

**DOCUMENT OF THE EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT**

**MINUTES OF THE BOARD MEETING OF
29 MAY 2012**

Meeting of the Board of Directors – 29 May 2012
List of Attendance

Chairman
First Vice President
Secretary General
General Counsel

President
Varel Freeman
Enzo Quattrocioche
Emmanuel Maurice

Directors
Memduh Akçay
Kurt Bayer
Alain de Cointet
Toshiyuki Furui
Werner Gruber
Thomas Hackett
Zbigniew Hockuba
Suzanne Hurtubise
Tapani Kaskeala
András Kármán
Giorgio Leccesi
Vassili Lelakis
Abel Mateus
Bob McMullan
Pedro Moriyón
Denis Morozov
Jonathan Ockenden
Eoin Ryan
Joachim Schwarzer
Jean-Louis Six
Paul Vlaanderen

Alternate Directors
Eran Pollak
Jérôme Baconin
Nobuyuki Oyama
Artem Shevlev
Stefka Slavova
Christina Knowles (TAD)
Ole Hovland
Gianluca Grandi
Peter Basch
Anthony Bartzokas
In-chang Song
Enrique Bal
Sergey Verkashanskiy
Ole Blöndal
Herbert Junk
Irena Sodin
Kalle Killar
Jan Maas

Secretariat
Nigel Carter

Nikola Milushev
Stefano Bertozzi

Staff

Manfred Schepers

Olivier Descamps
Natasha Khanjenkova
Thomas Maier
Jean-Marc Peterschmitt
Riccardo Puliti
Nick Tesseyman

David Klingensmith
Hans Peter Lankes
Alan Rousso
Josué Tanaka

Nigel Kerby
Grzegorz Zielinski
Natalia Lacorzana
Zsuzsanna Hargitai
Mike Taylor
Tony Myron
Shirin Dosumova
Arthur Poghosyan
Ainura Guppy
George Orlov
Zulfira Akhmedova
Sylvia Gansser-Potts
Noel Edison
Dobrin Staikov
Anne Fossemalle
Frederic Lucenet
Patryk Borzecki

Laure Blanchard-Brunac
Lin O'Grady
Sue Barrett
Paul-Henri Forestier

1. Opening of the Meeting and Adoption of the Agenda

- The agenda was approved.
- The Secretary General reported that the following items had been approved by the Board on a no-objection basis:

On 18 May:

- An operation change to Bosnia and Herzegovina: Road Rehabilitation Project
- An increase of EUR 7.5 million to the existing loan to the Republic of Albania to be used for completing the Levan–Vlore Road

- The Secretary General reported that funding from the Shareholder Special Fund had been approved for the following items on a no-objection basis:

On 23 May:

- EUR 1.54 million for the Private Sector Support Facility for Western Balkans (WPSSF II) – Shareholder Special Fund Non-TC: (Energy Efficiency Window)

On 15 May:

- Up to EUR 3 million for the Kyrgyz Republic: Water and Wastewater Framework Shareholder Special Fund Non-TC: Karabalta Water Rehabilitation Project

On 16 May:

- EUR 5 million for a Contribution to the ETC Local Currency Risk-Sharing Special Fund

2. Minutes of the Board Meeting of 9 May 2012

- The Board approved the minutes of the meeting of 9 May 2012.

3. Institutional Performance Report: First Quarter 2012

Quarterly Risk Report: First Quarter 2012

- Report by the Chair of the Audit Committee
- Report by the Chair of the Budget and Administrative Affairs Committee

- The Board approved the Institutional Performance Report: First Quarter 2012 and took note of the Quarterly Risk Report: First Quarter 2012.

5. Strategy for Armenia

- Report on the invitation to comment

- The Board approved the 2012-2015 Country Strategy for Armenia.

6. Romania : EPGE Chirnoveni 80 MW

- The Board approved a loan of up to EUR 92.05 million to EP Wind Project (Rom) Six SRL. The loan will be used to finance the construction and operation of the 80MW Chirnoveni Wind Power Plant in Romania. The loan will comprise an “A Loan” portion not to exceed EUR 46.025 million for the Bank’s own account and a “B Loan” portion not to exceed EUR 60 million for the account of participants.

**7. Poland: EC SW – CCGT Project
- Report by the Chair of the Financial and Operations Policy Committee**

- The Board approved a senior A/B loan in the amount of up to PLN 603 million (EUR 145 million equivalent) to Elektrociepłownia Stalowa Wola S.A., out of which 50%, i.e. PLN 301.5 million (EUR 72 million equivalent) will be syndicated to B lenders. The loan will be used to support the construction and operation of a new 449MWe CCGT unit in Stalowa Wola, Poland.

