



European Bank
for Reconstruction and Development

ANNUAL REVIEW 2017



ar-ebrd.com





The year **in focus**

About the EBRD

The EBRD is investing in changing people's lives across three continents – from central Europe to central Asia, the Western Balkans and the southern and eastern Mediterranean. We do this by financing projects that strengthen the private sector. The Bank's investment decisions are guided by our six 'transition qualities', which focus on making economies more competitive, well governed, green, inclusive, resilient and integrated. We operate in places that aim to become stronger and more sustainable democratic, open-market economies.

We provide financing for well-structured, financially robust projects of all sizes (including many small businesses), both directly and through financial intermediaries such as local banks and investment funds. The EBRD works mainly with private sector clients, but also finances municipal entities and publicly owned companies. Our principal financing instruments are loans, equity investments and guarantees.

The Bank maintains close policy dialogue with governments, authorities, financial institutions, and representatives of civil society, and provides technical assistance using funds donated by governments and institutions. Donor funds play a vital role in ensuring the success of these activities and act as a catalyst for our investments.¹ Moreover, donors finance seven multilateral funds, managed by the EBRD, to increase nuclear safety in the economies where we invest. The Bank also operates a community initiative that helps staff and the EBRD to support charitable and philanthropic activities in the region.

¹ In 2017, the EBRD secured for its projects some €876 million in donor funds. Among the many donors to EBRD operations were the European Union (which made available €313 million), and the Green Climate Fund (which made available €503 million). Details of all donors are available online, at ar-ebd.com.



President's message

The year 2017 will go down in the history of the EBRD as one to remember: 12 months when records were broken and the path to greener transition was firmly set. It was proof that the Bank remained a resilient partner despite the global economic context, which continued to present serious challenges in our region.

We hit an all-time high for the Expected Transition Impact of our projects, an indicator that the EBRD uses to measure its effectiveness. We invested a record €9.7 billion through 412 projects, the most the EBRD has signed in a single year. And towards the end of 2017, we signed our 5,000th project since the Bank was established in 1991.

Closer examination of these figures reveals a richer seam of impact. For the first time, well over 40 per cent of our annual investment was in green financing – a target of the EBRD's Green Economy Transition approach that we had not aimed to reach until 2020. It was a tangible contribution to achieving the global Sustainable Development Goals and a reminder that their success will depend on drawing in private finance, an area in which the EBRD specialises. We also won the ThomsonReuters Project Finance International Global Award for Multilateral Deal of the Year, for our work on solar energy in Egypt, highlighting the fact that 25 per cent of all sustainable energy financing by multilateral development banks comes from the EBRD. Capping these achievements for 2017, our profitability remained strong.

But the EBRD is about far more than money. Increasingly, our policy work goes hand in hand with our investment, maximising the Bank's impact. In 2017, we helped Turkey finalise its first National Energy Efficiency Action Plan and worked to improve corporate governance in Ukraine, while in Jordan we launched a programme to raise the standard of skills in the tourism and hospitality sector – just three policy activities among the hundreds that I could have emphasised. The year also saw the publication of our first strategy on economic inclusion.

Recognition of the EBRD's strength came with a request from shareholders that we broaden our reach to even more economies. We launched activities in Lebanon, and in the West Bank and Gaza. We also returned to Uzbekistan after a long break, committed to further developing the private sector there and supporting the new leadership's desire for reform.

Although our primary focus is the economies where we invest, internal reform of the Bank continues apace, ensuring that we work in the best way possible and achieve the strongest outcomes.

The EBRD goes from strength to strength and I look forward to another year of high impact in 2018.

Suma Chakrabarti
President, European Bank
for Reconstruction and Development

NOTE:
THIS DOCUMENT
IS A SUMMARY OF
OUR ACTIVITIES
IN 2017



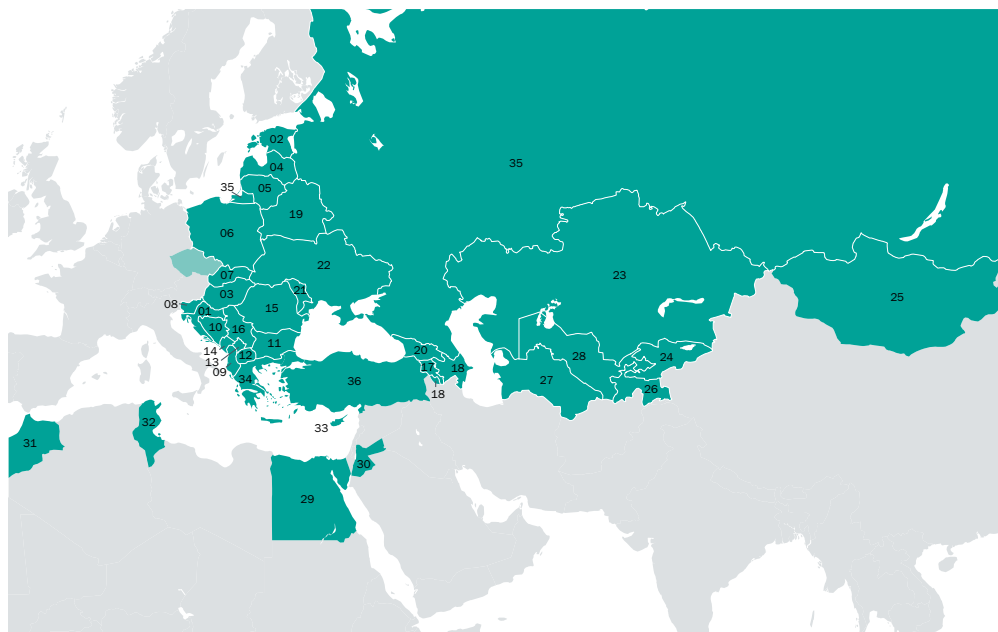
Visit ar-ebd.com
for detailed statistics
and stories about
our projects and the
people who benefit
from them.



