



European Investment Bank

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I. THE EIB – the EU's financing institution



- Created by the Treaty of Rome in 1958, to provide long-term finance for projects promoting European integration
- Subscribed capital EUR 163.7bn
- EIB shareholders: 25 Member States of the European Union
- Lending in 2005: EUR 47bn (*EUR 43bn in 2004*)
- Borrowing in 2005: EUR 50bn, through 330 bond issues in 15 currencies (*EUR 50bn in 2004*)

II. STRATEGIC OUTLOOK

6 Corporate Priority Objectives

- Economic and social cohesion in an enlarged EU
- Implementing of the Innovation 2010 Initiative (i2i)
- Development of Trans-European and Access networks (TENs)
- Support for Small & Medium Sized Enterprises
- Environmental Sustainability
- Support of EU Development and Cooperation Policies in Partner Countries

**EIB implements EU policies;
a policy driven Bank**

IV. Main types of EIB financing

- ❑ **Intermediated financing** of large **individual** projects (cost > EUR 25 m)
Cofinancing of large **individual** projects (cost > EUR 25 m)
 - Large corporates
 - Municipalities
 - Regions
 - Public Private Partnerships
- ❑ **Framework loans**
- ❑ **Global loans** (cost < EUR 25 m)

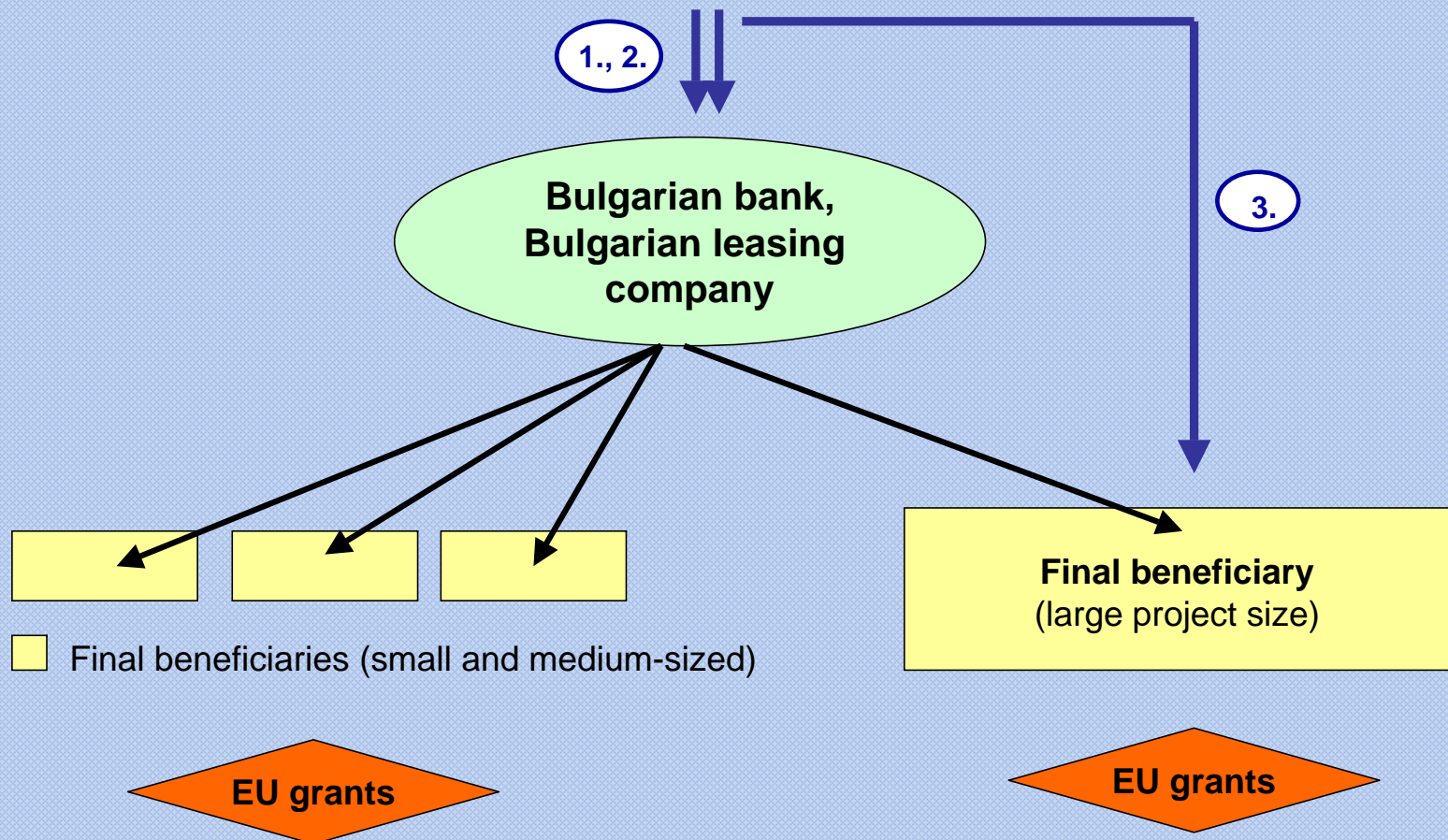
Other forms of financing carried out in EU Member States:

