

Ukraine: EIB and PRAVEX BANK join forces to enhance access to finance for SMEs affected by the economic impact of the coronavirus pandemic



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- **EIB and PRAVEX BANK have signed a €30 million loan to enhance access to finance for SMEs and mid-caps in Ukraine.**
- **The operation comes under the Team Europe initiative aiming to provide a rapid response to the coronavirus outbreak.**

The European Investment Bank (EIB) and [PRAVEX BANK](#), a member of the Intesa Sanpaolo Group, have signed a €30 million credit line to support Ukrainian private sector businesses, with a focus on small and medium-sized enterprises (SMEs) impacted by the coronavirus pandemic.

SMEs are the backbone of the Ukrainian economy as they account for over 90% of local businesses, contribute more than 50% of GDP, and employ about 60% of the working population. As a consequence of the COVID-19 outbreak, many companies have experienced a decrease in turnover and profitability, leading to payment delays and an increased demand for liquidity. It is now crucial to step up support for private sector businesses, thus helping to protect jobs and keep the economy going.

The operation is a part of Team Europe's overall response to the COVID-19 crisis aiming to support a sustainable social and economic recovery in the

region.

Head of the EIB Resident Representation for Ukraine Jean-Erik de Zagon said: *“Small and medium-sized enterprises are vital for the Ukrainian economy and have been hit particularly hard by the COVID-19 crisis. It is one of the EIB’s top priorities to support the resilience of the private sector during this unprecedented crisis with the provision of funding through our cooperation with PRAVEX BANK. The operation aims to make available vital financing for SMEs and mid-caps to help them cope with the economic impact of the COVID-19 pandemic – not only to keep businesses afloat, but also to strengthen their resilience and safeguard jobs.”*

Head of Cooperation of the EU Delegation to Ukraine Frederik Coene said: *“More than ever during these challenging times, businesses need access to affordable credit from banks. The EIB plays an important role in the support of the private sector as part of the European Union’s overall Team Europe relief effort. This assistance comes at a time when SMEs need strong support to overcome the challenges created by the COVID-19 pandemic.”*

Chairman of the Management Board of PRAVEX BANK Gianluca Corrias said: *“Cooperation with the EIB constitutes an important step in helping our bank reach its strategic goal to expand financing of small and medium enterprises, as well as mid-caps. This credit line will help us support our clients from the real economy, providing them with the affordable loans they need in order to mitigate the economic consequences of the pandemic crisis they have faced.”*

Team Europe adds value for Ukrainian companies

The EIB investment is an integral part of Team Europe’s overall response to COVID-19 and supports the sustainable social and economic recovery of the EU’s Eastern Neighbourhood. The operation reinforces both SMEs and mid-caps, which are the backbone of national economies and a major source of employment.

Background information:

About the EIB in Ukraine:

[The EIB has worked with Ukraine](#) since 2007. The EU bank is committed to supporting Ukraine and helping to create the conditions necessary for the achievement of economic stability. Ukraine has been the main recipient country of EIB support in the Eastern Neighbourhood, accounting for more than 60% of EIB lending activity in this region. As one of the key International Financing Institutions (IFIs) in Ukraine, the European Investment Bank focuses on social and economic infrastructure, transport and connectivity, local private sector development, energy efficiency, climate action, and innovation. The Bank supports the private sector primarily through financial intermediation, and also by providing direct loans to selected large companies. Notably, the EIB has been the first IFI to make available long-term funding in local currency to a local bank in support of Ukrainian SMEs.

PPRAVEX BANK, part of Intesa Sanpaolo Group since 2008, has been in the market of Ukraine since 1992 serving Ukrainian customers for over 25 years. The Bank has a national coverage and provides the entire range of banking services to Retail, Corporate and Institutional clients. Using the best practices and international presence of Intesa Sanpaolo Group, PRAVEX BANK offers innovative solutions for corporate clients regarding working capital and investment financing, deposits, international payments and fund transfers, and special conditions on trade finance. Among PRAVEX BANK's main retail products are mortgages, the European Personal Loan and the Famiglia Service Package.

[Intesa Sanpaolo Group](#) is the leading bank in Italy and one of the soundest and the most profitable banks in Europe. It offers commercial, corporate investment banking, asset management and insurance services. Intesa Sanpaolo Group has approximately 14.7 million clients in Italy who are serviced through both digital and traditional channels. The Group's international subsidiary banks serve 7.1 million customers across Eastern Europe, the Middle East and North Africa. Intesa Sanpaolo's IMI Corporate and Investment Banking Division operates worldwide, with numerous branches coordinated by five Hubs in London, New York, Hong Kong, Dubai and Milan. Intesa Sanpaolo is considered one of the most sustainable banks in the world. For the Group, creating value means being a driver for growth, for the benefit of both society and the economy. With environmental concerns in mind, the Group has set up a 6 billion euro fund for the circular economy. Intesa Sanpaolo supports major economic inclusion and poverty reduction projects, including an impact fund of 1.2 billion euro for loans available to social groups who struggle to access credit. Intesa Sanpaolo has a high level of involvement in cultural initiatives, organized by the Bank or in collaboration with other entities in Italy and further afield. These include permanent and temporary exhibitions showcasing the Bank's impressive artistic heritage at the Gallerie d'Italia, the Group's museums located in Milan, Naples, Vicenza and soon Turin.