



# Black Sea Trade and Development Bank

**Romania**  
**March 2011**



# **BSTDB – Target Clients**

## **Project Finance – Corporate Finance**

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- 1. Corporates in general industries, shipping, telecom and energy**
  - 2. BOT projects**
  - 3. Regional investors**
- Co-finances with commercial banks and IFIs (EBRD, IFC, etc.)**



# BSTDB Products

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- Project finance
- Corporate finance
- Equity investments
- Guarantees



# Medium and Long Term Loans

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- **Amount:**
  - minimum EUR 4 million
  - maximum EUR 38 million
  - for *sovereign* loans – no ceiling
- **Maturity:**
  - 5 to 7 years on average
  - 10 – 15 years for sovereign loans
  - grace period: up to 2 years
- **Competitive interest rates**



# Equity Investment

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- **Minority stake (up to 33% but generally less than 25%)**
- **No direct participation in company management**
- **Seat on the Board of Directors**
- **Possible Put / Call arrangement for BSTDB exit**



# Project and corporate finance - What can BSTDB finance?

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## *Public sector:*

- Investments with high development impact – e.g. transport infrastructure, municipal infrastructure etc.

## *Private sector:*

- Green-field investments
- Investments for modernisation and technology improvements
- Investments for expansion of production capacity
- Post-privatisation investments
- Working capital needs



# Priority Projects

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- **Cross-border projects**
- **Projects of investors in another member country**



# How to apply?

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- **Send a substantial proposal (Project summary – feasibility etc., loan amount, term etc.) to the contact person at the end of this presentation**
- **The proposal should be in English and as detailed as possible, in order to speed up the decision**
- **A list of initial information requirements can be provided to those interested**



# Approval process

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# How long does it take from “first call” to signing?

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**Avrg. 3 months, depending on availability of info**



# Criteria

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## ■ Borrower:

- Solid financial situation (debts, revenues, liquidity etc.)
- Ability to service current and foreseen debt
- Commitment to the Project (own financial and human resources allocated for the Project etc.)
- Project management ability (solid track record, adequate organisational arrangements in place etc.)

## ■ Project:

- Project “maturity” (feasibility study, environmental assessment, market analysis etc.)
- Technical feasibility, financial soundness
- Development impact
- Environmental impact



# Security Requirement

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- Standard pledge of shares, assets, etc., depending on the project
- Guarantee from acceptable corporates
- In a cross-border investment, the security can be based in the country of investment
- While possible, sovereign guarantee is not required



# Why BSTDB?

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- **Stringent, but quick approval process**
- **No political or macroeconomic conditionality attached to BSTDB financing**
- **Team blending international and local expertise**



# What has BSTDB achieved so far? (Signed operations)

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***TOTAL***

***EUR 1.616 million***

<b>Project and corporate finance</b>	<b>EUR 1.004 million</b>
<b>SME finance</b>	<b>EUR 459 million</b>
<b>Trade finance</b>	<b>EUR 125 million</b>
<b>Equity</b>	<b>EUR 28 million</b>

as of 31 December 2010



# BSTDB Operations in Romania

## Terapia S.A.

- **Scope of the operation:**  
Extension of production facilities, modernization, maintenance, environmental protection and partial acquisition financing
- **Total project cost:**  
EUR 33 million
- **BSTDB participation:**  
EUR 5 million
- **Co-financiers:** Bank Austria  
Creditanstalt and other Syndication  
Banks



# BSTDB Operations in Romania

## Rompetrol Group

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- **Scope of the operation:**

Financing for general corporate purposes including partial financing of investment programme, environmental improvements and working capital needs

- **BSTDB participation:**

EUR 13.2 million



# BSTDB Operations in Romania

## Termoelectrica

- Scope of the operation:  
Syndicated Trade Related  
Facility for Termoelectrica S.A.
- Total project cost:  
EUR 73.5 million
- BSTDB participation:  
EUR 11 million
- Co-financiers: Deutsche  
Bank London and other  
Syndication Banks



# BSTDB Operations in Romania

## Transgaz

- Scope of the operation:

Equity financing to Transgaz aiming to greatly reduce gas leakages in the pipeline and generate a large amount of carbon credits or Emission Reduction Units.

- BSTDB participation:

EUR 1.2 million



# BSTDB Operations in Romania

## Petrom

### Facility A - Scope of the operation:

Financing for general corporate purposes of the Company

Total Project Cost: EUR 110 million

BSTDB participation: EUR 7.35 million

### Facility B - Scope of the operation:

Financing of an overall strategic environmental investment program aiming at rehabilitating or enhancing the environmental and health and safety performance of facilities in the E & P and refining divisions of Petrom S.A

Total Project Cost: EUR 300 million

BSTDB participation: EUR 25 million



# BSTDB Operations in Romania

## Turceni

- **Scope of the operation:**  
Design, procurement, commissioning and installation of equipment for environmental modernization of power generation Unit 6.
- **Total Project Cost:**  
EUR 170 million
- **BSTDB participation:**  
EUR 20 million
- **Co-financiers:** EBRD and other commercial banks



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