- ❑ **Investing in local bond issues as loan substitute**
- ❑ **Participation in securitisation as loan substitute**

IV. Main types of EIB financing (2)

EIB finances:

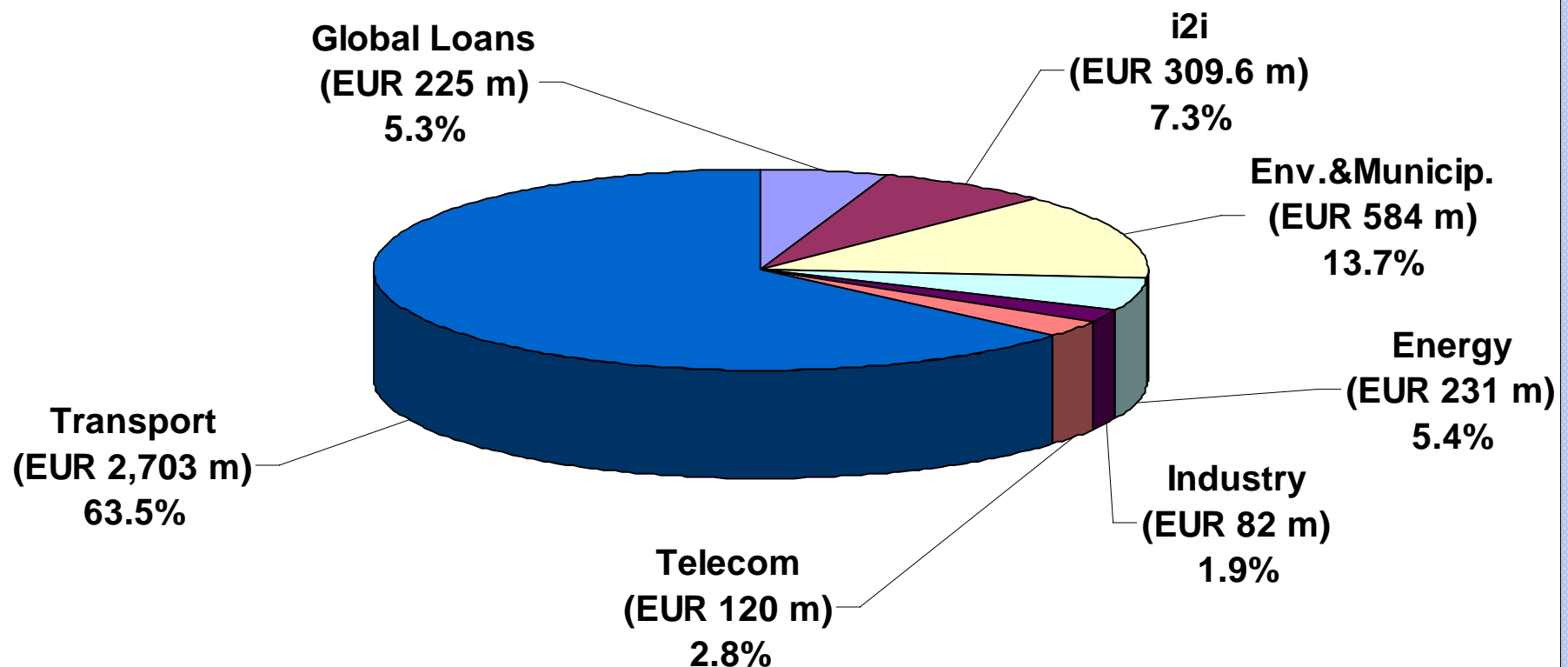
- 1. Small and medium sized projects (“Global loans”)
- 2. Large projects / intermediated
- 3. Large projects / co-financed



V. Loan signatures in Romania

1990-1-3/2006 €4,205 m

EIB's support for projects in Romania 1990 - 31.03.2006 broken down by sector (EUR 4,205 m)



