

European Investment Bank

Supporting Corporate Investments in Ukraine

February 2018

6^{years}
support growth.
together.





1 The EIB

EIB's activities outside the European Union

EIB's Activities in Ukraine

Support to the Private Sector



- Largest multilateral lender and borrower in the world
- Shareholders: 28 EU Member States
- HQ in Luxembourg with 40 local offices
- Around 3000 staff (finance professionals, but also engineers, sector economists and socio-environmental experts)
- Around 450 projects each year in over 160 countries
- AAA-rated by the three major rating agencies

Our Priorities in 2016



Environment



EUR
 **16.7bn**

Infrastructure



EUR
 **18bn**

Innovation

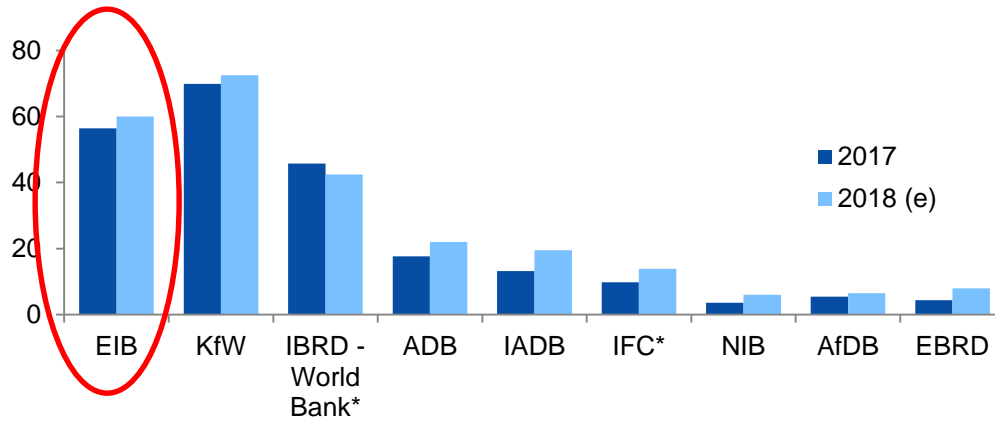


EUR
 **13.8bn**

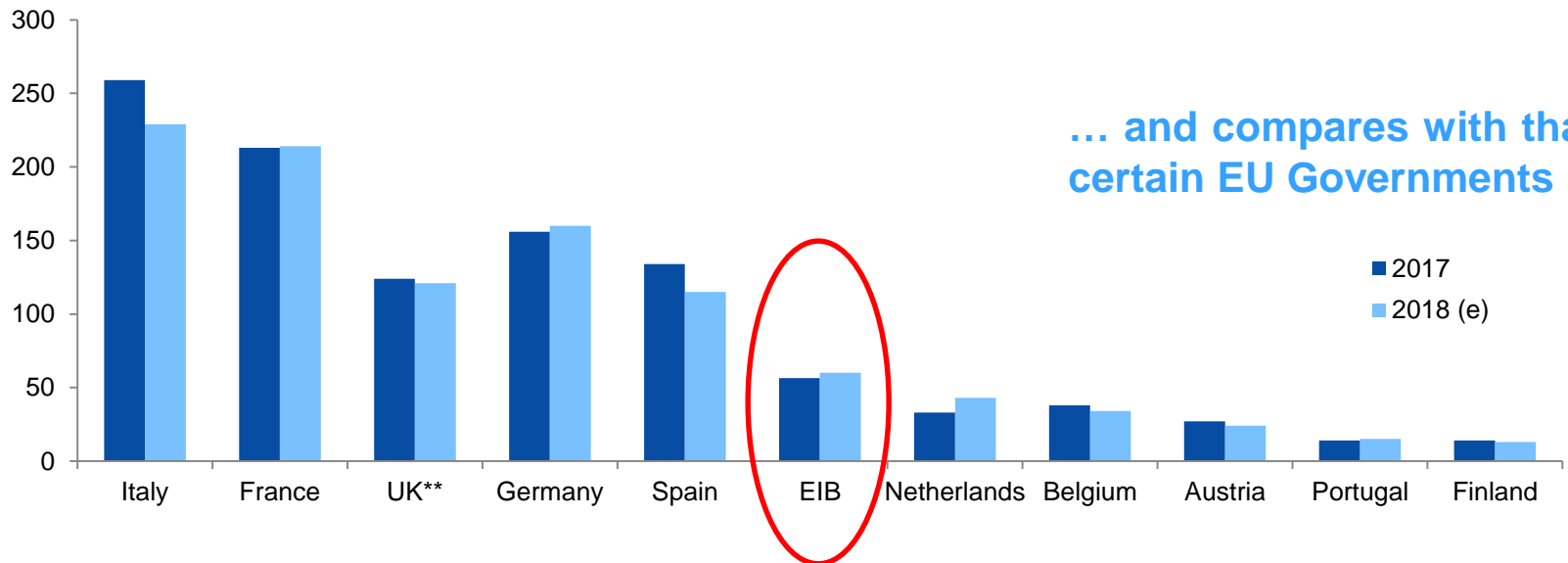
SMEs



EUR
 **29.6bn**



Volume of issuance is larger than all other supranationals and most Government agencies ...