Where we invest



Visit ar-ebrd.com for detailed statistics and stories about our projects and the people who benefit from them.



EBRD Annual Bank Investment by economy and region in 2017 (€ million)

Central Europe and the Baltic states (CEB)

Annual Bank Investment (€ million)	2013	2014	2015	2016	2017	Cumulative to end-2017	Active Portfolio	Economy	Map ref.
	288	298	198	311	124	3,646	1,000	Croatia	01
	23	40	48	1	3	616	100	Estonia	02
	200	6	79	127	118	3,014	624	Hungary	03
	23	4	61	3	3	635	183	Latvia	04
	32	32	8	2	85	726	159	Lithuania	05
	756	594	647	776	659	8,907	2,812	Poland	06
	237	62	87	165	108	2,343	423	Slovak Republic	07
	48	35	77	53	59	987	310	Slovenia	08
	1,607	1,068	1,204	1,438	1,159	22,095	5,692	Total	

Private share of portfolio:

81%

Sector distribution of CEB ABI:

13.6%

18.4%

30.4%

37.6%

South-eastern Europe (SEE)

Annual Bank Investment (€ million)	2013	2014	2015	2016	2017	Cumulative to end-2017	Active Portfolio	Economy	Map ref.
	138	119	10	178	22	1,004	427	Albania	09
	208	68	138	199	128	2,117	1,030	Bosnia and Herzegovina	10
	197	83	82	621	140	3,691	1,014	Bulgaria	11
	74	252	158	19	49	1,641	703	FYR Macedonia	12
	22	37	56	47	80	304	226	Kosovo	13
	78	75	99	6	33	538	353	Montenegro	14
	508	592	260	201	546	7,821	1,787	Romania	15
	424	453	478	304	382	4,704	2,289	Serbia	16
	1,648	1,679	1,282	1,576	1,381	21,820	7,829	Total	

Private share of portfolio:

41%

Sector distribution of SEE ABI:

14.2%

23.0%

30.2%

32.6%

SECTOR DISTRIBUTION KEY

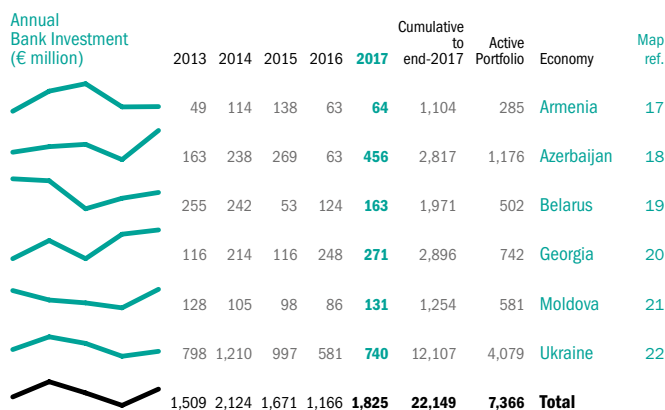
- ENERGY
- FINANCIAL INSTITUTIONS
- INDUSTRY, COMMERCE AND AGRICULTURE
- INFRASTRUCTURE



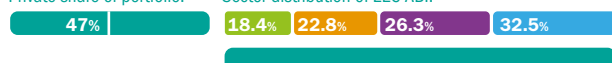


EBRD Annual Bank Investment by economy and region in 2017 (€ million)

Eastern Europe and the Caucasus (EEC)



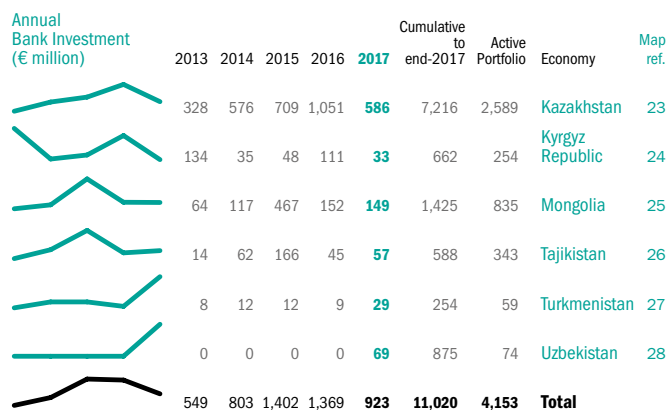
Private share of portfolio:



Sector distribution of EEC ABI:



Central Asia



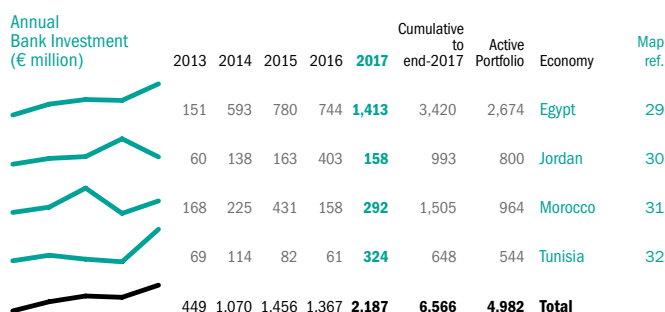
Private share of portfolio:



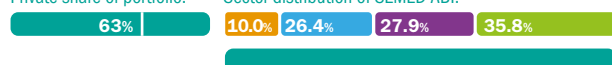
Sector distribution of Central Asia ABI:



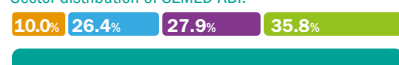
Southern and eastern Mediterranean (SEMED)²



Private share of portfolio:



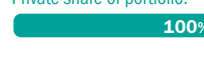
Sector distribution of SEMED ABI:



Cyprus



Private share of portfolio:



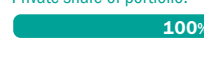
Sector distribution of Cyprus ABI:



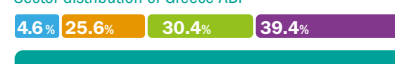
Greece



Private share of portfolio:



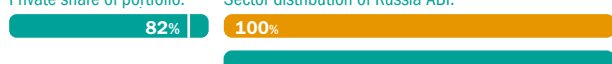
Sector distribution of Greece ABI:



Russia³



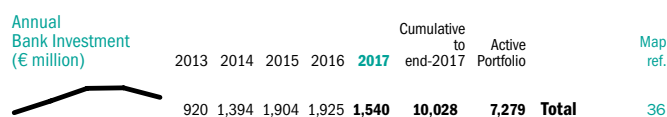
Private share of portfolio:



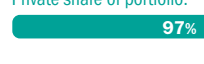
Sector distribution of Russia ABI:



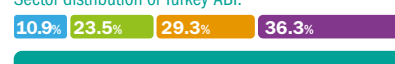
Turkey



Private share of portfolio:



Sector distribution of Turkey ABI:



² In May 2017, the Bank's Board of Governors approved the engagement of the EBRD in the West Bank and Gaza. Lebanon became an EBRD shareholder in July 2017, and the Board of Governors gave its approval in September 2017 for operations to commence in Lebanon. No Annual Bank Investment (see footnote 5) was made in these economies during 2017.

³ In accordance with the 2014 guidance from a majority of Directors not to engage in new business in Russia, the Bank made no new investments there during 2017.



The EBRD in numbers 2017

NUMBER
OF PROJECTS:

412 ↑

ANNUAL BANK
INVESTMENT:

€9.7 ↑
BILLION

GROSS ANNUAL
DISBURSEMENTS:

€6.2 ↓
BILLION

PRIVATE SECTOR
PERCENTAGE
OF ABI:

71% ↓

Green Economy Transition

The EBRD's push to do more investments that bring environmental benefits – our Green Economy Transition (GET) approach – helps economies in our region to achieve the emission reductions pledged at the 2015 United Nations climate conference in Paris. It expands the scope of EBRD climate finance activities, tackling water and materials efficiency, energy efficiency, renewable energy and climate resilience. GET activities in 2017 included:

TOTAL
INVESTMENT
IN THE GREEN
ECONOMY:

€4.1
BILLION

GET
ACTIVITIES
AS A PERCENTAGE
OF ABI:⁵

43%

Operational results 2013-17

	2017	2016	2015	2014	2013
Number of projects ⁴	412	378	381	377	392
Annual Bank Investment ⁵ (€ million)	9,670	9,390	9,378	8,853	8,498
Gross annual disbursements (€ million)	6,177	7,757	6,463	6,482	5,919
Annual mobilised investment ⁶ (€ million) of which private direct mobilisation	1,054 669	1,693 1,401	2,336 2,138	1,177 1,014	862 769
Total project value ⁷ (€ million)	38,439	25,470	30,303	20,796	20,527

Financial results 2013-17 (€ million)

	2017	Restated ⁸ 2016	Restated 2015	2014	2013
Net profit/(loss) before transfers of net income approved by the Board of Governors	772	992	802	(568)	1,012
Transfers of net income approved by the Board of Governors	(180)	(181)	(360)	(155)	(90)
Net profit/(loss) after transfers of net income approved by the Board of Governors	592	811	442	(723)	922
Realised profit before impairment ⁹	634	649	949	927	1,169
Paid-in capital	6,211	6,207	6,202	6,202	6,202
Reserves and retained earnings	9,961	9,351	8,504	7,947	8,674
Total members' equity	16,172	15,558	14,706	14,149	14,876

► For further information on the EBRD's financial results, refer to the *Financial Report 2017*.

⁴ The number of projects to which the EBRD made commitments in the year.

