



# EIB Group Activities Bulgaria

# The EIB Group



Provides finance and expertise for sound and sustainable investment projects



Leading developer of risk financing for innovative SMEs



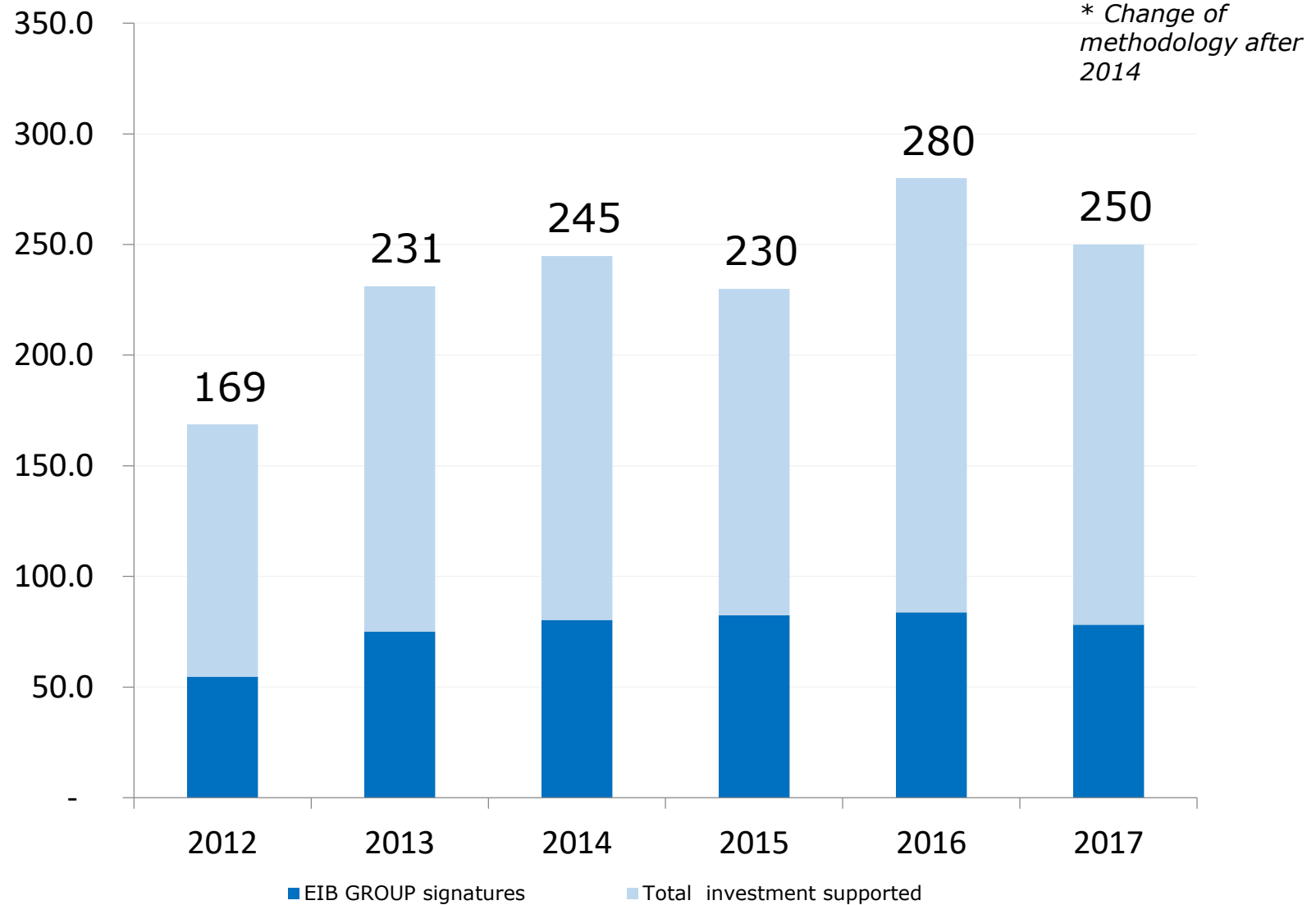
**European  
Investment  
Bank**

*The EU bank*

A circular arrangement of twelve small blue stars, representing the European Union flag.

