



"INOGATE Technical Secretariat & Integrated Programme in support of the Baku Initiative and the Eastern Partnership energy objectives" Project

**BUILDING PARTNERSHIPS FOR
ENERGY SECURITY**

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INOGATE Study Tour/Workshop

Energy Efficiency & Renewable Energy



Introduction of VA TECH Finance GmbH and Erste Bank

Bank BelVEB OJSC

09-13 December 2013 | Minsk, Belarus

Michael Plechaty – Senior Vice President, VA TECH Finance GmbH

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- **Company introduction VA TECH Finance GmbH**
- Company introduction ERSTE Bank

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VA TECH Finance Group

Provider of Financing Solutions

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VA TECH Finance



an independent financial service provider acting in the area of

- Project Advisory & Financial Project Development
- Project Finance
- Investor Search / M & A
- Export & Sales Finance
- Financial Risk Management & Outsourcing concepts

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PROJECT ADVISORY, FINANCIAL PROJECT DEVELOPMENT & PROJECT FINANCE

- Project screening
- Advise on bankability
- Establish documentation
- Financial feasibility and assess project information
- Financial modeling
- Structuring security packages
- Identify sources of funding
- Negotiate and place loans with banks



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PROJECT FINANCE



- Projects with cash-flow-based financing (limited/non-recourse project finance) – involving Export Credit Agencies, Multilateral Agencies, Development Financial Institutions, International and local Financial Institutions
- Public Private Partnership (PPP) models
- Financial project development up to financial close
- Project Information Memorandum (PIM)



INVESTORS SEARCH & MERGER & ACQUISITION



- Project Screening
- Preparing a Teaser to attract potential investors
- Extensive data base and international network
- Identification and introduction of potential investors
- Assistance in negotiation of agreements with potential investors
- Corporate Credit Risk Assessment (CCRA)

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EXPORT & SALES FINANCE



- Financing with the involvement of Export Credit Agencies (ECAs) worldwide
 - - single sourcing / one Export Credit Agency
 - - multi sourcing / two or more Export Credit Agencies
- Providing full financing packages including local tranches (for civil construction, etc.)
- Structuring Buyers Credit and Suppliers Credit
- Assistance in negotiation of loan agreements



FINANCIAL RISK MANAGEMENT & OUTSOURCING CONCEPTS



- Professional management of all financial risks
- Assistance and legal advice in commercial contracts and/or other related agreements
- (supply contracts, consortium agreements, etc.)
- Assistance in wording project related bonds and L/Cs to be issued in favour / on behalf of our clients

MANAGEMENT OF

- Bonds (managing bonding lines, unfair calling insurance, managing modifications / extensions / maturity, etc.) and
- L/Cs - Letter of Credits (documentary pre-check, document submissions, insurance coverage for L/Cs, managing modifications / extensions / maturity, etc.)

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PROGRAMME FUNDED BY THE EU

SERVICE AGREEMENTS



Outsourcing of financial services to VA TECH Finance,
such as (but not limited to):

- company and/or project related financial services:
 - bond and L/C lines
 - financial risk management
 - refinancing facilities / funding
 - due diligence of projects
 - internal revision of finance related procedures like
 - cash management
 - treasury
 - subsidiary – domestic & abroad
 - and as result respective optimization suggestions
 - legal assistance
 - training



Tsankov Kamak Hydro Electric Power Plant in Bulgaria

was awarded

Deal of the Year 2003



in Euromoney / Trade FINANCE

Realized as Joint Implementation (JI) Project under the Kyoto Protocol.