⁵ Annual Bank Investment (ABI) is the volume of commitments made by the Bank during the year. This includes: (i) new commitments (less any amount cancelled or syndicated within the year); (ii) restructured commitments; and (iii) amounts issued under the Trade Facilitation Programme (TFP) during the year and outstanding at year-end.

⁶ The annual mobilised investment measure was first introduced in 2014. Figures for previous years comprise syndicated loans and EBRD-administered Special Fund amounts only. Annual mobilised investment is the volume of commitments from entities other than the Bank made available to the client due to the Bank's direct involvement in mobilising external financing during the year.

⁷ Total project value is the total amount of finance provided to a project, including both EBRD and non-EBRD finance, and is reported in the year in which the project first signs. EBRD financing may be committed over more than one year, with Annual Bank Investment reflecting EBRD finance by year of commitment (see footnote 5). The amount of finance to be provided by non-EBRD parties is reported in the year the project first signs.

⁸ As explained in note 32 of the EBRD's *Financial Report 2017*.

⁹ Realised profit before impairment is before unrealised fair value adjustments to share investments, provisions, loan write-offs, other unrealised amounts and transfers of net income.



€860

MILLION OF SME-FOCUSED FINANCE PROVIDED THROUGH PARTNER FINANCIAL INSTITUTIONS IN 2017

10

MILLION SUBSCRIBERS SERVED BY EBRD-FINANCED COMMUNICATIONS COMPANIES

FINANCE FOR RESILIENCE TO THE EFFECTS OF CLIMATE CHANGE:

€3.7

BILLION

NUMBER OF CLIMATE-RESILIENCE INVESTMENTS:

31

ESTIMATED ANNUAL REDUCTION IN CO₂ EMISSIONS:

6.3

MILLION TONNES



Details of the EBRD's support for the UN Sustainable Development Goals are available in our *Sustainability Report*, at sr-ebd.com

Potential transition impact of new project signings in 2017¹⁰

EXCELLENT

1%

GOOD

62%

VERY GOOD

36%

MODERATELY GOOD

1%



1.3

GIGAWATT PER YEAR OF RENEWABLE ENERGY GENERATION CAPACITY FINANCED

29

MILLION PEOPLE BENEFITING FROM IMPROVED DISTRICT HEATING, WASTE AND WATER SERVICES

Glossary

ABI	Annual Bank Investment (see footnote 5)
The Bank, the EBRD	The European Bank for Reconstruction and Development
CEB	Central Europe and the Baltic states
EEC	Eastern Europe and the Caucasus
GET	Green Economy Transition approach
SEE	South-eastern Europe
SEMED	Southern and eastern Mediterranean

Note: Terms and names used in this report to refer to geographical or other territories, political and economic groupings and units, do not constitute and should not be construed as constituting an express or implied position, endorsement, acceptance or expression of opinion by the European Bank for Reconstruction and Development or its members concerning the status of any country, territory, grouping and unit, or delimitation of its borders, or sovereignty.

EXCHANGE RATES

Non-euro currencies have been converted, where appropriate, into euros on the basis of the exchange rates current on 29 December 2017. (Approximate euro exchange rate: US\$ 1.20.)

¹⁰ The EBRD gives each project an Expected Transition Impact (ETI) rating. ETI is based on the underlying aims of the project, which are structured around the Bank's six transition qualities (see page 6), the local context, and compliance with EBRD strategic goals.





Our transition **qualities**

Our concept of transition to a market economy underpins the design and evaluation of EBRD investments and technical assistance projects. In late 2016, the Bank introduced a new way of measuring this transition. The updated concept argues that a well-functioning market economy should be competitive, well governed, green, inclusive, resilient and integrated.

COMPETITIVE

The notion of a competitive economy lies at the heart of the transition process. The EBRD promotes market structures that ensure competition among firms, builds the capacity of companies to generate value and fosters a business environment that incentivises commercially sound decision-making.

Pre-privatisation assistance for Belarusian bank

A €50 million subordinated debt facility will strengthen the capital base of Belinvestbank, the fifth-largest bank in Belarus, and help to prepare it for privatisation. The project promotes the emergence of a more efficient and competitive banking sector in Belarus, with higher levels of private ownership.

Uzbek pharmaceutical firm seeks competitive edge

Mutabar Medical Standart will build a facility for the production of pharmaceuticals packed in plastic ampoules and invest in research and development with the help of a US\$ 11 million (€9 million equivalent) loan. The venture will increase safety standards, reduce the cost of medicines and boost innovation in Uzbekistan's pharmaceutical sector.

Southern Mediterranean companies get private equity lift

The EBRD is supporting efforts to increase the competitiveness of small and medium-sized enterprises (SMEs) in Egypt, Morocco and Tunisia. The Bank made equity investments into Mediterranean Capital III and Maghreb Private Equity IV (managed by private equity firm AfricInvest), both funds that target growth investments in SMEs in these countries.

Bank support for small businesses grows

In 2017, the EBRD undertook 2,250 business advisory projects supported by donor funding that help SMEs compete more effectively and improve the performance of their businesses. The Bank also increased SMEs' access to the funds they need in order to grow, providing a total of €1.1 billion in SME finance.