**improve lives.**  
together.

# EIB Group supported investment



# EIB Group results 2017

6<sup>years</sup> **improve lives.**  
together.



**Innovation**



**Environment**



**Infrastructure**



**SMEs**



EUR **13.8** bn

EUR **16.7** bn

EUR **18** bn

EUR **29.6** bn

# EIB Group impact



**10,924 MW**  
of power created  
(99.6% from  
renewables)

**572,324 families**  
in EIB-financed  
affordable social  
housing

Improved  
healthcare  
services for  
**45.7 million**  
people

Safer drinking  
water for  
**23 million**  
people

**3.9 million**  
jobs sustained  
in **285,800**  
firms

**7.44 million**  
new & upgraded  
high speed digital  
connections



# A responsible bank

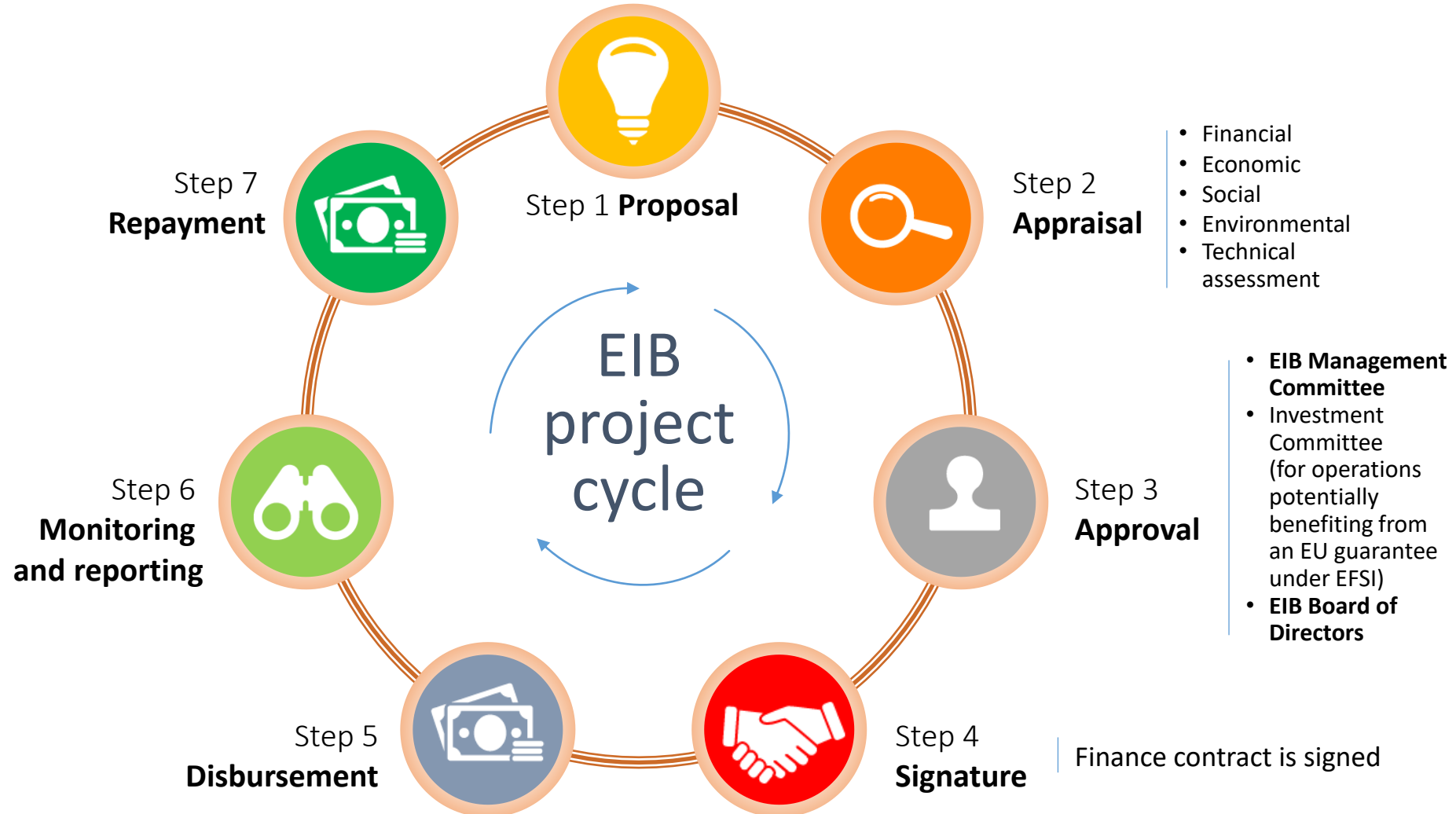


Corporate responsibility is part of all of our activities

- We strive to improve the lives of people by promoting sustainable and inclusive growth
- We are committed to:
  - integrating high environmental and social standards into our business activities;
  - ensuring strong governance, transparency and accountability, for us and our counterparts;
  - minimising our own environmental footprint.

