



## Case Study

# *EBRD* – \$100mn RCF available in UAH

## European Bank of Reconstruction and Development (EBRD): Local Currency Financing Solution for Ukraine

### The Client

The European Bank of Reconstruction and Development (EBRD) is a multi-lateral development bank that promotes economic development of the private sector across their 39 countries of operations, with a focus on social impact, climate finance and supporting the reconstruction of Ukraine's real economy. Since its creation in 1991, the EBRD has invested over €190 billion in more than 6,800 projects across three continents to support the transition towards private sector and entrepreneurial initiatives.

### The Challenge

EBRD was facing challenges sourcing UAH which they required to finance local SMEs' working capital, CAPEX and trade-finance needs, while limiting currency exchange-related risks.

### The Solution

The revolving credit facility (RCF) provides the EBRD access to hryvna liquidity for local-currency loans both directly and through domestic financial intermediaries to their clients. The solution was tailored to recognize specific EBRD's Privileges and Immunities, strong credit rating as well as local regulation and a need for a flexible structure to accommodate EBRD's local currency requirements in terms of tenor, amounts, repayment schedules etc.

### The Result

On the 2nd of January 2024, Citi signed an RCF Facility Agreement for \$100mn denominated in UAH. The facility will serve EBRD to continue its social impact and reconstruction efforts on-the-ground in Ukraine. The transaction represents an inaugural LCY

RCF which is part of Citi's PSG Direct Local Currency Financing Solutions for development finance institutions. Through this initiative, Citi aims to facilitate capital mobilisation in local currencies to deliver financial stability by reducing risk, aligning with responsible banking practices and empowering local borrowers to navigate their financial obligations with greater confidence.