WELL-GOVERNED

Improving the quality of state and private sector institutions and ensuring that they work well together is an essential feature of the transition to a modern, sustainable market economy. The Bank addresses governance at the national, sub-national and corporate levels through investment and policy dialogue.

Enhancing corporate governance in Greek banks

The EBRD assisted the Hellenic Financial Stability Fund in an evaluation of board dynamics at Greece's four largest banks and of their management of non-performing loans. All four banks began implementing the evaluation's recommendations in line with an action plan agreed with the Fund, which is monitoring their progress.

Fostering transparent and responsible extractive industries

As part of its contribution to the global Extractive Industries Transparency Initiative, the EBRD organised a two-day seminar in Kazakhstan on the problem of hidden ownership in the oil, gas and mining sectors. In Mongolia, meanwhile, the Bank launched a pilot outreach programme for rural communities affected by extractive industries. Donors supported the delivery of both projects through the EBRD Shareholder Special Fund.

Capacity-building measures strengthen economic governance

The Bank undertook numerous donor-funded projects aimed at assisting states to exercise their governance functions more effectively and create an investor-friendly economic environment. Initiatives included support for the competition authorities and inspections regime in Serbia, improvements to public administration in Ukraine and work to reform that country's policy on state ownership.



INCLUSIVE

The EBRD fosters the economic inclusion of women, young adults and people living in economically less-developed regions through direct investments and associated policy dialogue. In 2017 the Bank adopted its first Economic Inclusion Strategy to help more sections of society benefit from economic growth.

Georgian and Turkish farmers get skills uplift

Agribusiness trading company Olam International Limited is to create training opportunities for 750 farmers in remote parts of Georgia and Turkey. The initiative is linked to a US\$ 150 million (€125 million equivalent) EBRD loan in support of Olam's investments in those countries as well as in Egypt, Poland and Ukraine.

Brighter prospects for Syrian refugees and young Jordanians

Eighty-five Syrian refugees attended training programmes associated with the EBRD-funded Abdali Mall shopping and entertainment centre in the Jordanian capital, Amman. More than 200 Jordanian young people also took part in these programmes, funded by the United Kingdom, which provide training and job-matching services to help participants find work in the hospitality and retail sector.



GREEN

The EBRD promotes environmentally sound and sustainable development. Through its Green Economy Transition approach, the Bank helps countries contribute to the collective effort against global warming, build resilience to climate change and make more efficient use of resources (see sr-ebd.com).

Huge boost for renewable power in Egypt

The EBRD invested €300 million in 16 solar power projects that will have a combined generation capacity of 750 MW and cut CO₂ emissions by an estimated 900,000 tonnes a year. The financing was extended under a US\$ 500 million (€417 million) framework, supported by the Green Climate Fund, the EU and the SEMED Multi-Donor Account, aimed at stimulating private investment in over 4 GW of wind and solar power in Egypt.

EBRD extends reach of sustainable investment

Partner financial institutions participating in the Green Economy Financing Facilities (GEFF) programme supported by donors made EBRD financing available for over 10,000 green investments – a far greater number than the Bank could have reached directly. Meanwhile, the EBRD provided a record €558 million for new GEFF investments in the corporate, municipal and residential sectors.

Istanbul metro expansion promotes green commuting

The EBRD is helping Turkey's most populous city shift to modes of transport that produce fewer CO₂ emissions and lead to better air quality. A loan worth €88.3 million will support the construction of a 13-kilometre extension to the metro network in this metropolis of more than 14 million people.

Lidl raises environmental standards in retail sector

Financing worth €110 million will help Schwarz Group, owner of the Lidl supermarket chain, improve the environmental performance of its stores in Bulgaria, Moldova and Romania. The project also supports the development of sustainable building-certification regimes in these countries and will cut the company's CO₂ emissions by 26,000 tonnes per year.

RESILIENT

A resilient market economy supports growth while avoiding excessive volatility and lasting economic reversals. In order to foster resilience, EBRD projects promote financial and macroeconomic stability, energy and food security, and economic diversification.

Pioneering investment in Turkish inflation-linked bond

The EBRD invested 100 million Turkish lira (€22 million equivalent) in a bond issued by utility group Enerjisa Enerji to support its operations. This was the Bank's first investment in an inflation-linked bond. Its five-year tenor is the longest for an inflation-linked or local currency instrument issued by a Turkish corporation.

New era for Slovak covered bonds

In addition to investing €80 million in a series of mortgage-covered bonds issued by VUB, the second-largest bank in the Slovak Republic, the EBRD partnered with the Slovak government to improve the legal and regulatory framework for covered bonds. This work resulted in the adoption of a new law for this type of debt security.

INTEGRATED

Integration enables trade at greater speed and lower cost and is a critical enabler of growth and job creation. The EBRD invests in major energy, information technology and transport networks as well as fostering improvements to internal markets and harmonisation with international norms.

Connecting Moldova to European electricity networks

The EBRD contributed to a €270 million package to finance an interconnection between the electrical networks of Moldova and Romania. The EIB, EU and World Bank also helped finance the project, which will pave the way for Moldova to integrate and trade with European electricity markets and increase its energy security.