... and compares with that of certain EU Governments

* Fiscal years from 1 July to 30 June

** Gross financing requirement for FY2016-17 / 2017-18

Source: Barclays research/ best efforts estimates as of 19 January 2018

Data collated from a mixture of official reports and bond market analysis systems such as Dealogic



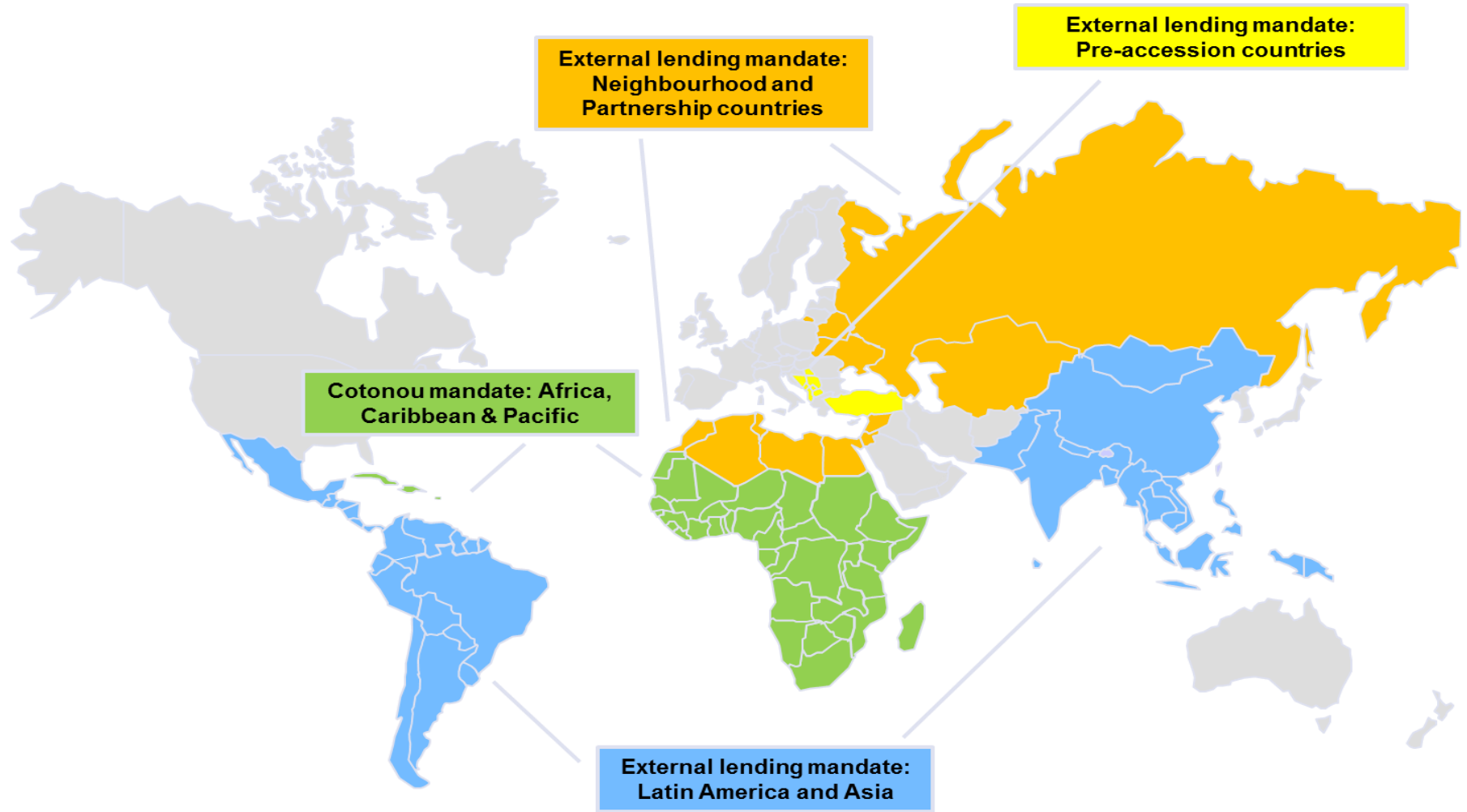
The EIB

2 EIB's Activities outside the European Union

EIB's activity in Ukraine

Support to the Private Sector

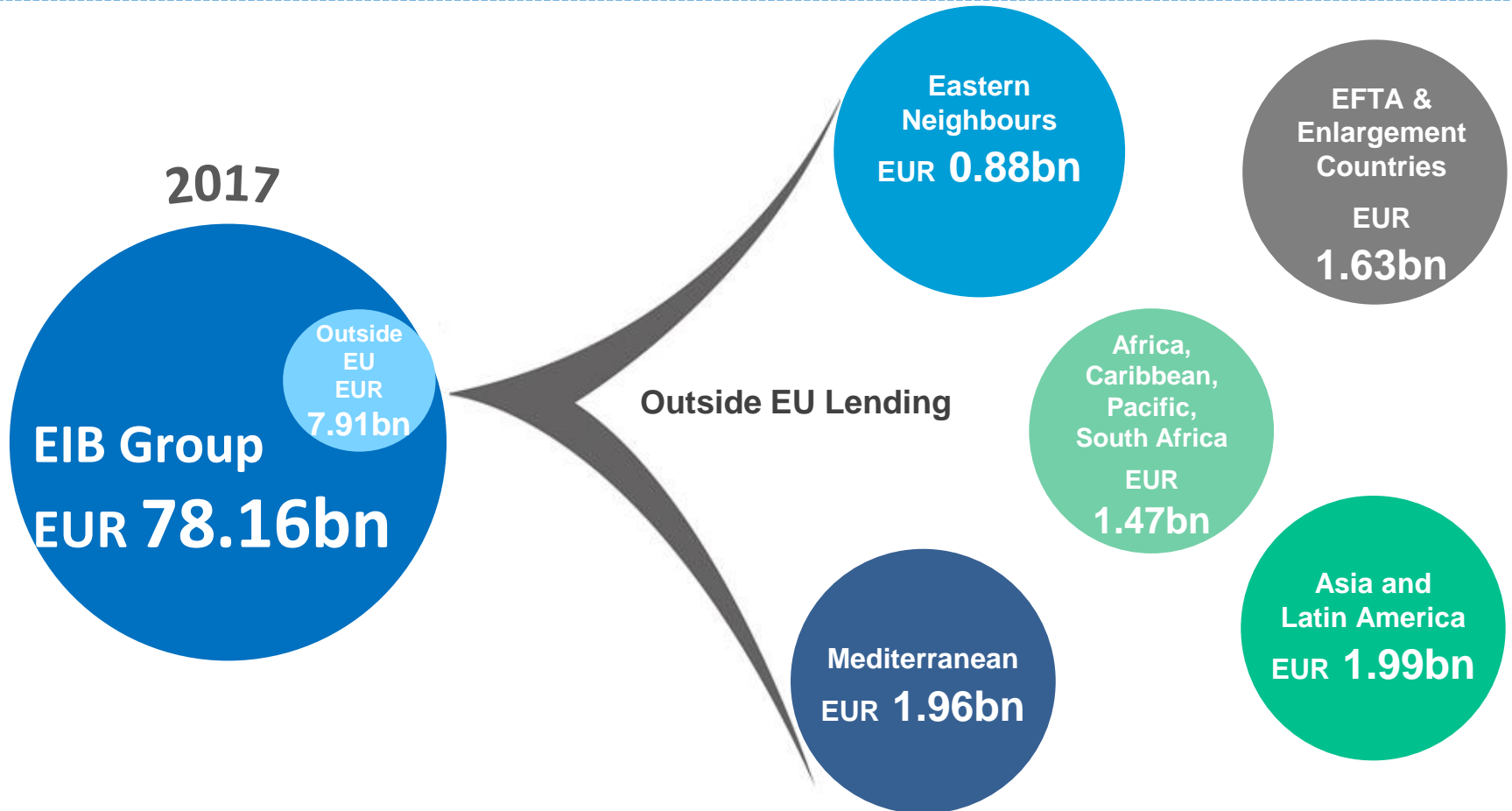
EIB Group Activity Outside the EU



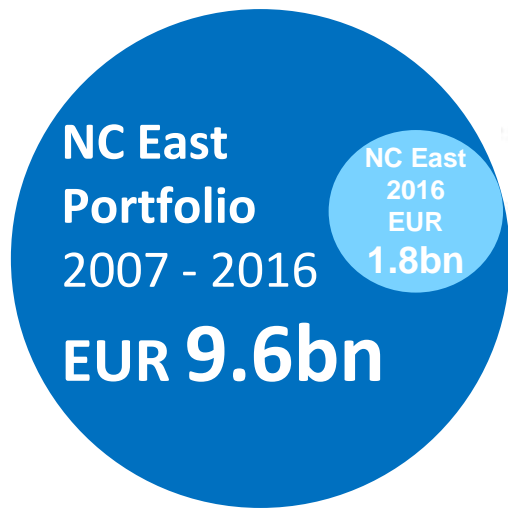
EIB Group Activity Outside the EU



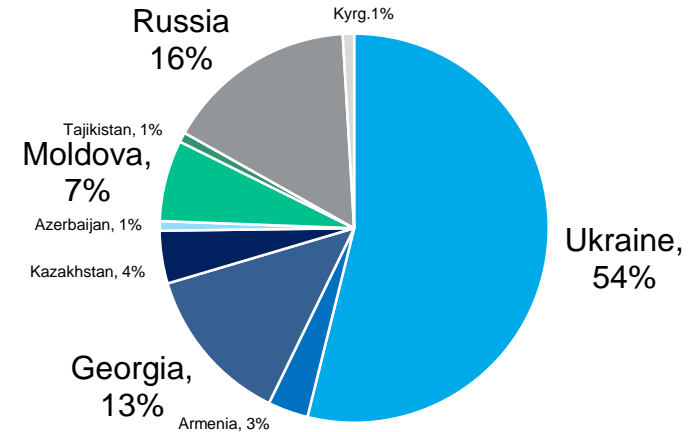
- The EIB finances projects in some **140 non-EU countries**.
- EIB lending outside the EU accounts for some **10%** of its global activity.



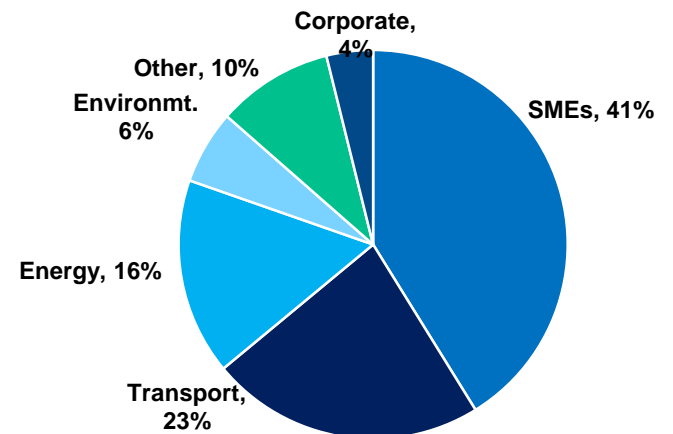
EIB Signed Loans



NC East signed loans – by country



NC East signed loans – by sector





The EIB

EIB's activities outside the European Union

3 EIB's Activities in Ukraine

Support to the Private Sector



Ukraine Special Action Plan, EUR 3bn for 2014-2016

Investing in Ukraine's Future!

March 2014

- The European Commission announced a comprehensive EUR 11bn assistance plan to support Ukraine .

March 2014

- EIB pledged to finance EUR 3bn new investments over the period 2014 – 2016.

December 2016

- **EIB fully delivered on its promise:**
 - Signed 15 transactions for more than EUR 3bn across various sectors
 - Provided advisory support alongside its financing

Ukraine Task Force

- Created to focus on the Special Action Plan Ukraine 2014 – 2016 and beyond.
- Works along the entire project cycle, and, through cooperation with all relevant stakeholders, has been instrumental in addressing specific needs of Ukrainian counterparts.
- As a result, several innovative projects were brought to implementation stage, for instance:



Early Recovery Programme



Municipal Infrastructure Programme



Ukraine Agri-Food Loan



Ukraine Higher Education

Ukraine Special Action Plan - EUR 3bn for 2014-2016

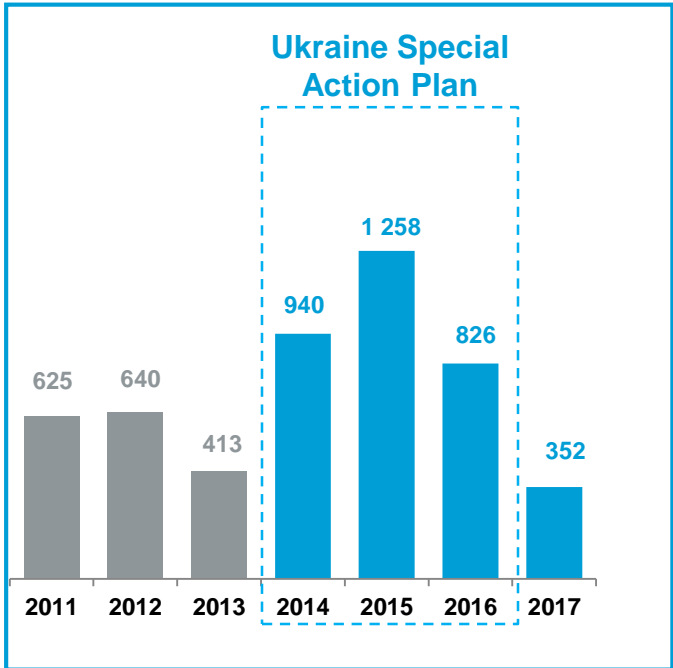
External Lending Mandate

Development of the local private sector, in particular SMEs

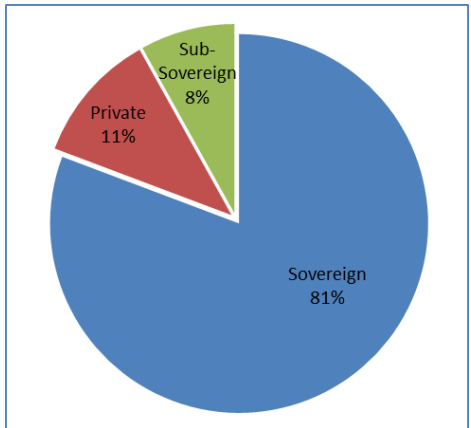
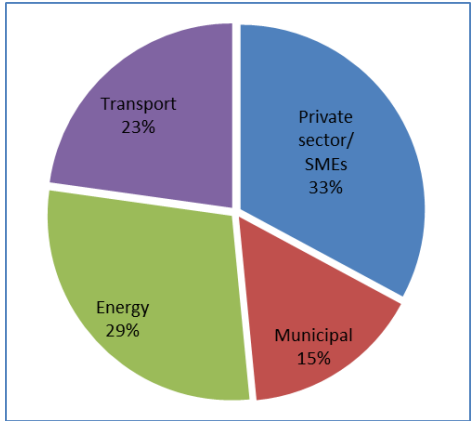
Development of social and economic infrastructure

Climate change adaptation and mitigation

Loans portfolio development (EUR m)



