



Black Sea Trade and Development Bank

Bulgaria

March 2011



BSTDB – Target Clients

Project Finance – Corporate Finance

- 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

- Project finance
- Corporate finance
- Equity investments
- Guarantees



Medium and Long Term Loans

- **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

- **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?

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

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



How to apply?

- **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



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



Avrg. 3 months, depending on availability of info



Criteria

■ 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

- 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?

- **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)

TOTAL

EUR 1.616 million

Project and corporate finance	EUR 1.004 million
SME finance	EUR 459 million
Trade finance	EUR 125 million
Equity	EUR 28 million

as of 31 December 2010



BSTDB Operations in Bulgaria

KCM S.A.

- **Scope of the operation:**

Financing to Kombinat za Czvetni Metali S.A., a zinc-lead smelter in Plovdiv for specific elements of an ongoing environmental improvements program.

- **Total project cost:**

EUR 55.2 million

- **BSTDB participation:**

EUR 6.7 million

- **Co-financiers:**

JBIC with EUR 30.1 million



BSTDB Operations in Bulgaria

Maritza East 1

- **Scope of the operation:**

Building and operation of a new coal-fired power plant adjacent to the existing Maritza East 1 thermal power plant.

- **Total project cost:**

EUR 1,098 million

- **BSTDB participation:**

EUR 18 million

- **Co-financiers:**

EBRD, Calyon, BNP Paribas,
ING Bank



BSTDB Operations in Bulgaria

Galata – Block III

- Scope of the operation:

Production and sale of natural gas from the gas field located offshore the Black Sea Coast of Bulgaria

- Total project cost:

EUR 52.2 million

- BSTDB participation:

EUR 12.5 million

- Co-financiers:

IFC with EUR 14.7 million



BSTDB Operations in Bulgaria

Suvorovo Wind Farm

- Scope of the operation:

Construction and operation of a 60MW wind farm located near the town of Suvorovo

- Total project cost:

EUR 103 million

- BSTDB participation:

EUR 10.7 million

- Co-financiers:

EBRD and other commercial banks



Other BSTDB Operations in Bulgaria

- **Kremikovtzi steel manufacturer**
post privatization investment facility – EUR 18 mln
- **Maritza East III**
construction / refurbishment of power plants –
EUR 20 mln
- **Florina**
manufacturing facility for fruit juice –
EUR 3 mln





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