Helping Ukrainian businesses access key ports

The upgrade of a 253-kilometre stretch of railway line will improve links between Ukraine's major agricultural and industrial areas and the ports of Mykolaiv and Odessa. The project, backed by EBRD financing worth up to €150 million, will also cut CO₂ emissions and promote better corporate governance at Ukrainian Railways.

Increasing broadband internet availability in Serbia

The EBRD partnered with Serbia on a project to help prepare the country for more extensive rollout of broadband infrastructure. The initiative, which forms part of the Bank's legal reform work, identified the best financing, operational and technical options for increasing access to high-speed broadband throughout Serbia.





Our sectors

The EBRD invests in projects in the energy, financial, corporate and infrastructure sectors. The Bank provides debt financing as well as making direct and indirect equity investments in companies: in 2017 the EBRD provided €435 million of equity. Underlining its commitment to fostering sustainable economic development, the Bank signed 94 loan or bond projects in local currencies during the year.

Energy

Natural resources and the power and utilities sector have a major role to play in the economic development of the EBRD region. Bank projects help countries to harness this potential and increase their energy security while adhering to the best international standards in terms of corporate governance, the environment and socially responsible growth.

EBRD Annual Bank Investment in the energy sector

Annual Bank Investment (€ million)	2013	2014	2015	2016	2017	Cumulative to end-2017	Active Portfolio	Subsector
	569	634	1,360	964	956	8,132	3,672	Natural resources
	1,234	1,056	1,198	1,188	1,093	11,673	6,196	Power and energy
	1,803	1,690	2,558	2,152	2,049	19,805	9,868	Total

Regional breakdown of Energy ABI:



3.2
MILLION TONNES
ANNUAL
REDUCTION
IN CO₂
EMISSIONS



EBRD co-finances largest wind farm in Serbia

The Čibuk 1 wind farm will provide electricity for 113,000 households and cut CO₂ emissions by 370,000 tonnes per year. The EBRD and the International Finance Corporation provided €215 million in joint financing for the wind project which, with a generation capacity of 158 megawatts, will be the largest in the Western Balkans to date.

1,000

TRAINING OPPORTUNITIES TO BE CREATED
IN THE SECTOR IN KAZAKHSTAN

Pipeline to enhance European energy security

The EBRD is financing the delivery of energy supplies from Azerbaijan to Europe along the Southern Gas Corridor with a US\$ 500 million (€417 million equivalent) loan that will help fund completion of the Trans-Anatolian Gas Pipeline. Bank engagement in the project will ensure that it meets the highest environmental standards.

Loan promotes jobs and skills in Kazakh mining

A syndicated loan worth US\$ 350 million (€292 million equivalent) will finance the expansion of JSC ShalkiyaZinc Limited's mining operation in southern Kazakhstan. The EBRD-led investment will also create new job and training opportunities, especially for women and young people, at the zinc and lead deposit.





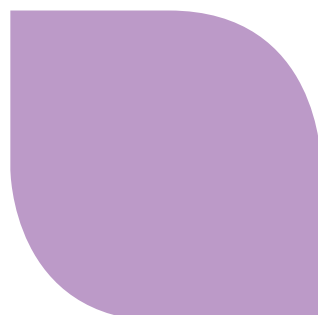
Financial institutions

A healthy, efficient and stable financial sector remains the cornerstone of a market economy. The EBRD aims to foster competitive and sustainable financial systems in the economies where we invest, through the use of innovative products and by supporting sector reform and local regulatory and legislative initiatives.

EBRD Annual Bank Investment in the financial institutions sector

Annual Bank Investment (€ million)	2013	2014	2015	2016	2017	Cumulative to end-2017	Active Portfolio	Subsector
	2,095	2,207	2,572	2,542	2,519	38,912	7,379	Depository credit
	201	173	143	120	251	2,009	619	Leasing finance
	77	382	233	384	84	2,176	1,090	Non-depository credit (non-bank)
	17	55	6	14	89	936	145	Insurance, pension, mutual funds
2,389	2,817	2,954	3,059	2,943	44,033	9,234	Total	

Regional breakdown of ABI in the financial institutions sector:



Greek bank seeks to stimulate real economy

The EBRD invested €30 million in a bond issue by the National Bank of Greece to help finance mortgage lending and stimulate the real estate market, which is fundamental to the country's economic recovery. The investment signals confidence in the return to health of the Greek financial sector.



€99
MILLION IN FINANCE
FOR WOMEN
ENTREPRENEURS

Financing for women entrepreneurs in Egypt

A US\$ 20 million (€16.7 million equivalent) loan to Egyptian bank QNB ALAHLI will increase access to finance for women entrepreneurs and women-led firms. Extended under the EBRD's Women in Business programme, which is supported by the EU, the MENA Transition Fund and the SEMED Multi-Donor Account, the credit line is accompanied by business advice, training and support for this underserved section of the business community.



Reengaging with Uzbekistan's financial sector

Small businesses and trading firms in Uzbekistan will benefit from US\$ 160 million (€133.5 million equivalent) in lending extended to three local financial institutions. The financing will support transactions under the Trade Facilitation Programme and credit lines while donor funding will help to build the capacity of partner financial institutions.



