- *Value of the Turkish investments in the joint projects reached Euro 388 million.*
- The rest of the financing for joint projects was provided by third parties (e.g. IFIs, banks and companies).

# Major Turkish Companies have been working with EBRD since 1996



BULGARIA

USD 66,039,000

*Privatisation of a Soda Ash Plant  
Chemical Manufacturing*

June 1997



KAZAKHSTAN

USD 7,651,000

*Investment in an office building  
in Almaty  
Property*

July 1999



GEORGIA

USD 2,671,000

*Private loan for Sisecam - Ksani  
Glass Packaging Factory  
Non-Metallic Mineral Product*

May 1999



BULGARIA

USD 7,842,000

*Investment in the upgrade of the  
mill  
Paper Manufacturing*

May 2000



UKRAINE

USD 79,337,000

*Construction of a parallel gas  
pipeline in the Ukraine  
Pipeline Transportation*

November 2001



BULGARIA

USD 9,942,000

*Investment in the expansion of  
the mill  
Paper Manufacturing*

November 1998



# Major Turkish Companies have been working with EBRD since 1996 (cont.)



*Coca-Cola İçecek*

**AYGAZ**

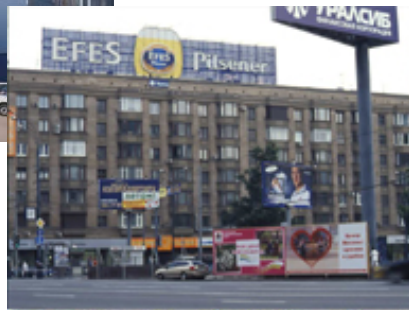


**dpet**

Tepe Akfen  
**TAV**  
Airports

**VESTEL**

# A Turkish Sponsor: *Efes Breweries International*



EBRD's cumulative commitments to Efes Beverage Group since 1997 is \$189 million.

- **Russia:** financed EBI's initial entry into the country (green-field 120 million litre brewery), subsequent expansion and acquisition of Amstar Brewery through a \$ 75 million loan (syndicated to Rabobank and ABN Amro) and \$ 6 million for a 8.6% stake.
- **Kazakhstan:** financed the construction of a green-field plant (500,000 hectolitre brewery) and subsequent capacity expansion through a loan of \$ 90 million (syndicated) including EBRD's first fixed rate Kazakh Tenge loan via cross-currency swap.
- **Moldova:** financed the capacity expansion through a loan of \$ 18 million.

# *Sisecam*: Glass packaging leader in Russia



- EBRD provided a total of \$220 million loans (syndicated to ABN AMRO and Calyon) and an equity of €15 million to Anadolu Cam for the financing of:
  - Construction of greenfield plants in Ufa & Krasnador, and
  - Capacity expansion in Pokrov & Kirishi (St. Petersburg)

# Contacts

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