VA TECH Finance was acting as the **Global Lead Arranger**
for the EURO 220 mln. Financing



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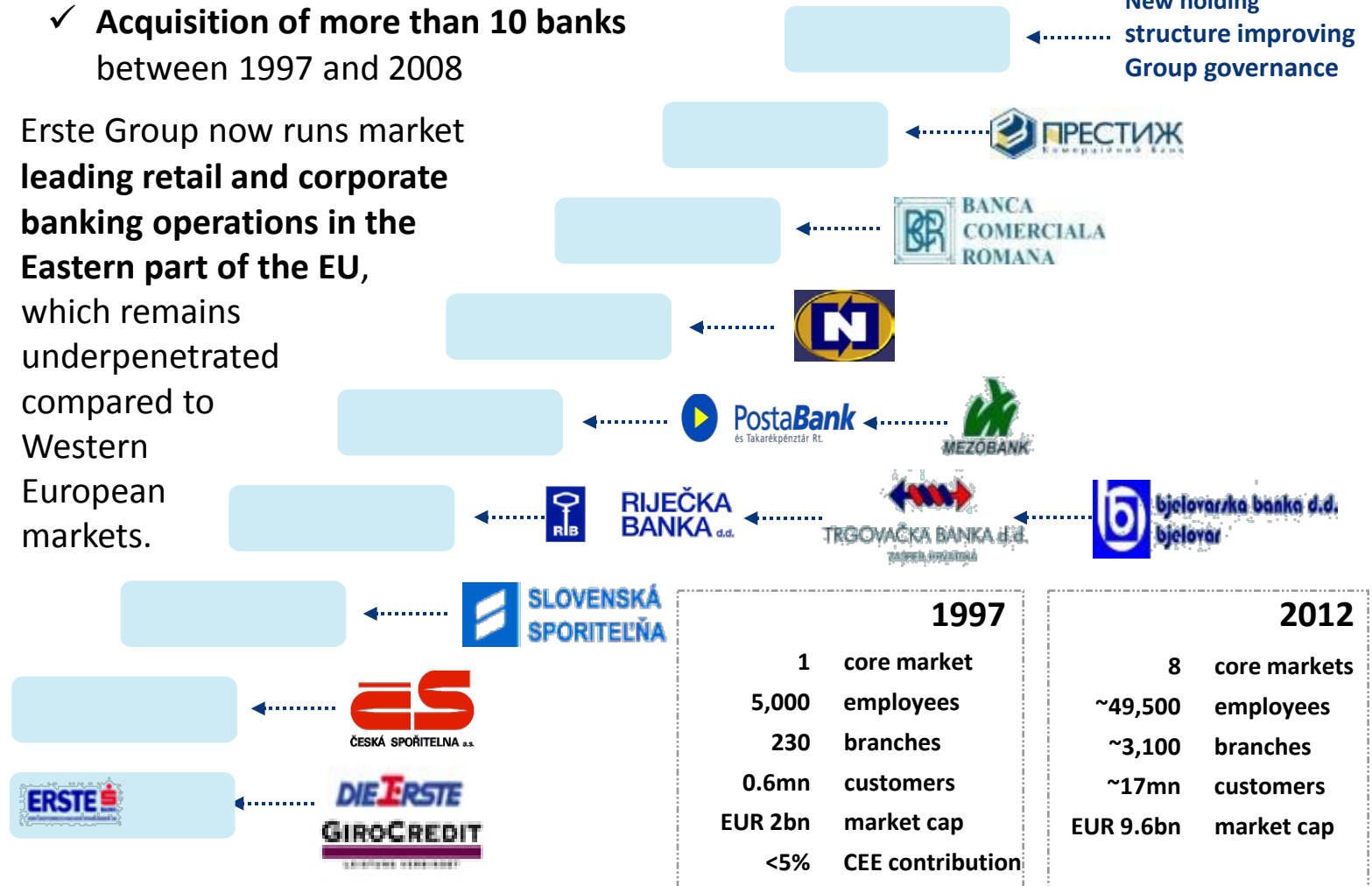
ERSTE Group - History

- ✓ Erste Group went public in 1997 with a strategy to expand its **retail business model into CEE.**

- ✓ **Acquisition of more than 10 banks** between 1997 and 2008

- ✓ Erste Group now runs market **leading retail and corporate banking operations in the Eastern part of the EU,** which remains underpenetrated compared to Western European markets.

