

## OTP Bank SA within Local and International Financial Institutions

### Reliable partners in supporting and developing companies from the Republic of Moldova:

OTP Bank SA is a reliable and strategic partner for Local and International Financial Institutions, being accepted to participate in a wide range of Programs to be financed from the resources of international donors in order to support companies in the Small and Medium Enterprises sector, as well as Corporate Enterprises.

In this sense, OTP Bank SA collaborates with the following International Financial Institutions:

### Office of the Management of Foreign Assistance Programs

The Office of Management of Foreign Assistance Programs (OGPAE) attached to the Ministry of Finance of the Republic of Moldova, created in 1995, is a special unit with the functions of re-crediting and administration of the resources of credit lines of Investment Projects and Programs from the funds of International Financial Institutions, awarded for supporting and developing the country's economy, promoting exports, creating new jobs, developing private sector enterprises.

**OGPAE**  
Oficiul de Gestionare  
a Programelor de  
Asistență Externă



On the side of cooperation with local authorities, the solid position of a strategic and important partner for OGPAE is confirmed, thanks to the successful implementation of the credit lines **RISP 1 and 2 reflow, FIDA 1 - 7 reflow, KfW reflow, Filiera Vinului reflow, PAC 1 and 2 reflow, Livada Moldovei reflow**, in particular it should be mentioned in the distribution of funds attracted from **CEB**, which granted subsidized interest credit (**10% of credit with 0% interest**) to help SMEs in the country with the necessary liquidity to increase investments and of production capacity. Continuing to be one of the leading banks in Moldova in terms of CEB financing, **OTP Bank S.A.** disbursed subsidized credits in the amount equivalent to approximately EUR 5.20 million to its clients in 2022, focused on creating or maintaining viable jobs.

**OGPAE and OTP Bank SA** contributed to the financing of approx. 1,200 projects of small and medium enterprises in the country. The loan portfolio is approx. 800 Mil. MDL, including 7 investment projects of women micro-entrepreneurs who benefited from grants up to 80%.

Source: <https://ogpae.gov.md/en/>

### International Fund for Agricultural Development

The International Fund for Agricultural Development (IFAD) is a specialized agency of the United Nations, founded in 1977 as an international multilateral financial body, dedicated to raising living standards and supporting economic growth in developing countries.

The Consolidated Unit for the Implementation of IFAD Programs (UCIP-IFAD) from the Republic of Moldova is an entity created by the Government with the aim of promoting and implementing IFAD projects.



**Starting with 2000**, the Government of the Republic of Moldova has signed 8 financing agreements with IFAD, the financing portfolio of IFAD in the Republic of Moldova constituting approximately **108.7 million US dollars** (IFAD I - VIII). The programs provided crediting to agricultural businesses for various purposes, including the financing of investment projects of Young Entrepreneurs with a maximum grant component of 40%.

**OTP Bank SA** joined the IFAD programs in 2006 and financed 140 projects in the amount of 52.9 Mil. MDL, of which 128 projects benefited from the grant component.

OTP Bank continued to actively promote the financing programs for Young Entrepreneurs and Women in Business in collaboration with IFAD, which in 2022 had been launched the VIII-th program to support the implementation of the project of **Improving Capacities for the Transformation of Rural Areas (IFAD VIII)**. The primary goal being business development in rural areas, offering access to special conditions and a reduced price and financial incentive in the form of a Grant of up to 40%.

Source: <https://www.ucipifad.md/despre-noi/>

## European Bank for Reconstruction and Development

The **European Bank for Reconstruction and Development (EBRD)** is an international financial institution owned by 64 states and 2 intergovernmental institutions (the European Union and the European Investment Bank), with an investment portfolio of €86 billion, made in the economies of 34 countries since 1991, with the aim of promoting innovation and building sustainable market economies from Central Europe to Central Asia and the South-Eastern Mediterranean.



The **EBRD strategy in the Republic of Moldova** focuses on creating favorable conditions for the development of the private sector, promoting European standards and regional integration, strengthening and ensuring the sustainability of municipal institutions and enterprises. Until now, the **EBRD** has made investments in the **Republic of Moldova** of about **1.8 million euro** in the fields of energy, transport, agribusiness, industry and the banking sector, within **158 investment projects**, of which about 34% went to the private sector.

**OTP Bank SA partnership with the EBRD** was launched in **1996**, when was signed one of the first cooperation agreements between a commercial bank from Moldova and an international financial institution. The experience of collaboration with the EBRD has been extended year by year in the framework of various projects, aimed at supporting Moldovan companies with import and export activities (**Trade Facilitation Program**) and the financing of SME and Micro activities (**EBRD 2008, EBRD 2013, EBRD 2020**).

