

# INTERNATIONAL BANK FOR ECONOMIC CO-OPERATION

## ● BULGARIA

*November, 2020*

The International Bank for Economic Co-operation (IBEC) is **multilateral financial institution** established in 1963 and operating under an intergovernmental Agreement registered with the UN Secretariat under № 7388 on 20.08.1964

**Authorized capital**  
**€400 million**

**Paid-in capital**  
**€200 million**

## 8 Member States having equal voting rights

Bulgaria



7,6%

Vietnam



0,4%

Mongolia



1,3%

Poland



12%

Russia



51,6%

Romania



7,1%

Slovakia



6,7%

Czech  
Republic



13,3%



FitchRatings  
MOODY'S

**BBB- (POSITIVE)**

**Baa3 (STABLE)**

ACRA



**A-/AAA(RU) (STABLE)**

**BBB (STABLE)**

**NOT SUBJECT TO ANY  
FINANCIAL RESTRICTIONS**

*Restrictions on financial transactions imposed by the Regulation of EU Council of 31 July 2014 No. 833/2014  
do not extend to financial operations of the IBEC*

IBEC – International Financial Organization acting as a service center for the Member States' foreign trade



## Trade Finance

- ✓ Documentary Letters of Credit
- ✓ Guarantees/counter-guarantees/stand-by letters of credit
- ✓ Irrevocable Reimbursement Undertaking (IRU)
- ✓ Trade-related loans
- ✓ Export-import operations with ECA
- ✓ International factoring and forfaiting
- ✓ Documentary collection



## Payments & Settlements

- ✓ Opening and maintenance of accounts
- ✓ Remote banking services
- ✓ International payments in hard currencies and Member States currencies
- ✓ Foreign-exchange operations
- ✓ Currency control of foreign trade contracts (RF legislation)
- ✓ Deposits
- ✓ Pledge accounts
- ✓ SWIFT GPI



## Other Instruments

- ✓ Syndicated loans
- ✓ Targeted bank-to-bank loans
- ✓ Loans to non-banking organizations

## LETTERS OF CREDIT

- issuance
- advising
- confirmation
- transferrable LCs
- negotiation
- financing, deferred payments

## GUARANTEES/COUNTER-GUARANTEES

- issuance
- advising

## IRUs

- issuance of irrevocable reimbursement undertakings

## STRUCTURED FINANCE

- structured financing based on export/import
- EPC contract to finance advance payments, supplies of equipment to Exporters, Exporter's banks, Importers/Importer's bank

## FACTORING AND FORFAITING SUPPLIER'S FINANCING

- discount / forfait import obligations (credit risk of the importer's bank)
- purchase of receivables

## DOCUMENTARY COLLECTION

- documents against payment
- documents against acceptance

## TRADE-RELATED AND SYNDICATED LOANS

- trade-related bilateral loans, including pre-export and post-import financing - funds on a bilateral basis to a borrowing bank to finance particular foreign economic transactions of its clients/counterparties with participation/to the benefit of IBEC member countries
- trade Related Syndicated Loans - provided on a multilateral (syndicated) basis by few lenders to a borrowing bank



# REQUIREMENTS



## GENERAL

**At least one Party for transaction**

**Purpose – financing of:**

shall be a **resident of IBEC member state**

- **export/import transactions** of corporates and financial institutions - residents of IBEC's member countries
- **working capital**
- **other**



## LIMITS AND TENORS

**Average ticket:**

**Tenors per transaction:**

**Interest rate, commissions, charges:**

**Collateral:**

up to EUR 20 mln (inclusive) or an equivalent in other currency of financing; above EUR 20 mln – to be determined on individual basis

3 months to 7 years;  
above 7 years - subject of approval by the Council

fixed or floating based on general terms or on individual basis

on individual basis



## COUNTERPARTIES

Corporates

Financial institutions

Development banks,  
international/supranational  
financial organizations



## CURRENCY

EUR, USD and other  
hard currencies

Main currencies of the IBEC's  
member states



## PRODUCTS:

Opening and  
maintenance of  
accounts

International  
payments

Remote banking  
services

Currency control  
of foreign trade  
transactions

Pledge accounts

Deposits

Accrual of interest  
on account  
balance

FX

## UNIQUE SETTLEMENT SERVICES "BOOK-TO-BOOK"



Transfers are settled within the bank  
between exporter and importer accounts  
**avoiding additional correspondent  
charges**



