



FINANCING MUNICIPALITIES

investment in local projects

- # Market overview of municipal borrowing
- # Oschadbank experience
- # District Heating programme

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Speaker Profile

Natalia Butkova-Vitvitska

Member of the Board of Oschadbank, responsible for SMEs



2022–now



Member of the Board of Oschadbank, responsible for SMEs from November 2022 (3 years).



2014



Previous work experience at Oschadbank – Head of the SME Department (6 years) and Deputy Head of the Retail Business Department (4 years).



2007

Before career at Oschadbank, worked in international commercial banks as Head of Sales Department, responsible for the partner channel at UniCredit (4 years) and Head of Mortgage Sales Center at Universal Bank (3 years).



2005

Started banking career in 2005 (2 years) as branch manager.



Education

- Cambridge University (Executive Program), England (2025)
- KMBS, Business Architecture, Ukraine (2024)
- Master of Finance, Academy of Municipal Administration, Ukraine (2005)



Oschad
Business

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NATALIA BUTKOVA-VITVITSKA



Member of the Board of Oschadbank,
responsible for SMEs



20

years of
banking
experience



Expertise in
retail business
and MSMEs

MUNICIPALITIES IN UKRAINE

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>1400

**total number of
communities**

>12 000
municipal
enterprises

~1000

are creditworthy

~90

have experience in borrowing

Creditworthiness of communities

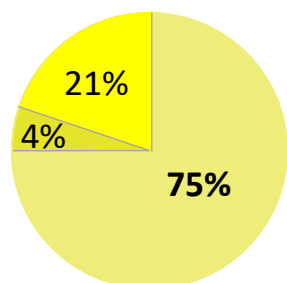
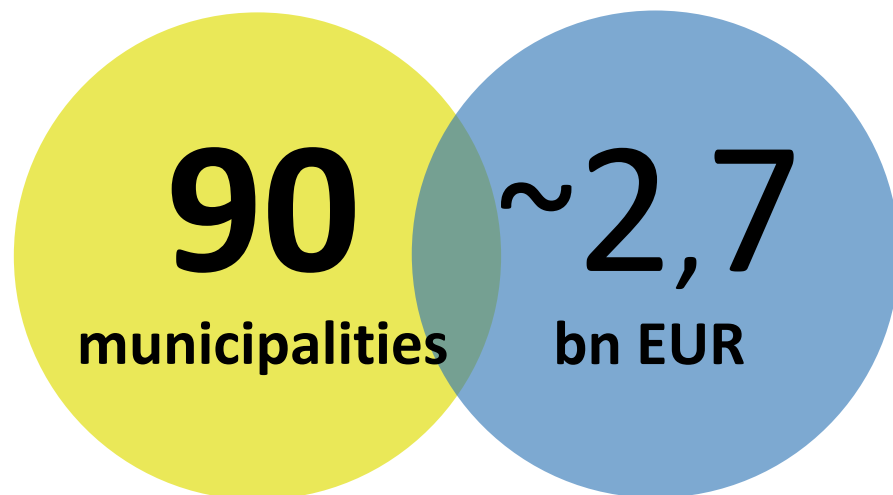
- absence of defaults (in conditions of devaluation, war)
- stable solvency (early repayments, stable revenues to local budgets)
- focus segment for IFOs - financed for more than EUR1.6 billion (EBRD, EIB ,NEFCO, IFC)
- community projects have high economic and social significance (energy efficiency, energy independence, reconstruction, shelter, medicine, education, infrastructure)
- control over the approval of borrowings by communities is provided by the Ministry of Finance
- control over the use of credit funds is provided by the State Treasury Service

MUNICIPAL BORROWING MARKET

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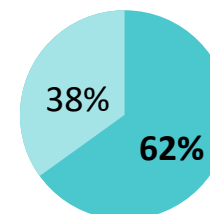
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2018-2025



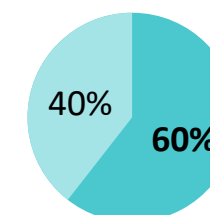
By size of municipalities

- 18 regional (oblast) centres – 1,5 bn €
- 68 cities – 1,2 bn €
- 6 towns/villages – 7,6M €



Borrowers

- municipalities – 1,7 bn €
- municipal utilities (under municipal guarantees) – 1 bn €



