



EUROPEAN INVESTMENT BANK

STRENGTHENING THE URBAN DIMENSION OF THE DANUBE REGION

26 – 27 January 2015

Vienna



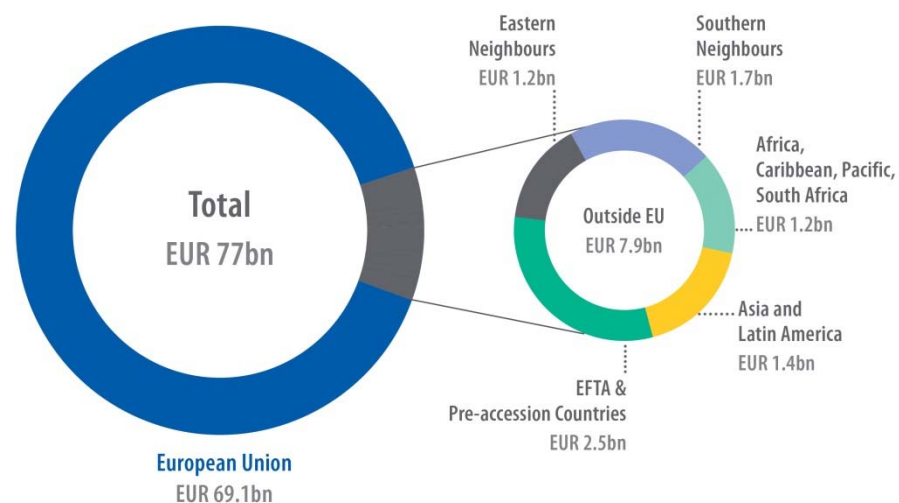
THE EUROPEAN INVESTMENT BANK AT GLANCE

- Providing finance and expertise for **sound and sustainable investment projects**;
- Natural **financing partner** for the EU institutions;
- EU's long-term lending bank set up in **1958**;
- Shareholders: **28 EU Member States**;
- **Largest multilateral lender and borrower in the world**;
- Some **90%** of lending is inside the EU;
- Headquartered in **Luxembourg** and some 30 local offices;
- Over **2000** staff.

Total Lending 2014:

- ✓ of which in European Union : EUR 69 bn
- ✓ of which in Partner countries: EUR 8 bn

Total Disbursements : EUR 64 bn



THE EUROPEAN INVESTMENT BANK - OUR PRODUCTS

We help catalyse investment

| LENDING | BLENDING | ADVISING |
|---|--|---|
| Loans | Combining EIB finance with EU budget and other funds (state funds, other IFI, NIF, WBIF, etc.) | <ol style="list-style-type: none"> 1. Prepare & implement projects (JASPERS, ELENA, EEF, NIF, WBIF, etc.) 2. Advisory related to Financial Instruments (JESSICA, InnovFin, Project Bond Initiative) 3. Institutional & other (EPEC, NER300, etc.) |
| Guarantees (trade financing) | | |
| Equity participation | Higher risk projects for innovation (InnovFin) | |
| Attracting FUNDING for long-term growth | | |

THE EUROPEAN INVESTMENT BANK – WHAT CAN IT OFFER

- Loans for up to 50% of the total investment cost;
- Long-term maturities to match project needs;
- Competitive interest rates with flexible structures;
- A wide range of international and local currencies;
- Flexibility in security packages.