8. Regional: MOL/Slovnaft Energy Efficiency

- The Board approved a loan of EUR 120 million to MOL Hungarian Oil and Gas Public Limited. The operation will enable the company to complete a set of energy efficiency and environmental improvement investments in its refinery and petrochemical plant in Slovakia.

9. Regional: ETC Non bank MFI Framework IV First sub-project: MDO FINCA Tajikistan

- The Board approved the ETC Non-bank MFI Framework IV of USD 100 million (approximately EUR 75 million) and the first sub-project - MDO Finca Tajikistan (DTM ID 43379) for USD 3 million (EUR 2.3 million). The new framework facility will support non-bank MFIs (both new and existing clients) throughout the ETC region, enabling them to expand their MSME lending operations in a sustainable manner and achieve their economic and social objectives.

10. Mongolia: XacBank – Senior Loan

- The Board approved a senior A/B loan of up to USD 30 million (EUR 22.8 million) to XacBank. The loan will be used by the client to provide longer term funding to MSMEs in Mongolia. The loan will also provide the bank with access to international debt capital markets and introduce new funders to the Mongolian banking sector.

11. Armenia: Araratbank – Capital increase and MSME credit line

- The Board approved a capital increase of AMD 250 million (EUR 480k equivalent) and MSME credit line of USD 7 million (EUR 5.3 million equivalent) to Araratbank. The capital increase will enable the Company to strengthen its position and enable the Bank to maintain its blocking minority stake of 25% plus one share in the Company. The MSME credit line will enable Araratbank to expand its lending activity to privately owned micro, small and medium enterprises operating in Armenia, as well as develop a new agri-product.

12. Armenia: ACBA-Credit Agricole Bank – Senior Loan

- The Board approved a senior A/B loan of up to USD 35 million (EUR 26.7 million) to ACBA-Credit Agricole Bank. The loan will provide long-term local currency funding to the bank for on-lending to MSMEs in Armenia, including in rural and remote areas.

13. Russian Federation: Credit Bank of Moscow (CBM) - Equity Investment

- The Board approved an equity investment of up to RUB 3.11 billion (EUR 79.4 million equivalent) to CBM. The investment will be used for CBM's capital increase.

14. Poland: Millennium Local Currency Bond

- The Board approved a subscription of up to PLN 120 million to 3 year senior unsecured bonds to be issued by Millennium. The bond programme will be used for general banking operations, including expansion of MSME financing and to address balance sheet mismatches.

15. Turkey: TAM Faktoring Equity and Debt Finance

- The Board approved an equity investment of TRY 12.8 million (EUR 5.5 million equivalent) and debt finance of TRY 30 million (EUR 12.7 million equivalent) to TAM Faktoring. The financing will be used to support the expansion of the company's factoring operations in Turkey.

16. Regional: Baring Vostok Private Equity Fund V and Baring Vostok Fund V Supplemental Fund

- The Board approved an equity investment of up to USD 100 million in aggregate to the Baring Vostok Private Equity Fund V and Baring Vostok Fund

V Supplemental Fund (the “Fund”). The investment will be used by the Fund to make equity and equity-related investments primarily in medium-sized companies operating in the Russian Federation, Kazakhstan and Ukraine as well as in other CIS countries and Mongolia, with the objective of achieving long term capital growth.

17. Poland: Chess Privatisation

- The Board approved this project. Disclosure of the Minutes are delayed in accordance with Section E.2 of the Public Information Policy.

18. Turkey: Türk Telekom

- The Board approved a loan of up to EUR 100 million to Türk Telekom. The loan will be used to support the expansion of the company’s fixed broadband infrastructure in the eastern regions of Turkey.

19. Turkey: Mersin Wastewater Project

- The Board has approved a loan of EUR 20 million to the Mersin Water and Wastewater Administration. The proceeds will be used to build the Mezitli Wastewater Treatment Plant and two wastewater transmission lines.

20. Russian Federation: Locomotive-Globaltrans

- The Board approved a loan of up to RUB 2.5 billion (EUR 64.5m equivalent) to the New Forwarding Company, the main operating subsidiary of Globaltrans Investment Plc, and Sevtekhnotrans, the leasing arm of Globaltrans Investment Plc. The loan will be used to part-finance the railcar fleet expansion programme. The Bank’s participation supports the ongoing railway reform programme in Russia by increasing private sector participation in funding the renewal of the rolling stock fleet.

21. Other business

- No decisions were taken under this item.