Processing of transfers will be **much  
faster** (within 1 operational day) **and  
transparent** for both parties



Bank's property, assets and operations  
enjoy the **immunity from  
administrative and judicial  
intervention in any form**



IBEC is benefiting from a **non-resident  
status** and **tax-free status** in all member  
states



**IBEC**  
INTERNATIONAL BANK  
FOR ECONOMIC CO-OPERATION



EXPORTER/IMPORTER



IMPORTER/EXPORTER

## KEY PROJECTS

**Credit and Documentary portfolio shows steady growth in 2020 despite difficult economic realities**



**Bulgartransgaz EAD: EUR 90 mln**, loans (1 provided, 1 signed) aimed at covering investment costs associated with the implementation of the important development project of energy infrastructure, the Balkan Stream

**Doverie United Holding: EUR 5 mln**, loan for the implementation of ongoing projects, incl. in the medical industry

**Eurohold: EUR 20 mln**, credit line for the development of insurance business in the member countries of the Bank

**Bulgarian Telecommunication Company, BTC (VIVACOM): EUR 10 mln**, participation in the syndicated loan (total amount - up to EUR 345 mln, arranger - Citibank) aimed at CAPEX financing

**Belarusbank and BNB bank: EUR 1.4 mln**, LC confirmation and trade-related loan supporting exports of Bulgarian equipment for baby food production, consumer goods



**Laude Smart Intermodal: EUR 15.2 mln**, loan to finance the purchase of innovative intermodal freight railway containers and platforms of Russian and Belarusian production

**Frako-Term Sp. Zoo: EUR 2,7 mln**, advance payment guarantees and LCs to cover supplier obligations under contract of components supply for international scientific project NICA

**Belarusbank: EUR 15.5 mln**, IRUs to support Polish export contract for supply of food industry equipment to Belarus



**PROFI: RON 24.3 mln** (equiv. EUR 5.1 mln), participation in the syndicated loan (Total amount of the loan – RON 1.38 bn organized by Citibank, ING, Unicredit) aimed at financing of the food retail accessibility development in Romania), with the tenor – 5 years



**Alvogen (Hungary): EUR 20 mln**, participation in syndicated loan (total amount EUR190 mln, organized by RBI and Unicredit) aimed at financing Financing/refinancing of capital expenditures . Key facilities of the borrower (R&D units and plants) are located in Romania

**OTP Bank: more than EUR 20 mln**, counter guarantees to support purchase of pharmaceuticals from major world producers by top Russian distributor



**Ulan-Bator Railway: EUR 40 mln**, a tied loan with insurance cover of the Russian ECA for a long-term modernization program of the Mongolian railway infrastructure and the purchase of Russian-made locomotives that meet modern environmental and safety requirements



**Asaka Bank, Qishloq Qurilish Bank, Uzpromstroybank and Agrobank** (Uzbekistan): USD 24 mln, trade loans, syndication, credit guarantee and IRUs to support export of the Czech Republic, Slovakia, Poland, Romania, Russia



