

EBRD helps Ukraine's banks to unlock €690 million of new lending

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The European Bank for Reconstruction and Development (EBRD) today announced new guarantees to Ukraine's banking sector, unlocking €690 million of new financing to critical industries in wartime Ukraine.

The Bank is extending unfunded portfolio risk-sharing facilities to PrivatBank, Ukrgasbank, Kredobank and Bank Lviv, under which the EBRD is partially covering the banks' credit risk on new loans to Ukrainian businesses. This is supported by the European Union's Ukraine Investment Framework (UIF).

Specifically, the EBRD will cover the credit risk on new loans worth up to €400 million issued by PrivatBank, €150 million issued by Ukrgasbank, €100 million issued by Kredobank, and €30 million issued by Bank Lviv. This gives these lenders enhanced risk-taking capacity for financing Ukraine's critical industries to safeguard food security and preserve people's livelihoods at a time when Ukraine's core economic sectors are being severely impacted by Russia's

invasion.

Up to 20 per cent of the lenders' respective covered portfolios will be allocated to financing long-term investments by micro-, small- and medium-sized enterprises (MSMEs) in EU-compliant technologies and equipment, under the EU4Business-EBRD Credit Line with incentives. This programme will provide EU funded technical assistance and investment incentives to MSMEs, enabling modernisation and improvement of their business assets. Eligible sub-borrowers will also have access to additional investment incentives for business reconstruction, reintegration and financial inclusion of war veterans through the dedicated "Enterprise Renaissance" and "Veterans Reintegration" windows under the Programme.