The EIB project cycle



ELIGIBLE PROJECTS FOR EIB FINANCING WITHIN THE EU

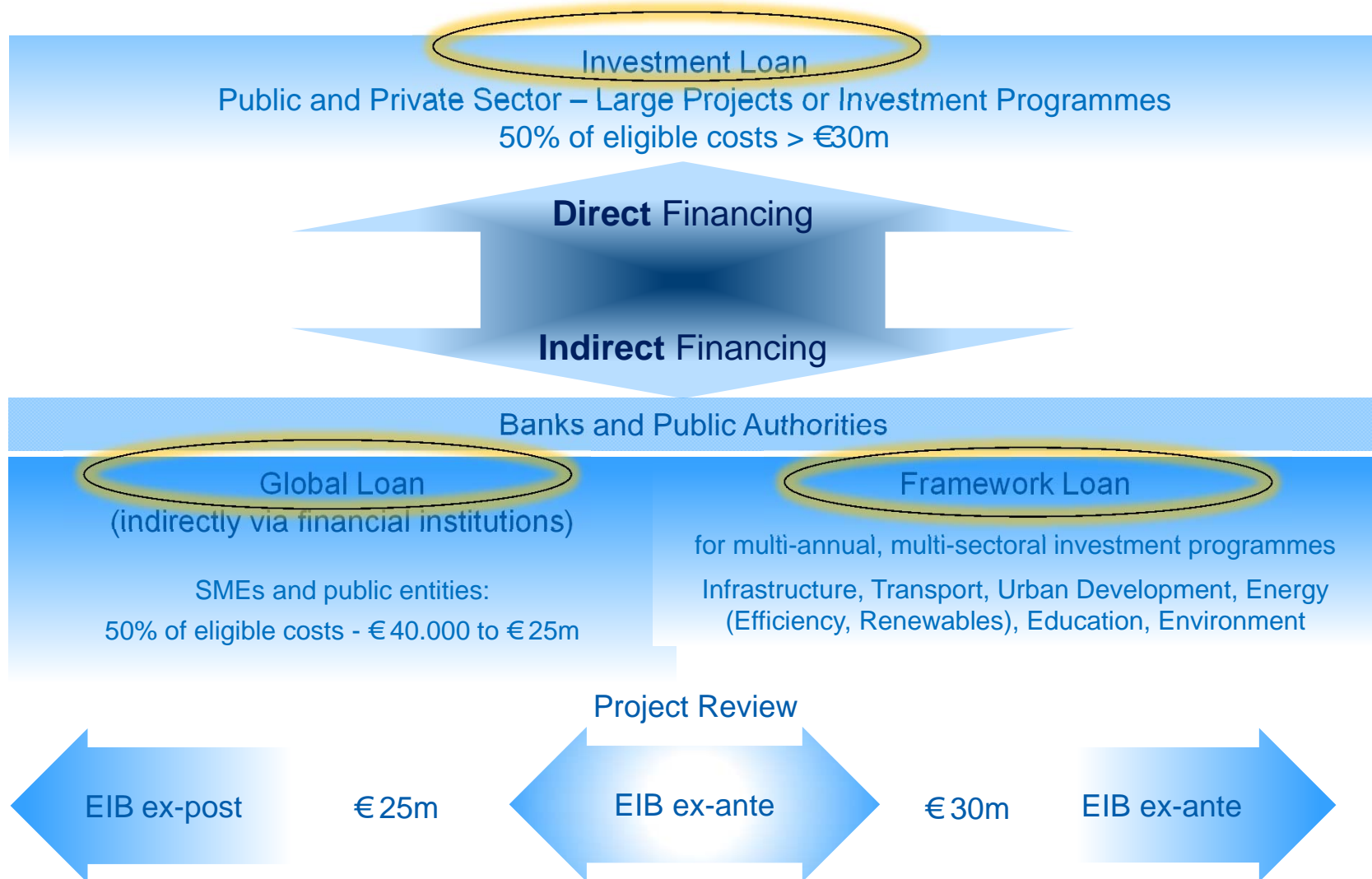
EIB Financing is subsidiary to other sources of finance (bank loans, own funds, grants) and is often the key to attracting other investors. Loans can **cover up to 50% of the total cost** for both public and private sector promoters.

- **Projects must:**

- Meet at least one of the **EIB's objectives**;
- Be **technically** sound;
- Be **financially** viable;
- Show an acceptable **economic return**;
- Comply with **environmental protection** and **procurement regulations**.