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**Bulgaria**



**Vietnam**



**Mongolia**



**Poland**



**Russian Federation**



**Romania**



**Slovakia**



**Czech Republic**



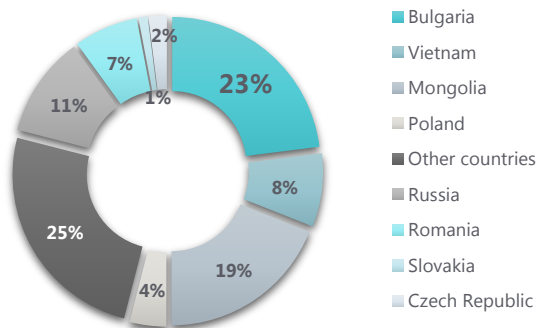


## KEY FIGURES:

as of 30.09.2020

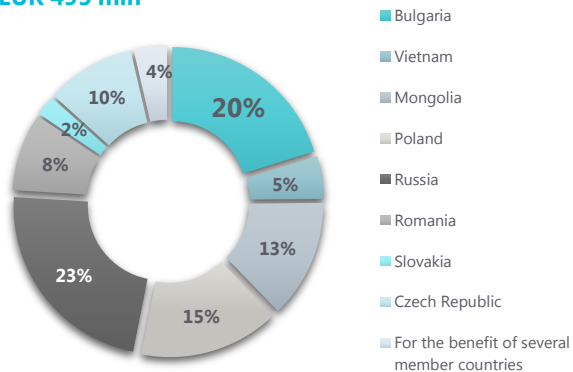
**Loan portfolio by country of risk:**

**EUR 356 mln**



**Development portfolio by member countries:**

**EUR 495 mln**



## FI COOPERATION

**IBEC IS WORKING WITH ALL LEADING BANKS IN BULGARIA ON TREASURY AND OTHER OPERATIONS:**

- Bulgarian Development Bank
- International Asset Bank
- RBI Bulgaria
- DSK Bank
- Municipal Bank

## BULGARIA

**Share in the loan portfolio** **23%**

**Share in the securities development portfolio** **20%**

**IBEC is considering the possibility of entering Bulgaria bond market and is negotiating with regulators**

## IBEC FINANCES BALKAN STREAM

2 loans to Bulgartransgaz  
(EUR 50 mln – provided, EUR 40 mln - signed)  
for **financing of investment costs associated with the implementation of the important development project of energy infrastructure, the Balkan Stream.**

The largest international banks took part in financing together with IBEC: **Citibank Europe, ING Bank, Unicredit Bulbank JSC, Raiffeisenbank Bulgaria EAD, etc.**

In total, a consortium of banks provided **EUR 200 mln at the 1<sup>st</sup> stage and EUR 400 mln at the 2<sup>nd</sup> stage**

*The project ensuring the energy security of the Southern Europe region is of strategic importance for the East European IBEC member countries: Bulgaria, Romania and Slovakia.*



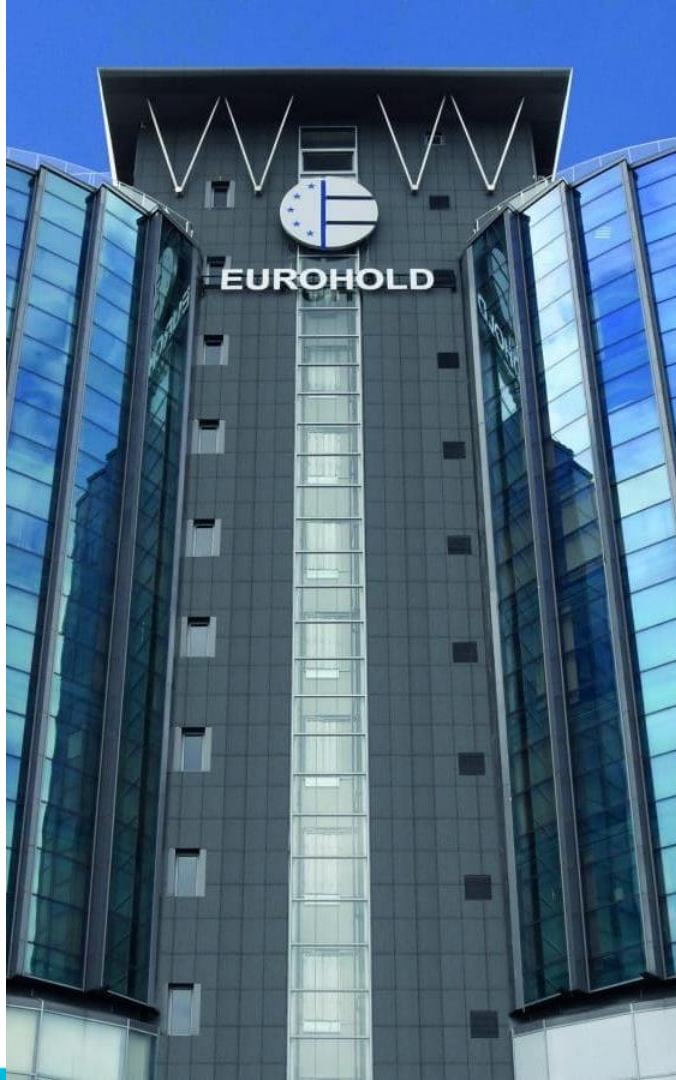
## IBEC SUPPORTS THE MEDICAL INDUSTRY IN BULGARIA

