

Poland: The Polish Development Fund issued bonds worth PLN 500 million for the EIB



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The Polish Development Fund (Polski Fundusz Rozwoju – PFR) issued debt securities with a nominal value of PLN 500 million, which have been fully subscribed by the European Investment Bank (EIB). The purpose of the issue is to finance the government’s PFR Financial Shield programme for micro, small and medium-sized enterprises affected by the coronavirus pandemic.

The bonds bear interest at 1.4 percent per year, and their maturity date is December 2027. If the relevant conditions are met, PFR may apply the Funding Advantage, which will lower the interest rate. The issued bonds are secured with a guarantee of the State Treasury.

As part of the Financial Shield activities, the PFR has already sold – in May and June – 62 billion worth of bonds in nominal value. The transaction was proceeded through the market, with the aim to finance the PFR Financial Shield programme, offering support to enterprises affected by the COVID-19 pandemic. Aid in the form of partially non-returnable subsidies under the programme has been received by almost 347 thousand companies employing over 3.2 million employees. This has allowed them to maintain liquidity and financial stability, as well as preserve jobs.

“The participation of the EIB in the financing of the Financial Shield for SMEs is a new chapter and the strengthening of our institutional cooperation. We hope that in the coming years it will be possible to implement many new joint investment projects”, said **Paweł Borys, president of PFR.**

“This is the first issue of PFR bonds addressed to foreign markets. The issue is on favourable conditions to the PFR. The participation of the EIB in supporting PFR programmes also means that the European institution recognises our efforts and opens the way to future cooperation between the two institutions.”, said **Bartłomiej Pawlak, vice president of PFR, responsible for financing the Shield programmes.**

“This is the first and, at the same time, a very important transaction which the European Investment Bank is signing with the Polish Development Fund. It allows us to support the Polish economy in difficult times caused by the COVID-19 pandemic. We are pleased that our institution can facilitate PFR access to international capital markets. This transaction is another example of fruitful cooperation between national and European institutions”, said **Prof. Teresa Czerwińska, Vice President of the European Investment Bank.**

Financial Shield 2.0 is a programme aimed at providing financial aid to companies from around 40 industries that had to limit or suspend their activities due to the epidemiological situation related to COVID-19. The total value of aid under Financial Shield 2.0 will amount to PLN 35 billion, of which PLN 10 billion will go to microenterprises and SMEs. This aid will be offered in a quick, simple and secure way by means of an online form submitted via electronic banking in the IT system prepared by the PFR and banks. 18 of the largest Polish commercial banks and the majority of cooperative banks that had participated in the PFR 1.0 Financial Shield programme in April 2020 have confirmed participation in the programme which is expected to start in January 2021, upon notification of the European Commission.

The [Polish Development Fund](#) is a group of financial and advisory institutions for entrepreneurs, local governments and private individuals, investing in sustainable social and economic development of the country. Our priorities are: infrastructure investments, innovations, development of entrepreneurship, export and foreign expansion of Polish enterprises, support for local governments, implementation of the Employee Capital Plan programme, and supporting foreign investments.