# EIB project cycle

We support sound and sustainable projects





# EIB products

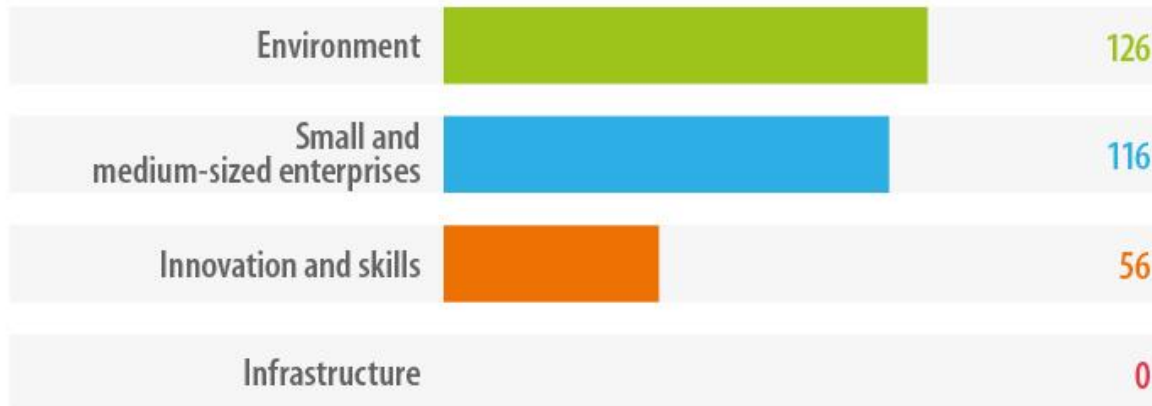
## We help catalyse investment

LENDING	BLENDING	ADVISING
<ul style="list-style-type: none"><li>Loans (direct/intermediated) (investment/framework) But also:</li><li>Guarantees</li><li>Equity participation</li></ul>	<ul style="list-style-type: none"><li>Combining EIB finance with EU budget (EFSI; CEF Debt Instrument)</li><li>Higher risk projects for innovation (InnovFin)</li><li>Blending EU grants with EIB finance (ESIF and CEF)</li><li>External EU blending facilities</li></ul>	<ul style="list-style-type: none"><li>Umbrella initiative: EIAH</li><li>Prepare, evaluate and support the implementation of projects (JASPERS, ELENA)</li><li>Support for public/private partnerships (EPEC)</li><li>Enhance use of EU funds (financial instruments advisory; fi-compass)</li><li>Enhance access to finance (InnovFin Advisory)</li></ul>

Attracting FUNDING for long-term growth

# EUR 299m EIB lending in Bulgaria in 2017

European Investment Bank Group  
Total lending in Bulgaria in 2017 (in EUR m)  
**EUR 299 million**