New holding structure improving Group governance



17 million clients in the Eastern part of the EU



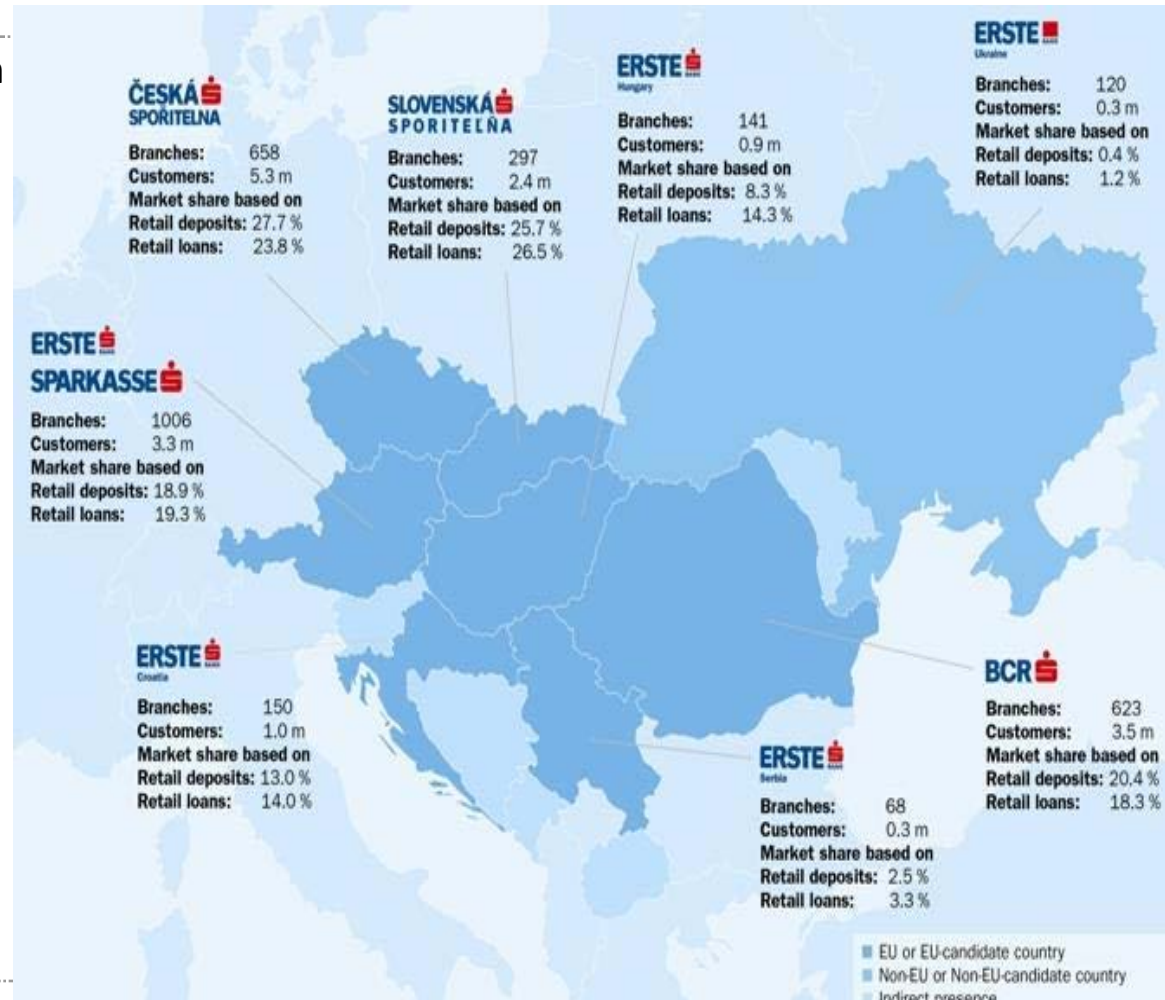
Total population 120 mn
Bankable population 92 mn