Loan portfolio breakdown





The EIB

EIB's activity outside the European Union

EIB's Activities in Ukraine

4 Support to the Private Sector



Key private sector projects financed by the EIB

Corporates



AGROFUSION

EUR 23m

2017



NIBULON

USD 74m

2016



ASTARTA AGRI-FOOD

USD 43m

2017



MHP AGRI-FOOD

EUR 85m

2014

Banks



UKRAINE AGRI-FOOD APEX LOAN

EUR 400m

2015



APEX LOAN FOR SMES & MID-CAPS

EUR 400m

2014



OSCHADBANK LOAN FOR SMES & MID-CAPS

EUR 220m

2013



UNICREDIT LOAN SME & PRIORITY PROJECTS

EUR 140m

2013



UKREXIMBANK LOAN FOR SMES & MID-CAPS

EUR 100m

2013



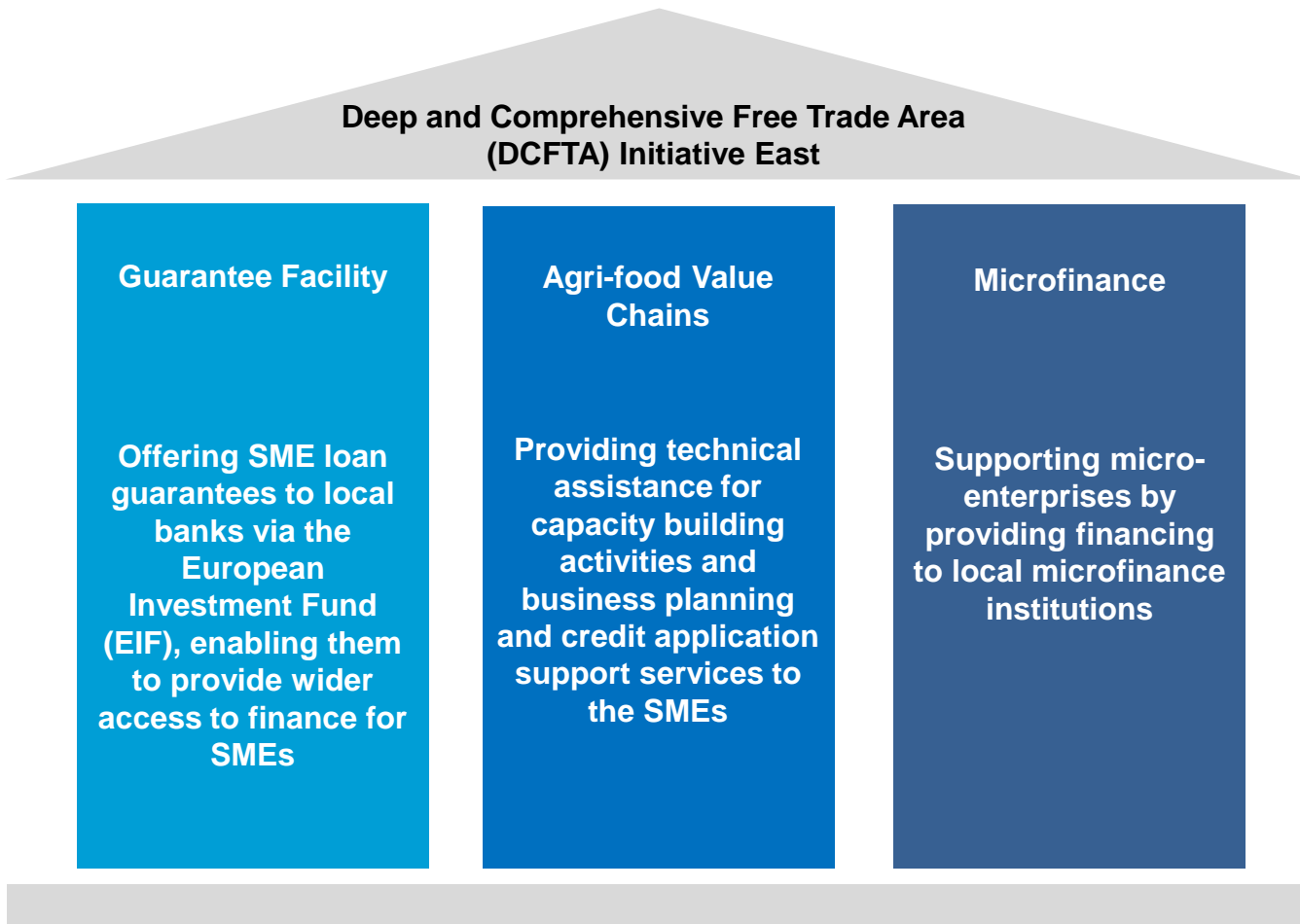
PROMINVESTBANK LOAN SMES & MID-CAPS

EUR 200m

2013



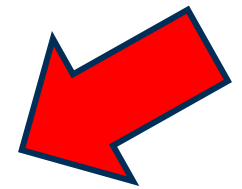