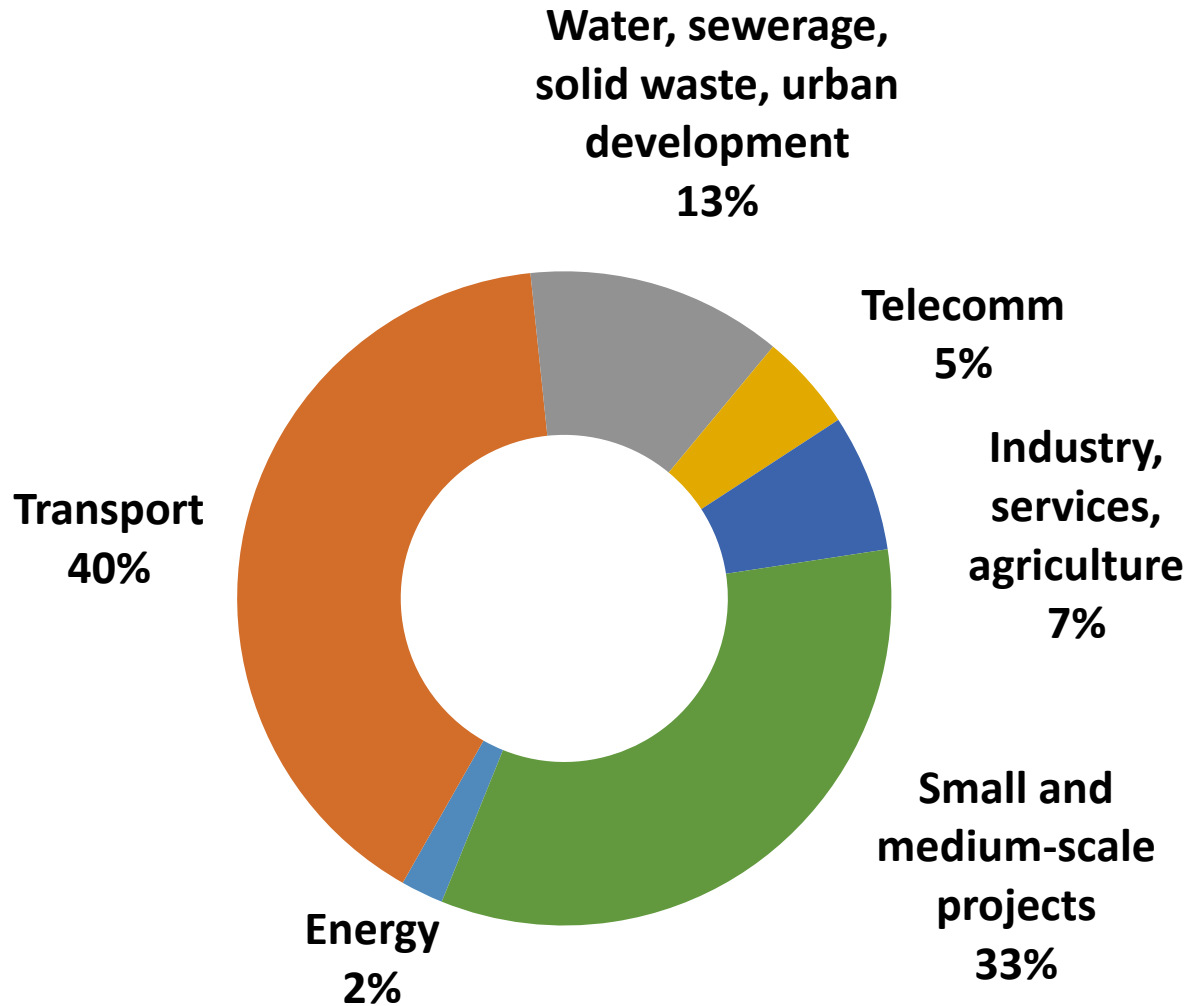
Source: EIB

**EIB Group volume (EIB + EIF) reached EUR 299m, representing 0.59 % of the Bulgarian GDP**

- above the EU average of 0.46%
- EIB signed new loans totalling EUR 250m
- EIF committed EUR 49m in four guarantee operations aimed at raising EUR 100m investments

