

EBRD: Approach to Banking

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Financing Scope in the Transport Sector:

Roads

Construction of highways, operation and maintenance, toll roads, logistics ...

Rail

Railway infrastructure, freight, passenger rail, inter-modal transport, logistics...

Maritime

Port infrastructure (berths, breakwaters), superstructure, shipping, stevedoring...

Aviation

Airport infrastructure development, aircraft leasing, air cargo, air traffic control systems...



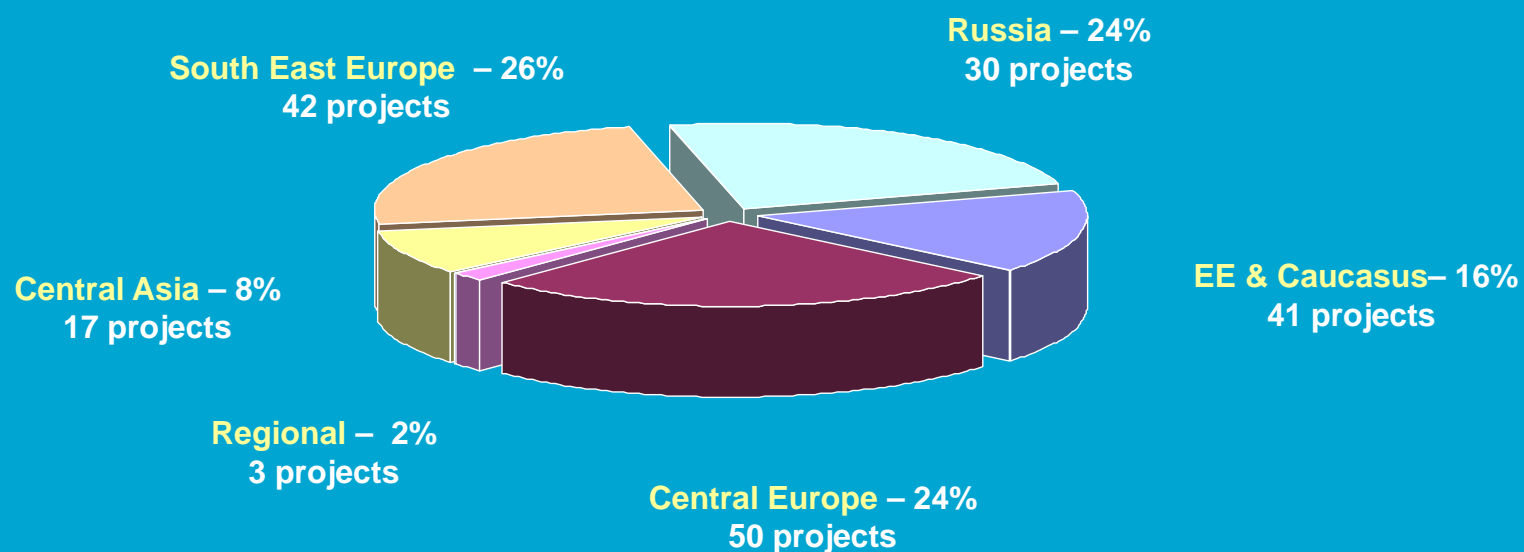
EBRD's Financing Products:

- Sovereign or sovereign guaranteed loans
- Loans to state owned companies with no sovereign recourse
- Commercial loans to private sector companies
- Syndication, inc. through A/B loans (subject to market)
- PPP financing, debt or equity
- Infrastructure Funds
- Equity participation, including IPO



Transport Sector overall portfolio:

By Region



Net Cumulative Business Volume of €7.6bn - 183 projects



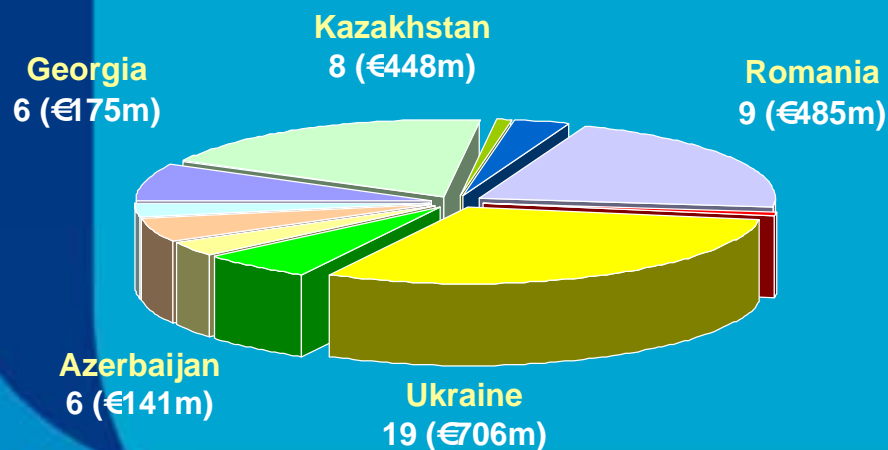
As at 30 August 2010

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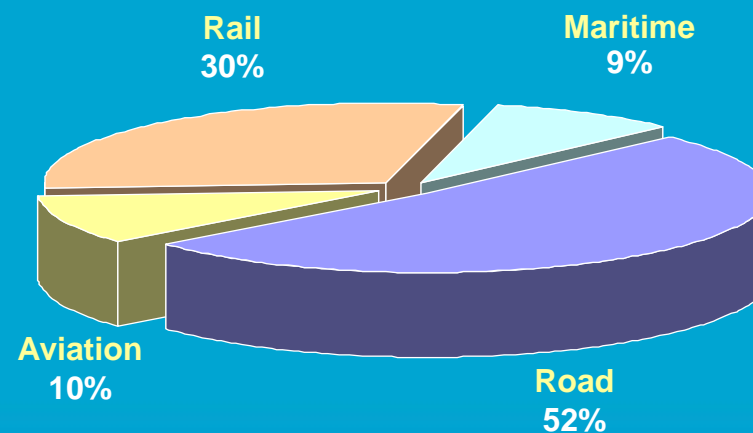
Transport Sector portfolio in TRACECA countries:

- Projects Financed 67
- Total Project Value €8.8bn
- EBRD Financing €2.3bn

By Country (number of projects)



By Sector



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EBRD's Principles:

- Sound banking: project has to be both financially and economically viable
- EBRD Mandate / Transition Impact: promoting open, transparent and competitive environment
- Specific requirements: EBRD Environmental and Social Policy, Procurement Policy and Integrity and Money Laundering Policy.



Key challenges:

- Sovereign debt capacity
- Limited private sector involvement to date
- PPP development
- Limited or untested concessions legislation
- Promoting open, transparent, competitive tenders
- Enabling commercial lenders and building confidence
- Environmental legislation



EBRD: approach to risk mitigation

- Robust risk identification system
- Structure based on project cash flows
- Use of operational and financial covenants; IFRS reporting
- Commercial principles in project structuring
- Close monitoring
- Policy dialogue with authorities



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