Under implementation





EIB Intermediated Lending
**Loans to
SMEs and
MidCaps**

**Loans to
Corporates**
Providing support to the economic and
social development of the country,
thereby improving the life of citizens



Advisory
including training, institution building,
etc.

(EPTATF, NIF, others)

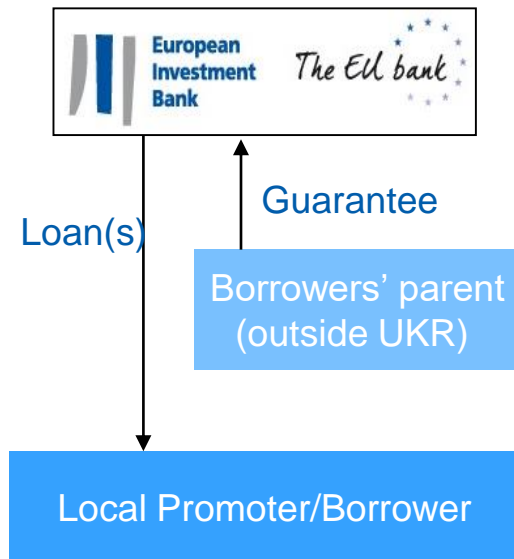
Higher risk projects for
innovation
InnovFin
Providing risk financing to stimulate
entrepreneurship and innovation.



Loans to Corporates - Funding options

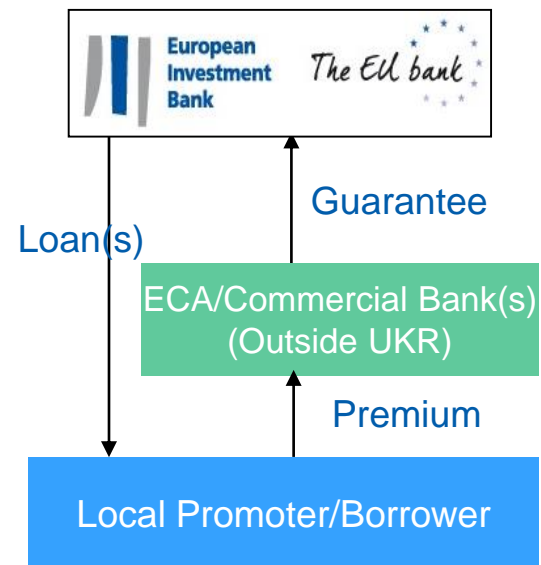
Loan guaranteed by the Group

The EIB finances the local borrower directly and benefits from a first-demand guarantee from the group located outside the country. The EIB covers the political risk.