Starting with 2013, OTP Bank SA became an active participant in the **energy efficiency-financing program in the Republic of Moldova**, by signing **3 agreements with the EBRD** in the total amount of **17.5 Mil. EUR**, regarding the granting of loans to enterprises (**MoSEFF** credit line) and individuals (**MoREEFF** credit line), for implementations of investments in renewable energy sources, energy consumption reduction projects and CO2 emissions reduction projects, as well as the renovation of the residential sector, with the possibility of receiving **grants in the amount of 20%** (MoSEFF) or **35%** (MoREEFF) maximum.

OTP Bank SA became **first partner of the EBRD in the Republic of Moldova** within the program of **unfunded risk sharing (MCFF)** in February 2014.

OTP Bank SA became the **first partner of the EBRD in the Republic of Moldova** within the **EU4Business program** in December 2016. The purpose of which is to support Small and Medium Enterprises from the Republic of Moldova, for improving the quality of products and modernizing services. So SMEs can meet the standards of EU which, will create a favorable environment for cross-border trade, will create new jobs and will increase the economic growth in Moldova. Within the EU4Business program, **5 agreements** were signed with the EBRD in the total amount of **60 Mil. EUR**.

Until July 2023, OTP Bank SA has offered with the support of the EBRD about 1,400 loans for the financing of SME development projects in the amount of 80 million. EUR. In 2022, due to the continuous cooperation with the EBRD, OTP Bank SA has been granted with EUR 15 million with incentive component up to 15% from the EaP SMEC financing line. OTP Bank SA is still remaining the only bank in the country that grants financing through financial leasing with the component of grant.

The Trade Facilitation Program (TFP) enabled the financing of 133 international trade projects (import / export), in amount of approximately USD 37 million.

In addition to permanent consultancy in the field of social and environmental standards, alignment with EU requirements, EBRD contributes to connecting businesses from the Republic of Moldova with local consultants and international experts from various industries within the **BAS (Business Advisory Services)** Moldova programs.

Source: <http://www.ebrd.com/pages/research/publications/factsheets/aboutebrd.html>  
<http://www.ebrd.com/pages/news/media.html>

## European Investment Bank

As a bank of the European Union, the **European Investment Bank (EIB)**, founded in 1958, is the largest lender and multilateral issuer worldwide with a total portfolio of loans granted in the amount of 270 billion. EUR, 90% of which were allocated to countries in the EU perimeter.

The EIB's activity, carried out in more than 150 countries, aims to support economic growth and create jobs. Innovation, development of strategic infrastructure and efficient use of resources are the main directions of EIB investments.



The volume of EIB investments in the Moldovan economy is approx. **849.7 million. EUR** at the end of 2020, which include projects for the rehabilitation of national roads and the modernization of public transport infrastructure, financing projects for the

development and energy efficiency of SMEs and the public sector, projects for local companies in the field of wine and horticulture, waste management projects.

**The partnership between OTP Bank SA and the EIB was initiated in 2010** when the first financing agreement was signed for a credit line in the amount of 20 million euros. OTP Bank SA was the first bank in Moldova with which EIB signed such agreement. At the end of 2013, the collaboration was consolidated by signing of a new contract with the same amount. Currently, the collaboration with the EIB is carried out through the "Livada Moldovei" program, within 35 financed projects in the total amount of 7.5 million. EUR of companies in the horticultural, viticultural and related industries.

**The EIB program**, jointly implemented with **OTP Bank SA**, provides long-term financial assistance (up to 10 years) for enterprises.

The EIB's participation in the economy of Moldova was also noted through the implementation of the **Wine Sector Restructuring Program** by granting a credit facility in the amount of 75 Mil. USD **and horticulture** by granting a credit facility in the amount of 120 Mil. EUR for financing the investments of companies from the Republic of Moldova in these sectors, to which OTP Bank SA joined in 2011.

Up to the current date, OTP Bank SA has financed approx. **340 projects** from EIB resources in the amount of approx. **35.5 million. EUR.**

Source: [ww.eif.org](http://ww.eif.org); [Livada Moldovei \(livada-moldovei.md\)](http://Livada.Moldovei(livada-moldovei.md))

## European Investment Fund

**The European Investment Fund (EIF)** is an organism of the **European Union**, which was created in 1994 to support small and medium-sized enterprises (SMEs) in Europe.

Its majority shareholder is the **European Investment Bank (EIB)**, together with which it forms the "EIB Group", the European Union, represented by the European Commission and a wide range of public and private banks and financial institutions.



The EIF provides venture capital for Small and Medium Enterprises (SMEs), especially start-ups and technology-oriented companies. They also provide guarantees to financial institutions (eg banks) to cover loans to SMEs. It carries out its activities using its own resources or those provided by the EIB, the European Commission, the EU member states or other third parties.

The purpose of the EIF by adopting the risk of SMEs, they aim to promote the objectives of the EU, especially in the field of entrepreneurship, economic growth, innovation, research and development, employment and regional development.

More than 1 million SMEs have benefited from increased access to finance through financial instruments managed by the EIF. OTP Bank SA, until now, has financed about 200 companies through the "**InnovFin**" Guarantee Facility for SME and Corporate enterprises with the financial support of the European Union within the "Horizon 2020" - "Financial Instruments" program.

