MUNICIPAL FINANCING BY JSB "UKRGASBANK"

Expanding financial opportunities for the reconstruction, energy efficiency, and sustainable development of your community

UGB: Reliability and Scale

₴215 billion
IN ASSETS

95%
STATE-OWNED

6th PLACE
BY ASSETS

6%
MARKET SHARE

Universal bank with a focus on sustainable financing

- Stability of a state bank: UGB is a systemically important state institution
- Date of incorporation: July 21, 1993
- Trusted by over 2 million clients
- Working with all customer segments
- 210+ branches across Ukraine, including the autonomous Power Banking network
- Deep cooperation with international financial institutions to implement joint programs

Bank Advantages

Engineering expertise

In-house technical office

- Technical feasibility assessment
- Technical risk assessment
- Project cost optimization

International E&S standards

Separate structural unit

- Creating an environment for ESG development
- Facilitating financial support acquisition
- Compliance with ESG principles

Focus on municipalities

Department for work with municipalities

- Specialized unit, proven experience and expertise
- Methodological support and consultations during application preparation

Financing Terms

Parameters	Community Financing	ME Financing "Affordable Loans 5-7-9%"	ME Financing "Affordable Financial Leasing 5-7-9%"
Financing Limit	100% of the project cost	90% of the project cost	90% of the project cost
Term	84 months	60 months	60 months
Repayment Schedule	Grace period for principal repayment, followed by quarterly or monthly payments	Equal monthly installments	Equal monthly installments
Interest Rate	Floating	7-9% per annum depending on the client segment	11% per annum depending on the client segment
Fee	None	0.5% – one-time fee 0.04% – monthly fee*	Max 1.5% – one-time fee Max 4.0% – monthly fee*
Collateral	None	Assets being acquired; other liquid assets	Assets being acquired; other liquid assets

* Depends on the loan term, down payment, type of equipment, and the client's financial standing.

Energy Security Support Mechanism

KEY TERMS

Financing form - loan, credit line, leasing
EBRD risk sharing - **up to 70%** of the loan amount
Amount - up to EUR 5 million in equivalent
Term - up to 7 years
Loan currency - UAH, EUR, or USD

ELIGIBLE PROJECTS

Renewable energy sources

Energy storage technologies

Energy efficiency improvements in buildings

Gas-fired power plants and thermal power plants (TPPs)

Combined heat and power plants (CHPs), heating boilers

COMBINATION WITH THE "5-7-9%" PROGRAM

Form - **loan or leasing**

Down payment - **from 10%**

Financing term - **up to 10 years**

Loan amount - **up to UAH 150 million**

Interest rate - **7% per annum** for micro and small business clients, with the possibility of **reduction to 5%**

Repayment schedule - equal installments / tailored to the project

EXAMPLE:

Purpose - construction of a solar power plant with energy storage systems

Project cost - UAH 10 million, of which:

UAH 5 million – equipment, UAH 5 million – structures and installation:

Transaction structure:

Loan amount - UAH 9 million (10% down payment)

Rate - 7%

Term - 7 years (with the possibility of early repayment))

Collateral:

Equipment being acquired covers UAH 4.5 million

EBRD guarantee covers UAH 4.5 million.

"Made in Ukraine" Program

WHO CAN PARTICIPATE

Municipal enterprises (MEs) purchasing domestically produced machinery and equipment

COMPENSATION TERMS

15% - of the machinery/equipment cost

(excluding Value Added Tax - VAT)

FINANCING TERMS:

Loan currency - **UAH**

Financing term - **7 years**

Interest rate - within the framework of the State Support Program **"Affordable Loans 5-7-9%**

COMPENSATION PROCEDURE

Application submission by the client to the Bank

Application verification by the Bank, the Ministry of Economy, and the State Tax Service (STS)

Receipt of compensation to the current account with the Bank from the Ministry of Economy

TYPES OF MACHINERY AND EQUIPMENT

Wheeled vehicles and construction machinery

Municipal and specialized machinery and equipment

Specialized drilling equipment

Energy and climate control equipment

The full list of machinery and equipment is available on the website of the Ministry of Economy

EXAMPLE:

Purpose - purchase of a bus

Project cost - UAH 4 million.

Transaction structure:

Loan amount - UAH 3.6 million (10% down payment)

Rate - 7%

Term - 5 years (with the possibility of early repayment)

Collateral - the bus being acquired

Expected compensation amount - UAH 500 000 475 000.

Expected interest amount over 5 years - UAH

Lending in Cooperation with EIFO

FINANCING TERMS

Financing form – loan under EIFO guarantee
Loan currency – UAH
Grant component – **up to 35%** of the equipment/machinery cost
Financing term – up to 84 months
Interest rate – within the framework of the State Support Program **"Affordable Loans 5-7-9%«**
The grant component applies to the full scope of the project, provided that the share of Danish export is at least 30%.

GRANT ACQUISITION PROCEDURE

Submission of a Letter of Interest

Alignment of the financing structure with the Bank and approval of the grant from EIFO

Obtaining the final decision on project co-financing

Conclusion of agreements, receipt of grant and loan funds

Up to 35%
non-repayable grant from EIFO

CO-FINANCING AREAS

Specialized machinery

Biogas plants

Pumping equipment

Pipes for heating and water supply systems

Medical equipment

PROJECT EXAMPLE:

Purpose – replacement of pumping equipment and pipes

Total project cost – UAH 10 million, of which:

UAH 8 million – equipment and pipes,

UAH 2 million – installation and commissioning works

Transaction structure:

Loan amount – UAH 7 million (grant – 30%, no down payment)

Rate – 7% per annum

Term – 5 years (with the possibility of early repayment)

Collateral:

Equipment being acquired covers UAH 2.8 million

EIFO guarantee covers UAH 4.2 million.

District Heating of Ukraine

FINANCING TERMS

Form – loan or leasing

Currency – UAH or EUR

Financing term – up to 20 years

Loan amount – from **UAH 3 million equivalent**

Indicative interest rate:

- UAH – 16.16% for the first year, floating thereafter, based on UIRD 3M UAH + 2.85%;

- EUR – 4.87% for the first year, floating thereafter, based on EURIBOR 6M + 2.77%.

CO-FINANCING AREAS

CHPs, cogeneration, and decentralized generation

Heating networks, heat pumps

Energy efficiency projects

Improving energy infrastructure security

Comprehensive building renovation

EXAMPLE:

Purpose – thermal modernization of a school

Project cost – UAH 16 million

Transaction structure:

Loan amount – UAH 16 million (for the community)

Rate – 16.16% (0.5% lower than the base rate)

Term – 5 years (with the possibility of early repayment)

Collateral – none

Fee – none

Project technical assessment – funded by the EIB

Most Common Projects


SPP construction

Purchase of machinery


Pump replacement


CASC construction


Purchase of medical equipment


Cogeneration unit installation


Thermal modernization


Mobile shelters


Garbage trucks


Boiler room modernization


School construction


Vehicle purchase

We look forward to cooperating!