

Funding opportunities

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UKRAINIAN
CLUSTER
ALLIANCE



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Funding for Investments and interregional collaboration

EIF's debt product:

- loan portfolio guarantees to Financial Institutions
- transfer of financial benefits to SME borrowers

EIF's business model:

- Portfolio approach
- Alignment of interest (risk sharing)
- Delegation
- Portfolio eligibility criteria
- Monitoring



Funding for Investments and interregional collaboration

The EIB Group has been offering loan portfolio **guarantees** for **SMEs** in **Ukraine** since **2016**



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- **EUR 415m of new SME lending** supported by EU resources (DCFTA and InnovFin guarantee)
- **Four partner banks:** Raiffeisen Bank Aval, ProCredit, Oschadbank and Ukrgasbank
- Financial advantages for **SMEs**:
 - ✓ Reduction of collateral requirements
 - ✓ Interest rate: risk margin reduction
 - ✓ Access to finance for higher risk clients
- Advantages for **Banks**:
 - ✓ Credit risk transfer
 - ✓ Regulatory capital relief
 - ✓ Timely guarantee payment (within 90 days)



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January 2023: additional **EUR 125m loans, out of the existing guarantee facility**

- **Too little!** compared to the current financial needs of Ukraine's SMEs
- **New features:** guarantee facility for **trade finance products** (payment guarantees) to cover the risk of SMEs paying to suppliers for goods and services

Mid 2023: expected **successor guarantee facility** (EU4Business)

- **Budget: EUR 40m** (~**EUR 160m** of SME loans)
- **Geo focus: Ukraine**, Moldova, Georgia, Armenia and Azerbaijan

Initial discussions with EC on how EIF could support **Export Credit Agencies**



The public resources available are not sufficient for the major challenges we will face in supporting the real economy and rebuilding Ukraine