The volume of InnovFin guarantees granted by OTP Bank SA until 2021 is approximately 68 Mil. EUR out of the total of 75 Mil. EUR granted, for projects of modernization of production, transport, infrastructure, finance development and energy efficiency projects of SMEs and Corporates, as well as projects of local companies in the Agro-industrial field.

**The partnership between OTP Bank SA and EIF began in 2016**, when the first guarantee agreement was signed for the InnovFin Guarantee facility.

EIF jointly with OTP Bank SA, grants the long-term InnovFin guarantee facility (up to 10 years) to enterprises from different economic sectors of the country.

Source: [www.eif.org](http://www.eif.org)

## IFC – International Finance Corporation

**IFC (International Finance Corporation)** is the largest international financial institution of the World Bank Group, founded in 1956 and currently owned by 184 member countries.



IFC is oriented to support the private sector in more than 100 countries to create jobs, generate revenues in the budget, apply innovations and increase performance in the field of environmental protection. The loan portfolio of 2020 totals over 11 billion. USD, granted to finance the projects of approximately 282 companies from 67 countries.

Moldova became an IFC member in 1995. Currently, the IFC portfolio in the Republic of Moldova is about 332.3 million. USD. In the Republic of Moldova, IFC focuses its investments and consulting services on increasing access for financing by supporting the

development of local financial institutions. On the other hand, IFC also proposed to attract investors from the private sector in order to develop the infrastructure and medical units.

**OTP Bank SA** started collaborating with **IFC** in 2006 when a loan agreement was signed for lending to the SME sector and joining the Trade Facilitation Program.

Source: <http://www.ifc.org>

## World Bank Moldova

**The World Bank (IBRD)** is an international financial institution aimed at improving the competitiveness of developing countries by supporting sustainable economic growth.

The World Bank Group is made up of institutions specialized in different areas of activity, including the **International Development Association (AID)**, to which the Republic of Moldova joined in 1994, the objective of which is to support economies in transition by granting loans in the form of credits and of grants.



**OTP Bank SA** launched collaboration within the World Bank projects in 1996 and granted loans in the amount of 8.4 Mil. MDL for financing the projects of enterprises in rural areas and those with export capabilities.

Source: <http://www.worldbank.org/en/country/moldova>

## EFSE - Finance in Motion

**The EFSE (European Fund for Southeast Europe)** was established by the German Development Bank (KfW) in December 2005 with the aim of providing long-term financial assistance to micro, small and medium-sized enterprises, thus contributing to the creation of over 460,000 of new jobs by financing the investment projects of about 472 thousand entrepreneurs, who benefited from loans in the total amount of 3.3 billion. EUR.



**EFSE** participates in the consolidation of the financial market in 16 economies through the financial support granted in the form of credit facilities and consultancy in the field of international banking management practices.

The collaboration between EFSE and OTP Bank SA was initiated in October **2006** when the Loan Agreement was signed for financing Micro and SME sector, and was consolidated in **2022** due to the launching of a new financing project in the amount of EUR 20 million, attracted in the national currency.

**EFSE and OTP Bank SA** are involved in joint financial training projects for companies from the Republic of Moldova through the dissemination of informative materials in the network of branches throughout the country, which contributes to familiarizing customers with the methods of making correct financial decisions.

Source: <http://www.efse.lu>

## Organization for the Development of Entrepreneurship

**The Organization for the Development of Entrepreneurship (ODA)** was created in 2007 by the Government of the Republic of Moldova, an ambitious initiative, a concept and a plan with the aim of supporting the SME sector to become competitive, courageous and dynamic.



Today, ODA has become the most important business support organization in Moldova, managing various Business Support programs including the PARE 1+1 Program, Women in Business, the activity of Business Incubators, Financial guarantees for SMEs through the ODA Credit Guarantee Fund, grants awarded to young entrepreneurs, etc.

Based on the accumulated experience, **ODA Loan Guarantee Fund** expands its support for entrepreneurs, by participating in the programs intended to apply the economic policy of the Republic of Moldova. Until July 2023, 650 guarantees have been issued in the amount of 345 Mil. MDL, which guaranteed loans in the amount of 980 Mil. MDL.

Another promising project is the **Investment Stimulation Program 373**, launched by the Ministry of Economic Development and Digitalization through ODA and aims to ensure access to financing for small and medium-sized enterprises for investment projects, by partially offsetting the interest rate on investment loans offered by banks from the Republic of Moldova.

Through Program 373, interest on eligible investment loans with a term of at least 3 years is compensated, providing compensation in the amount necessary so that the interest calculated according to the credit agreement and paid by the beneficiary, does not exceed 7% annually - for loans granted in national currency (MDL). Interest on loans is compensated through the Program for the entire period of the loan, but not more than 7 years.

ODA and OTP Bank SA launched the fruitful collaboration starting in 2019 when an SME loan guarantee agreement was signed.

Source: <https://www.oda.md/en/>