Financing conditions depend on the investment type and the security offered by third parties (banks or banking syndicates, other financial institutions or the parent company).

EIB – LOAN TYPES



EXAMPLES FOR MUNICIPAL PROJECTS



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- Bucharest Metro Line 5:**
 The construction of the new metro line in the city of Bucharest and the purchase of new rolling stock.
- EIB Loan € 395m for up to 25 years to the State (signed in 2009)
 Total Cost € 883m, project completion in 2015



Example of cost breakdown for an individual project:

| INVESTMENT | EURm | % | FINANCING | EURm | % |
|------------------------------|---------------|-------------|------------------|---------------|-------------|
| Studies and supervision | 32.76 | 6.0% | EIB Loan | 264.24 | 44.0% |
| Civil works | 200.05 | 36.6% | Own Funds | 114.1 | 19.0% |
| Track | 10.1 | 1.8% | Commercial Banks | 186.17 | 31.0% |
| Equipment | 45.00 | 8.2% | Grant/Subsidy | 36.00 | 6.0% |
| Rolling stock | 248.63 | 45.5% | | | |
| Urban rehabilitation | 9.21 | 1.7% | | | |
| TOTAL (2010) | 545.75 | 100% | | | |
| Technical Contingencies | 5.46 | 1.0% | | | |
| Price Contingencies | 22.05 | 4.0% | | | |
| Interest during Construction | 27.29 | 5.0% | | | |
| PROJECT COST | 600.55 | 110% | | 600.55 | 100% |

EXAMPLES FOR MUNICIPAL PROJECTS

- **Chisinau Trolleybus:**

Acquisition of 90 new trolleybuses, spare parts and relevant equipment for rolling stock maintenance.

- EIB Loan €5m to Moldavian Municipality signed in 2010.

Co-financed with EBRD (€5m) and EU grants (€3m)

Total Cost €14.5m

- **Ostrava Municipal Infrastructure:**

A multi-sector framework facility for financing investment schemes by the City within the framework of the 2007-13 EU programming period.

- EIB Loan CZK 3.000m (€121.6m) to the City signed in 2011

Total Cost CZK 8.000m (€324.4m) for urban renewal and infrastructure in public transport, environmental protection, sewage, education, cultural heritage and community services



EXAMPLES FOR MUNICIPAL PROJECTS

- **Städtische Infrastruktur Graz:**

Multi-sector investment programme in urban infrastructure for the financing period 2014 to 2018 in the fields of education and sports facilities, social housing, cultural heritage, energy networks, water and sanitation and waste management.

- **EIB Loan € 90m**

Total Cost € 225m

Example of cost breakdown for an investment programme:

| INVESTMENT | 2013 | 2014 | 2015 | 2016 | 2017 | total EURm | FINANCING | EURm | % |
|--|------|------|-------|------|-------|--------------|----------------|--------------|-----|
| Strengthening Water and Sewerage Network | 1.51 | 0.83 | 1.76 | 0.91 | 1.67 | 8.19 | EIB Loan | 18.0 | 48% |
| Public Transportation: Infrastructure and new busses | 0.00 | 0.00 | 1.98 | 3.21 | 3.40 | 8.59 | Own Funds | 16.0 | 43% |
| Social Housing | 0.92 | 1.10 | 2.41 | 1.56 | 3.00 | 8.99 | National grant | 3.5 | 9% |
| Park and Sport facilities | 0.31 | 0.45 | 0.81 | 0.40 | 0.92 | 2.89 | | | |
| Rehabilitation/Extension of schools and kindergarden | 0.00 | 0.00 | 2.57 | 0.00 | 2.90 | 5.47 | | | |
| Technopark | 0.00 | 1.11 | 1.23 | 0.10 | 0.95 | 3.39 | | | |
| Total per year | 2.74 | 3.49 | 10.76 | 6.10 | 12.84 | | | | |
| Total Investment Cost | | | | | | 37.52 | | 37.52 | |



FOR MORE INFORMATION



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