1,905

TRADE DEALS
COMPLETED
UNDER THE TRADE
FACILITATION
PROGRAMME
IN 2017



ar-ebird.com



Industry, commerce and agribusiness

EBRD investments in this area seek to promote competition and help to develop a private corporate sector that is inclusive, sustainable and well governed. The Bank encourages economic diversification through projects in the agribusiness, information and communication technologies, manufacturing and services, and property and tourism sectors. It uses loans, bonds, equity investments, participation in equity funds and policy dialogue to support clients.

EBRD Annual Bank Investment in the industry, commerce and agribusiness (ICA) sector

Annual Bank Investment (€ million)	2013	2014	2015	2016	2017	Cumulative to end-2017	Active Portfolio	Subsector
	871	859	770	817	768	10,620	3,030	Agribusiness
	879	890	785	773	784	11,826	10,492	Manufacturing and services
	240	227	172	138	278	2,698	973	Property and tourism
	334	185	223	219	221	4,045	2,190	Equity funds
	307	158	156	516	178	4,264	991	Information and communication technologies
	2,631	2,320	2,105	2,463	2,229	33,453	10,492	Total

Regional breakdown of ABI in the industry, commerce and agribusiness sector:



1.6
MILLION TONNES
ANNUAL
REDUCTION
IN CO₂
EMISSIONS



Cleaner and greener steel production in Ukraine

A syndicated loan of up to US\$ 350 million (€292 million equivalent) will support the modernisation and environmental upgrade of ArcelorMittal Kryvyi Rih, Ukraine's largest steel mill. As a result of the investment, the facility is expected to cut its CO₂ and nitrogen oxide emissions while also significantly reducing its dust emissions.

4,300
BENEFICIARIES OF EBRD AGRIBUSINESS
ADVISORY SERVICES

Meeting the needs of Romanian farmers

An equity investment in Agricovert will help the Romanian agribusiness company expand its provision of essential services to small local farms. As well as seeking to meet the growing financial needs of farms, Agricovert improves their access to modern technology and to markets for their products.

Better broadband access for Georgia's regions

Georgian telecommunications company MagtiCom used a US\$ 40 million (€33.4 million) syndicated loan to finance the acquisition of internet infrastructure provider Delta-Comm. The purchase supports MagtiCom's plans to expand into the regions of Georgia, increasing competition and improving broadband penetration in these areas.





Infrastructure

The EBRD supports improvements to transport networks and to a wide range of municipal and environmental services. Projects in this sector help to make economies better integrated, leading to more growth and job creation, as well as improving their competitiveness, inclusivity and environmental performance.

EBRD Annual Bank Investment in the infrastructure sector

Annual Bank Investment (€ million)	2013	2014	2015	2016	2017	Cumulative to end-2017	Active Portfolio	Subsector
	556	726	713	664	1,138	7,329	4,302	Municipal and environmental infrastructure
	1,119	1,301	1,047	1,051	1,311	14,974	7,539	Transport
	1,675	2,027	1,760	1,715	2,448	22,304	11,841	Total

Regional breakdown of Infrastructure ABI:



363

MILLION PASSENGERS PER YEAR EXPECTED TO BENEFIT FROM IMPROVED TRANSPORT BY 2025

Modernising Egypt's rail network

Millions of commuters will benefit from a major fleet expansion and service upgrade programme by Egyptian National Railways. As well as extending €290 million in financing for the acquisition of 100 new locomotives, the EBRD provided technical assistance for the operator's freight reform plan.

Kazakhstan combats global warming with irrigation upgrade

Financing for an irrigation reform programme in Kazakhstan will help the country build resilience to climate change. National water operator Kazvodkhoz will invest part of a US\$ 174 million (€145 million equivalent) loan in modern irrigation infrastructure that will generate huge water savings.

Helping cities in the EBRD region to go green

The Bank signed five transactions worth a total of €47 million under its Green Cities Framework in support of environmentally friendly municipal investments. Projects included financing for an electric bus fleet in Batumi, Georgia, and for a biomass-fuelled district heating plant in Banja Luka, Bosnia and Herzegovina. A wide range of donors provide funding in support of the Framework.

1.06

MILLION TONNES

ANNUAL REDUCTION IN CO₂ EMISSIONS

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Our stories

Tunisia invests in energy-saving trains

A €160 million loan will help Tunisia's national rail operator finance network upgrades and the purchase of six modern electric trains. By increasing electrification and encouraging more passengers to use this greener form of transport, the project will generate energy savings and help cut CO₂ emissions by 14,000 tonnes each year.



Motorway expansion aids Bosnian integration

A project to expand the motorway network in Bosnia and Herzegovina will strengthen the country's integration and its connections with the EU. The EBRD provided a €70 million loan to help finance a new section of the Corridor Vc motorway, which is the main international transport corridor in the country.