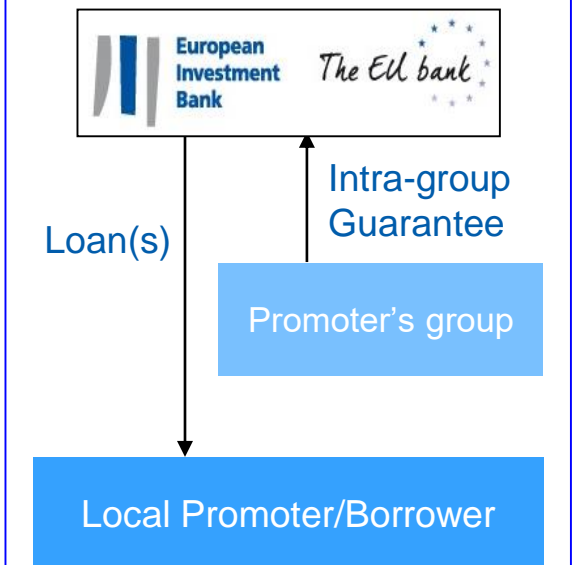
Loan guaranteed by a bank

The EIB lends the funds directly to the borrower and also signs a first-demand guarantee with a commercial bank. The EIB covers the political risk.



Unsecured Loan

The EIB does not benefit from an investment grade guarantee. Pricing of the loan will be set accordingly.



The EIB will cover political risk if a non-Ukrainian guarantor covers the commercial risks.



General Conditions

Total investment cost	min EUR 40 mln
EIB's share in financing	not more than 50% of total investment cost
Tenor	Depending on the project lifecycle, up to 7 years usually
Grace period	Depending on the construction period
Currency	EUR or USD
Specific requirements	Compliance with Environmental and Social Standards Project related conditions Financial covenants
Collaterals	Standard package of pledges over assets If available, first-demand guarantee issued by BBB- min. graded entity
Political Risk Guarantee	Political risks are covered by the EU



EIB Intermediated Lending

Loans to SMEs and MidCaps

Loans to Corporates

Providing support to the economic and social development of the country, thereby improving the life of citizens

Advisory

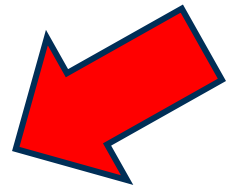
including training, institution building,
etc.

(EPTATF, NIF, others)

Higher risk projects for
innovation

InnovFin

Providing risk financing to stimulate
entrepreneurship and innovation.



Private Sector Development



InnovFin Product Overview

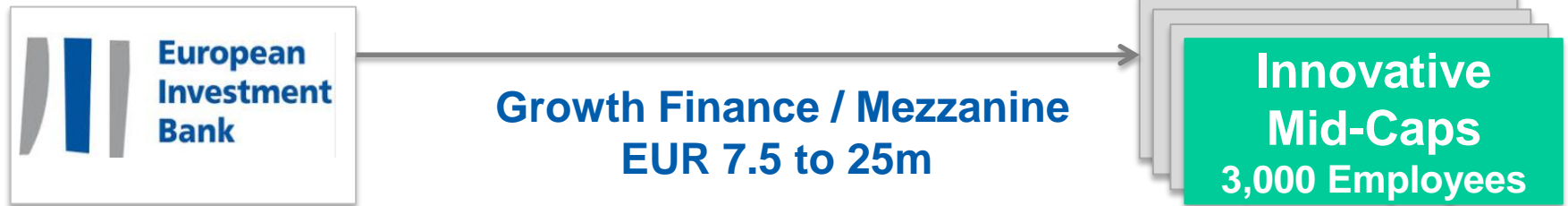


Early-Stage Enterprises		SMEs	Midcaps	Large Caps	Thematic Finance	Advisory
InnovFin Technology Transfer	InnovFin SME Guarantee		InnovFin MidCap Guarantee	InnovFin Large Projects	InnovFin Energy Demo Projects	InnovFin Advisory
InnovFin Business Angels			InnovFin MidCap Growth Finance		InnovFin Infectious Diseases	
InnovFin Venture Capital						
InnovFin Fund-of-Funds						
Early-Stage Enterprises, SMEs and Small Midcaps < 500 Employees	SMEs and Small Midcaps < 500 Employees		Midcaps < 3 000 Employees	Large Caps Typically > 3 000 Employees	SPV, Midcaps and Large Caps	Public and Private Sector Promoters
Intermediated Equity Financing	Intermediated Debt Financing		Intermediated and/or Direct Corporate Lending	Direct Corporate Lending	Project Finance and/or Direct Corporate Lending	Financial Advisory

Direct products
 Indirect products



How does MidCap Growth Finance work?