**Four EIB corporate projects in the amount of EUR 160m, two of which are EFSI-backed**

# EUR 5.1bn lending in Bulgaria since 1992



## Support to investment projects:

- Decrease of regional differences
- Strengthening of competition
- Increase of people's living standard

## EIB operations in Bulgaria are well balanced covering all major economic sectors:

- Transport
- SMEs
- Urban, water, waste infrastructure
- Energy
- Industry and Services
- Telecommunications
- Energy

## Promoting digitalisation and RDI in the aviation industry

- EUR 23m for RDI activities of Software AG (new software products; digitalization of business processes in Bulgaria)
- EUR 6m for RDI activities and production expansion of Latecoere Aerostructure in Bulgaria (aircraft innovation) – a component of a wider loan

## Fostering Municipal Transport

- EUR 56m loan for the construction of Sofia Metro line 3 (7.8km metro line, 8 stations, depot, 20 trains)

## Support for SMEs and midcaps

- EUR 40m of intermediated lending to two EIB partner financing institutions; helps Bulgarian SMEs and municipalities access EIB financing
- Implementation of SME Initiative - guarantee agreements with 10 partnering banks in Bulgaria (signed in 2016)
  - More than 2,000 individual SME loans originated in Bulgaria under the program; total financing volume of some EUR 300m; 50% utilisation in the first year of programme
  - 10% (EUR 30m) used to support RDI of SMEs



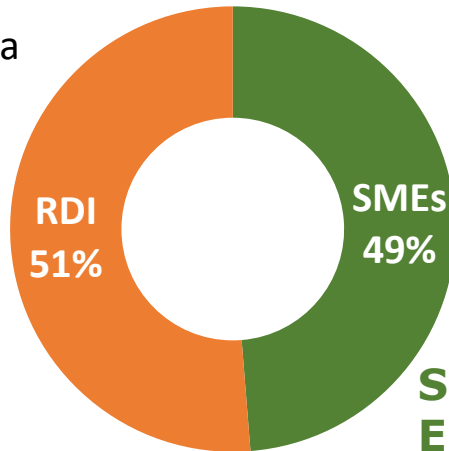
EIB Group's (EFSI) support to Bulgaria, since 2015, has contributed to mobilise investments of EUR 1 638 m

Under EFSI, 13 transactions have been approved in Bulgaria.  
EIB has financed EUR 281 m (loans) and EIF EUR 74 m (guarantees and equity)

### R&D and Innovation

Investment loans:

- Biovet Peshtera
- Oliva AD



### Small and Medium Enterprises

- Intermediated loans
- Guarantees
- Equity

- **Bulgaria ranks 3<sup>rd</sup>** in terms of expected funding mobilised to GDP.
- EIB funding under EFSI is a **main financing source for large industrial investment in Bulgaria**. According to statistics\*, 3 out of top 10 industrial transactions (above EUR 30 million) in year 2017 are funded via EFSI providing 41% of total investment.
- EFSI supports SMEs in Bulgaria by providing guarantees and other capital relieve products to commercial banks. Thanks to the EFSI guarantee, the **banks finance the SMEs at significantly improved terms** - lower interest rates and lower collateral requirement (120% to 70%). To date, **1,804 SMEs** have benefited. For a small credit market as the Bulgarian, this represents a game changer!
- **Focus on cohesion region** in the amended EFSI regulation.