V. Project list Romania – selection of projects signed in 2005 and 2006

- ❑ Health Sector Rehabilitation (EUR 66 m)
- ❑ Motorway Cernavoda-Constanta (EUR 250 m)
- ❑ Floods Damaged Roads Reconstruction (EUR 300 m)
- ❑ Bucharest Glina Waste Water Treatment Plant (EUR 25 m)
- ❑ Bucharest Metro Modernisation (EUR 63 m)
- ❑ Railways Rehabilitation (EUR 300 m)

- ❑ HVB Romania Global Loan II (EUR 20 m)
- ❑ Banca Comerciala Romana Global Loan (EUR 50 m)
- ❑ Bancpost Global loan (EUR 20 m)

VI. Global Loans

- ❑ Purpose: **finance of small and medium sized projects**
in the fields of:

Energy/energy savings, environmental protection, industry, services, tourist industry, infrastructure (incl. health, education, social housing), development of a knowledge-based economy (“i2i”)
- ❑ **Minimum size** of EIB loan to Romanian partner bank: EUR 10 m
- ❑ For loan **requests below EUR 10 m**:
 - Bulgarian borrower can be beneficiary of a regional facility if it forms part of an international bank group
 - Loan can be routed through a local intermediary
- ❑ Project cost: maximum **EUR 25 m**, minimum **EUR 40 000**

VI. Global Loans (2)

- ❑ EIB finances usually of to **50% of project cost**
- ❑ **Duration:** depending on the life of the asset financed, usually 4 - 12 years, for infrastructure projects up to 15 years (in justified cases even longer)
- ❑ **Final beneficiaries:**
 - SME's
 - Public Sector Authorities promoting small and medium-sized investment projects
 - Private or public promoters of any size and ownership in the fields of i2i, energy and environmental protection
 - Mid-cap enterprises (<3000 employees) for industrial or other investments falling within global loan limits (i.e. < €25 m)

VI. Combining EIB global loans with EU-grants



The following EC-grant schemes can be combined with the Bank's global loan, if the eligibility criteria for the schemes are met:

- ❑ **SME Finance Facility**

- ❑ **Municipal Finance Facility**

- ❑ **Energy Efficiency Facility for Romanian Municipalities**
(under preparation)

VI. EU-grant schemes for global loans - SME Finance Facility

SME Finance Facility

- ❑ **Objective:** Promotion of small and medium-sized companies
- ❑ **Projects cost:** € 40,000 - € 1,000,000
- ❑ **EIB sub-loan:** € 20,000 - € 250,000
- ❑ **Grant:** €5,000 per allocation (for the intermediary bank)

VI. EU-grant schemes for global loans - Municipal Finance Facility

Municipal Finance Facility

- ❑ **Objective:** Support Municipalities/municipal infrastructure
- ❑ **Projects cost:** € 40,000 - € 5,000,000
- ❑ **EIB sub-loan:** € 20,000 - € 2,500,000
- ❑ **Grant for part. bank:** 7.5% of the EIB sub-loan
- ❑ **Grant for promoter:** 5.0% of the EIB sub-loan

VI. EIB partner banks in Romania



- ❑ **Banca Comerciala Romana**
- ❑ **BRD S.G. / Romanian Bank for Development**
- ❑ **Raiffeisen Romania**
- ❑ **HVB Banc Tiriac Romania**
- ❑ **Bancpost Romania**
- ❑ **Dexia Kommunalkredit Romania**

An full list including contact details can be found on EIB's website under

http://www.eib.org/Attachments/lending/inter_ro.pdf

VII. EIB Financial Products

1. Fixed rate loans

- standard fixed rate loans
- fixed rate for a defined term
- option of revision during term

2. Fixed spread floating rate loans

- variable loan with pre-set spread
- option of revision of the spread during term
- option of conversion to fixed rate loan during term

- ❑ Rates are up-dated on a **daily** basis.
- ❑ EIB as a AAA-rated institution enjoying very **favourable funding** conditions, which are forwarded, on a non-profit basis, to its borrowers.
- ❑ The administrative **margin** of EU Member States is applied (13 bps).

VIII. Why EIB?



- ❑ Long financing **experience** accross Europe; in-house sector expertise
- ❑ Highly favourable financing costs
- ❑ Flexibility in currencies and **terms; long-term maturities**
- ❑ Uncomplicated project appraisal and implementation
- ❑ No charge of project appraisal costs
- ❑ **No** credit provision **fees**, no handling fees, no operating fees
- ❑ Very **good cooperation with the banking sector** in the region
- ❑ Flexibility in security packages



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