- Direct long term debt and mezzanine finance: EUR 7.5m – EUR 25m
- Loans can be structured as economic equity (silent participation)
- For innovative Mid-Caps and SMEs (eligible counterparty concept)
- EIB can finance up to 50% of all investments over 3 years
- Streamlined EIB approval process

Private Sector Development



InnovFin Product Overview



Early-Stage Enterprises		SMEs		Midcaps	Large Caps	Thematic Finance	Advisory
InnovFin Technology Transfer	InnovFin SME Guarantee	InnovFin MidCap Guarantee	InnovFin Large Projects	InnovFin Energy Demo Projects	InnovFin Advisory		
InnovFin Business Angels		InnovFin MidCap Growth Finance		InnovFin Infectious Diseases			
InnovFin Venture Capital							
InnovFin Fund-of-Funds							
Early-Stage Enterprises, SMEs and Small Midcaps < 500 Employees	SMEs and Small Midcaps < 500 Employees	Midcaps < 3 000 Employees	Large Caps Typically > 3 000 Employees	SPV, Midcaps and Large Caps	Public and Private Sector Promoters		
Intermediated Equity Financing	Intermediated Debt Financing	Intermediated and/or Direct Corporate Lending	Direct Corporate Lending	Project Finance and/or Direct Corporate Lending	Financial Advisory		

Direct products
 Indirect products

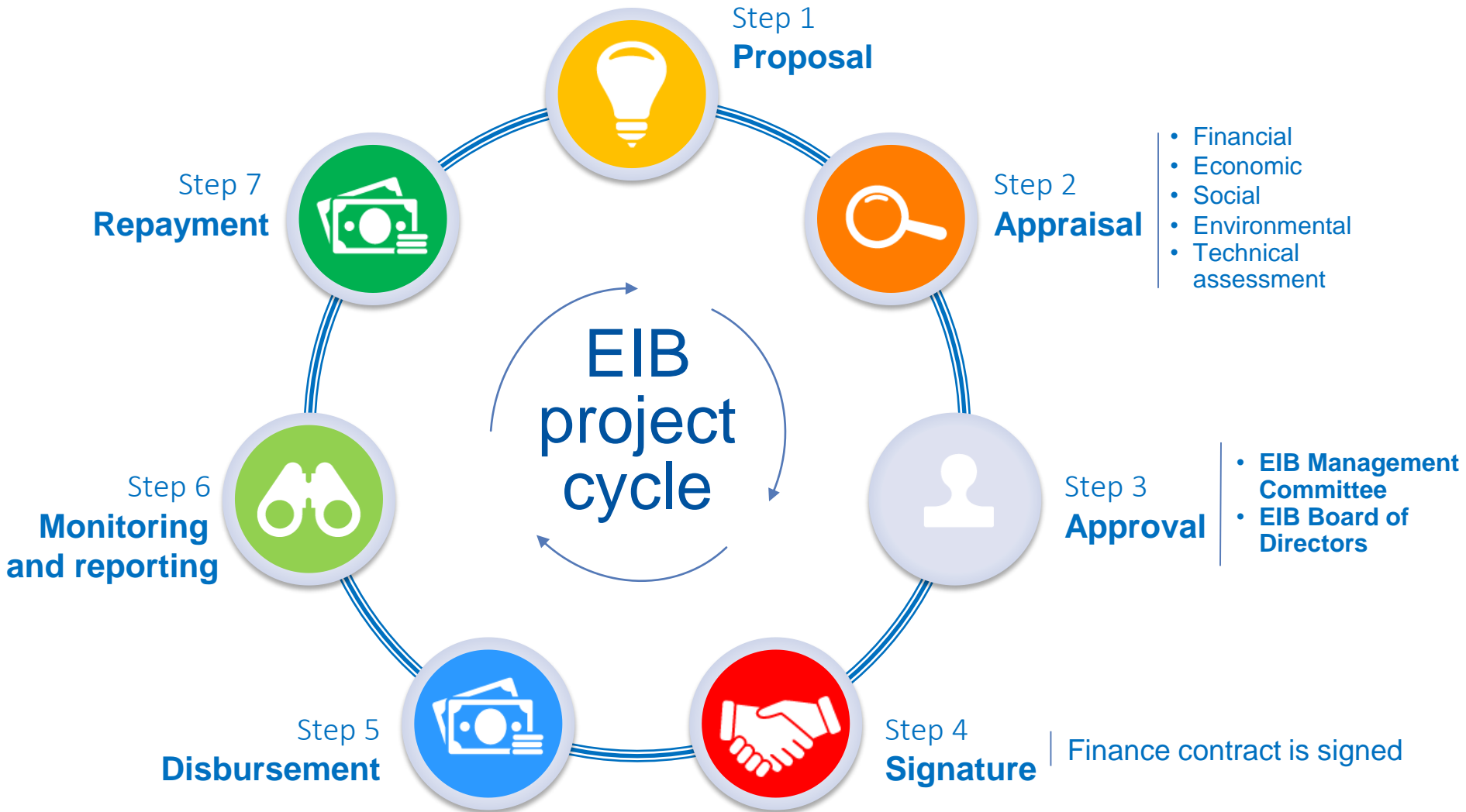


How does InnovFin Large Projects work?



- Senior debt (pari-passu with other senior lenders)
- Eligible project required. EIB finances up to 50% of R&D and innovation investments
- Comprehensive due diligence including project due diligence (technical, financial, economic)
- EIB standard documentation

EIB project cycle





Thank you!

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Countries

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