*IBEC has opened a credit line to the Bulgarian Doverie United Holding, which is part of the Sopharma AD group. The amount of financing is **EUR 5 million**, the funds will be allocated for the implementation of ongoing projects of the holding enterprises.*



***Doverie United Holding is an investment holding which includes a group of companies of various industries in 9 regions of Bulgaria. Its specialization is mainly long-term equity investments in enterprises of the manufacturing sector and services.***

*The major shareholder of the company is Sopharma AD, one of the leaders in the Bulgarian pharmaceutical market and a backbone for the Bulgarian economy. The key areas of business are the production and distribution of medical products, the provision of pharmaceutical consulting services. Sopharma AD has 54 companies, including 6 pharmaceutical factories.*



**LARGEST  
BULGARIAN  
PRIVATE  
HOLDING  
COMPANY  
EUROHOLD**

***IBEC supports the development  
of the insurance business in the  
markets of its member states***

*The loan agreement with Eurohold,  
whose interests are focused on  
insurance, leasing, and financial  
services*

***A credit line with a total limit of  
EUR 20 mln for up to 2 years***

*The loan aims at expanding Eurohold's  
existing insurance business in Poland,  
Bulgaria and Romania.*

*the Bank promotes the development of  
the best insurance business practices in  
the territory of IBEC's presence.*

## IBEC SUPPORTS THE INNOVATIVE DEVELOPMENT OF EUROPEAN TRANSPORT INFRASTRUCTURE

IBEC provided a loan to **Laude Smart Intermodal** – EUR 15.2 mln with all in tenor of 7 years – to finance the **purchase of innovative intermodal freight railway containers and platforms** of Russian and Belarusian production.

Usage of innovative containers allows to significantly **optimize the structure of transported goods and to avoid the "empty" mileage of cars**, filling goods flows in both directions

EU provides special subsidies for this project, as it encourages changes in the transport and logistics industry aimed at **optimizing and greening transportation services**





## IBEC SUPPORTS BULGARIAN SUPPLIERS

*IBEC takes part in supplier's financing program of Mondelez in Bulgaria, Poland, Czech Republic and Slovakia, organized by Citibank (London)*



***Mondelez is one of the world's largest snacks companies with local productions in Bulgaria, Poland, Czech Republic and Slovakia***

*The essence of the Program is reverse factoring, when, on the initiative of the buyer, funds are provided by its suppliers until the payment under the contract comes due. The Bank's participation in this program will allow to support Bulgarian, Czech, Polish and Slovak suppliers providing them with liquidity for the period of the buyer's (Mondelez) payment deferment*

***IBEC provided the first 20 mio euro (equiv in local currencies) in November 2020 incl. about 400 thousand euro for Bulgarian suppliers.***



# SYNDICATED FINANCING

*EUR 9 mln participation in syndicated loan to Belagroprombank aimed at financing of foreign trade contracts between Slovakia, Czech Republic, Poland with Belarus*

***total loan amount EUR 60 mln, organized by Commerzbank***

*USD 10 mln participation in syndicated loan to XacBank aimed at financing of external trade contracts of Mongolian residents*

***total loan amount USD 100 mln, organized by FMO***

*EUR 12 mln participation in a syndicated loan to Asaka Bank to support projects in member states, including export of Russian high-tech equipment for the metallurgical industry, supply of engineering products*

***total loan amount EUR 100 mln***

***Active development of syndicated business allows to support export of IBEC member countries to CIS and other countries***



# CONTACT INFORMATION

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