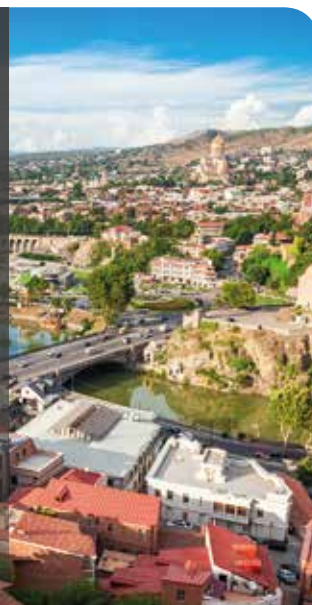
Kyrgyz airport upgrade improves regional connectivity

The EBRD provided a US\$ 4.7 million (€3.9 million equivalent) loan and grant financing to the operator of the main air gateway in the Kyrgyz Republic to support its modernisation plans. Improvements to the terminal building at Manas Airport will include installing a highly energy-efficient heating and ventilation system.



Policy dialogue to boost Georgia's energy efficiency

In order to help Georgia fulfil its commitments as a signatory to the Energy Community and as a party to the Paris Agreement on combating climate change, the EBRD has assisted the country with the development of a National Energy Efficiency Action Plan. This sets out how Georgia can increase its energy efficiency and cut CO₂ emissions while also pursuing economic growth.



Lithuanian green bond deal marks EBRD first

In order to increase the availability of financing for the development of a sustainable electricity network, the EBRD invested €30 million in a green bond issued by Lietuvos Energija. This was the first bond issued by the Lithuanian utility company and the first green bond investment by the Bank.



Wastewater project to generate Egyptian jobs

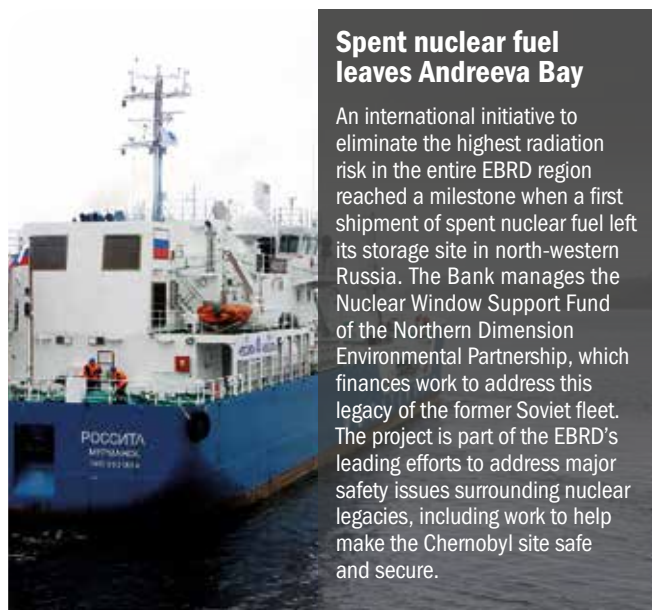
A project aimed at improving sanitation infrastructure in the Fayoum area south of Cairo will help to create about 30,000 jobs for local people and provide dedicated support for women's access to economic opportunities. The EBRD is investing €186 million in the development and upgrade of wastewater services in the district and the EU is providing grants.





Green, earthquake-proof housing in Turkey

A joint venture with leading Turkish real estate developer Nef will invest in earthquake-proof residential and student housing that will also meet high standards for energy and resource efficiency. The EBRD is providing US\$ 60 million (€50 million equivalent) in financing for the project through a combination of equity and subordinated debt.



Spent nuclear fuel leaves Andreeva Bay

An international initiative to eliminate the highest radiation risk in the entire EBRD region reached a milestone when a first shipment of spent nuclear fuel left its storage site in north-western Russia. The Bank manages the Nuclear Window Support Fund of the Northern Dimension Environmental Partnership, which finances work to address this legacy of the former Soviet fleet. The project is part of the EBRD's leading efforts to address major safety issues surrounding nuclear legacies, including work to help make the Chernobyl site safe and secure.



Bond issue bolsters Greek capital market

Participation in a bond issue by industrial group Mytilineos Holdings helped to make the Greek economy more resilient by supporting local capital-market development and by encouraging economic diversification. The Bank's €30 million investment made a significant contribution to the success of the offering on the Athens Stock Exchange.



Tajikistan joins Women in Business programme

Tajikistan became the latest country to join the EBRD's programme, which promotes women's entrepreneurship through access to finance and advisory services with support from Switzerland and the EBRD Small Business Impact Fund. The programme covers 17 countries and since its launch has provided more than €430 million in financing to partner financial institutions for on-lending to women-led businesses.



Local currency loan to Ukrainian bank for SMEs

PJSC ProCredit Bank Ukraine will use an EBRD loan worth the equivalent of €21 million to provide loans in Ukrainian hryvnia to SMEs. Grant funding from the EU will help reduce the cost of the foreign exchange risk-protection instrument and make the local currency funding more affordable.



Private equity fund eyes Polish opportunities

An equity commitment of €25 million to the Polish Enterprise Fund VIII will support equity and quasi-equity investments in primarily medium-sized companies in central and south-eastern Europe, with a focus on Poland. The project will increase the competitiveness of portfolio companies and the resilience of the financial sector in the region.

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European Bank for Reconstruction and Development

One Exchange Square
London
EC2A 2JN
United Kingdom
www.ebrd.com

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