## Financing under the Investment Plan for Europe

- EUR 31m loan to Oliva AD – the first EIB loan to a Bulgarian private company to benefit from the EU budget guarantee under the EFSI
  - financing the construction of a new sunflower oilseed production plant and storage and logistics facilities in the Beloslav municipality near Varna
- EUR 100m EFSI-backed loan to Biovet - a subsidiary of Huvepharma International
  - increasing the production capacity and R&D activities in the area of animal health
  - strengthening the competitiveness of a leading company in the veterinary pharmaceutical sector in Bulgaria reinforcing Europe's leading position in the animal health market





## Transactions

- 4 new EIF guarantee operations with partnering banks; EUR 330 million in new loan financing raised at preferential terms for Bulgarian SMEs.
- 1 new venture capital fund manager selected to invest approx. EUR 25 million into innovative high-tech companies in Bulgaria.

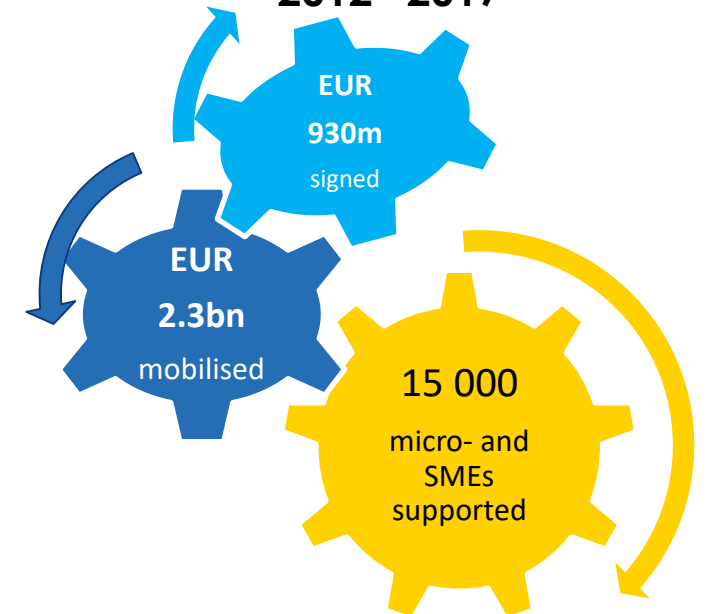
## SME financing

- over EUR 470 million of financing extended to more than 3,500 Bulgarian SMEs using EIF guarantees through SME Initiative, COSME and InnovFin transactions .

## EFSI SME Window in Bulgaria

- EUR 944 million mobilised in risk financing for Bulgarian SMEs through 10 transaction.
- In EFSI's SME window, Bulgaria ranks amongst Top 3 EU states in mobilised investments per EUR m of GDP

### EIF's support for SMEs in Bulgaria 2012 –2017



## The European Investment Advisory Hub (EIAH)

- partnership between the EIB and the EC,
- a single point of entry to a comprehensive package of advisory and technical assistance.
- part of the Investment Plan for Europe
- Memorandum of Understanding with BDB
- Total of 49 requests from Bulgaria at end-2017

## Joint Assistance to Support Projects in European Regions (JASPERS)

- technical assistance initiative managed by the EIB and co-sponsored by the EC and EBRD
- improves quality of investment from EU Structural and Investment Funds and Connecting Europe Facility
- 24 assignments in Bulgaria with a total value of EUR 4bn
- 41 active assignments supporting EUR 3.8bn of investments

European  
Investment  
Advisory  
Hub  
*Europe's gateway to investment support*



**Jaspers**  
Joint Assistance to  
Support Projects in European Regions

## Continued support of growth and employment in Bulgaria

- Development/upgrading of regional infrastructure
- Focus on transportation, EE, climate action, social economy
- Widening of EIB Advisory Services for Bulgaria, e.g. EIAH
- Extensive usage of innovative financing and guarantees (e.g. Investment Plan for Europe, InnovFin)
- Continuation of Financial Instruments in Bulgaria for 2014-2020 (under central & regional mandates) in priority areas (e.g. SMEs, Environment, services)
- Further support for SME and midcaps
- Fostering competitiveness through corporate lending in various sectors (e.g. energy, agribusiness, manufacturing and services)



Thank you!

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