Erste Group clients ~ 17 mn
of which 16.1 mn are within EU

Share of loans and deposits within EU >99%

Retail market share
20-30% AUT, CZ, RO, SK
5-15% HU, CRO

All data as of December 2012



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ERSTE Group

One of leading financial services groups in the Eastern part of the EU



- As a **retail and corporate bank**, Erste Group is **market leader in the Eastern part of the EU**. It is one of the largest financial services providers in Central and Eastern Europe (CEE) in terms of clients and total assets.
- Around **49,500 employees serve 17 million customers in 3,100 branches in 8 countries** (Austria, Czech Republic, Slovakia, Romania, Hungary, Croatia, Serbia, Ukraine).

Customer banking in Central and Eastern Europe

Eastern part of EU		Focus on CEE, limited exposure to other Europe		
Retail banking	Corporate banking	Capital markets	Public sector	Interbank business
<p>Focus on local currency mortgage and consumer loans</p> <p>funded by local deposits</p> <p>FX loans only where funded by local FX deposits (RO & HR)</p> <p>Savings products, asset management and pension products</p> <p>Potential future expansion into Poland</p>	<p>Large, local corporate and SME banking</p> <p>Advisory services, with focus on providing access to capital markets and corporate finance</p> <p>Real estate business that goes beyond financing</p> <p>Potential future expansion into Poland</p>	<p>Focus on customer business, incl. customer-based trading activities</p> <p>In addition to core markets, presences in Poland, Turkey, Germany and London with institutional client focus and selected product mix</p> <p>Building debt and equity capital markets in CEE</p>	<p>Financing sovereigns and municipalities with focus on infrastructure development in core markets</p> <p>Any sovereign holdings are only held for market-making, liquidity or balance sheet management reasons</p>	<p>Focus on banks that operate in the core markets</p> <p>Any bank exposure is only held for liquidity or balance sheet management reasons or to support client business</p>

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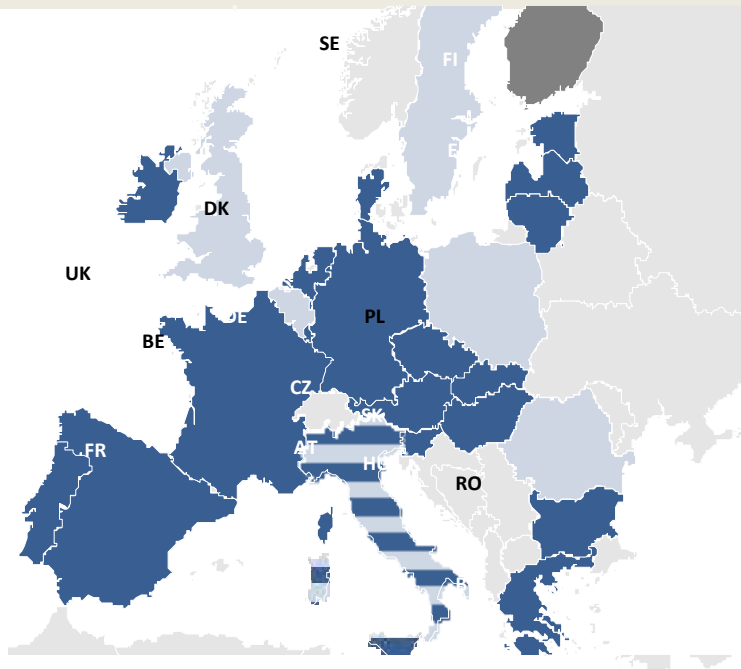


ERSTE Group – Core Market

Overview on Support Instruments - Green Certificates vs. Feed in Tariffs

- The majority of EU Member States applies a Feed in Tariff system.
- 6 countries use a quota obligation based on tradable green certificates as main instrument.

Support Instruments in Europe



- Feed-in tariff system
- Quota obligation with Tradable Green Certificates (TGC)
- Tax incentives/Investment grants

Green Certificate Mechanism