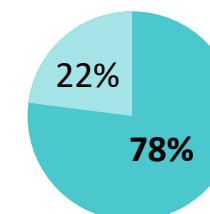
Lenders

- external (IFIs) – 1,6 bn €
- domestic – 1,1 bn €

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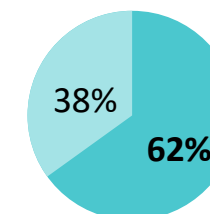
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30%



Periods

- 2018-2021 - 2,1 bn €
- 2022-2025 – 0,6 bn €



Loan currency

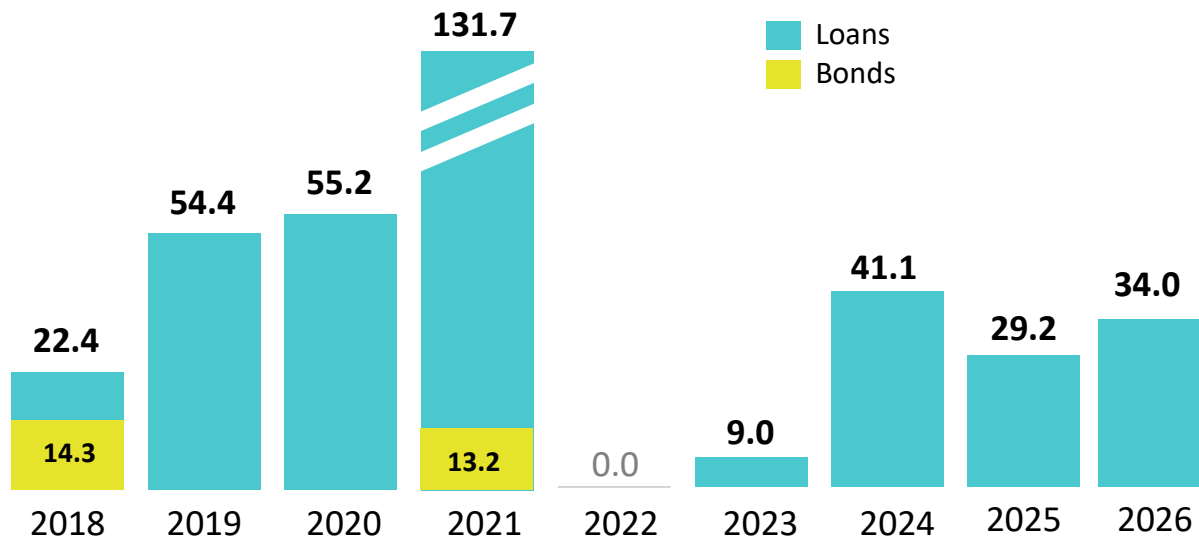
- EUR – 1,7 bn €
- UAH – 1 bn €

OSCHADBANK EXPERIENCE

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Dynamics of lending agreements, 2018–2026, EUR mn



Key sectors financed



- **Water supply / wastewater**
efficient municipal water infrastructure and sewage systems



- **Environment**
waste collection, storage, processing and disposal



- **Municipal transport**
special municipal equipment, public transport, related infrastructure



- **Construction & rehabilitation**
critical and social infrastructure, housing



- **Energy efficiency**
thermal modernisation of buildings, street lighting modernisation, renewable heat/electricity for municipal facilities

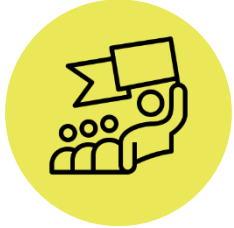


*market share on 01.05.26

OSCHADBANK'S ADVANTAGE

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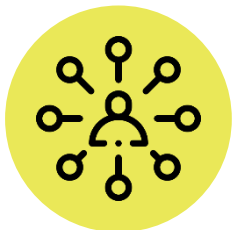
leading market share in municipal lending (~39% of total municipal loan portfolio among Ukrainian banks, as of 01.05.26)



high liquidity and ability to finance large municipal projects

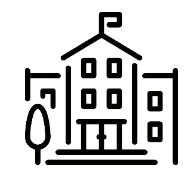


the largest branch network and can finance small community projects for not big amounts



comprehensive ecosystem of products and services for:

- municipalities
- residents
- entrepreneurs



DISTRICT HEATING

ROAD MAP

Ukraine and Moldova
TA for Financial
Inclusion Recovery



European
Investment
Bank



- ✓ **Signing of an agreement** with the EIB on the provision of a credit line of **EUR 50 million** under the Ukraine Facility

- MSME **10 EUR mn**
- Corporate **40 EUR mn**



**July 10, 2025
in Rome**

- ✓ calculated **credit limits for 1270** MSME communities

- ✓ held **445** meetings with TGs

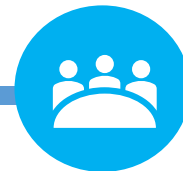
- ✓ Participated in **35** round tables, forums, meetings with OVA

- ✓ Sent **28** checklists for consultants for **UAH 573 million**



**August 2025-
March 2026**

- ✓ **Training of regions employee and Head office was carried out jointly with UMIR**



**December 23, 2025
January 29, 2026**

Brovarskaya TG
Kyiv region
Amount 7.3 million UAH
Financing of works on connecting two cogeneration installations for the boiler house

First bank decision on financing received



December 9, 2025

Bativska TG
Transcarpathian region
Funding amount 42 million UAH
Thermomodernization of the building of the Ivan Franko Lyceum

Received second bank decision on financing



February 5, 2026

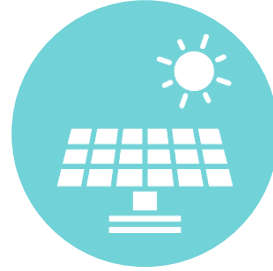
DISTRICT HEATING PROGRAM

Financing Areas



District Heating

- reconstruction, modernisation or expansion of district heating networks
- construction of new heat distribution networks



Renewable Energy

- construction of ground-mounted and rooftop PV plants, including combinations with energy storage systems
- bioenergy (biomass, biogas, heat pumps, thermal storage)



Building Energy Efficiency

- thermal modernisation of public buildings (schools, hospitals, etc.)
- replacement of windows, insulation, modernisation of heating, ventilation & lighting systems, install. of Building Management Systems



Lending Terms

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for Municipalities

 Loan amount	from EUR 40K to EUR 25M
 Loan term	up to 20 years
 Loan currency	EUR or UAH
 Interest rate	depends on UIRD 3M/12M + margin
 Up-front / arrangement fee	none
 Collateral	not required

Lending Roadmap

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Pipeline of projects as of 19.06.2026

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MSME (Small cities, towns, villages)

number of projects **26**

amount of financing **12 EUR mn**

Corporate business (Regional centres)

number of projects **6**

amount of financing **62 EUR mn**

Examples of projects

1

Energy efficiency of buildings

- Zakarpattya region
- Major repairs (thermal modernization) of the complex of buildings of the educational institution
- Financing amount **833 K EUR**

2

Energy efficiency of buildings

- Kyiv region
- Thermal modernization of **7** educational institutions
- Financing amount **3.9 million EUR**

3

Renewable energy

- Ternopil region
- Solar power plant on community buildings
- Financing amount **625 K EUR**

Community Impact Example: Educational Space Transformation

From outdated infrastructure to an innovation center for schoolchildren in the community

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Current State of Infrastructure

-  **Technical deterioration:** critical condition of roof and facades
-  **Energy inefficiency:** obsolete heating systems
-  **Non-compliance with requirements:** space not conducive to modern learning



New Educational Space

-  **Technical innovation:** modern advanced buildings
-  **Energy independence:** renewable energy sources
-  **Barrier-free accessibility:** modern inclusive design

Support needed for municipal lending

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- **TECHNICAL ASSISTANCE FOR MUNICIPALITIES** (preparation of feasibility studies (FS), energy audit, ESG risks, and others);



- **PROCUREMENT PROCEDURE** (simplification of procurement procedures, harmonized instructions and standards);



- **RISK SHARING MECHANISM** (guarantees from international partners or the Government for financing terms exceeding 10 years);



- **GRANT INSTRUMENTS** (grant funds channeled through banks make projects more attractive for municipalities);



- **LONG-TERM RESOURCES** (access to long-term funding resources, as municipal projects often require lengthy lending periods exceeding 10 years);



- **INFORMATION SUPPORT** (training for municipal teams on project preparation, increasing information on the availability of bank financing for communities).

WE WELCOME TO COOPERATION

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UKRAINE, KYIV

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