

Executive director of the  
German-Ukrainian Fund:  
Oleg Strynzha



# GERMAN-UKRAINIAN FUND (GUF)

## Fact Sheet. November 2016

### About GUF

#### Mission:

- Support of SME Access to Finance by providing loans through partner banks for investments and working capital
- Capacity building of the banking sector that can ensure a sustainable long-term financing of SMEs

**Inception:** 1999

#### Shareholders:

- Government of Ukraine is presented by Ministry of finance (31.25%)
- National Bank of Ukraine (31,25%)
- Government of Germany is presented by KfW



**Equity capital:** €19 mil.

**Debt capital:** €17 mil.

#### Partner banks:



#### Supporting instruments:

- Loans for financial support of SMEs
- Advisory support of the partner banks to increase outreach of finance for SMEs

**Target Group:** micro, small and medium-size enterprises with no more than 250 employees

**Maximum loan amount:**  
€250 000

**Tax status:** non-profit organisation

#### Contacts:

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### News & Events

#### GUF is involved in implementation of the SME Strategy 2020



Executive director of the GUF Oleg Strynzha announced the readiness and interest of GUF to be involved in the implementation of the SME Strategy 2020, which has been developed and presented by the Ministry of economic development and trade of Ukraine within EU project FORBIZ. [https://m.facebook.com/story.php?story\\_fbid=1803235903223907&id=1486424778238356](https://m.facebook.com/story.php?story_fbid=1803235903223907&id=1486424778238356)

#### GUF new appointed key personal

New GUF key personnel have been recruited based on the open competition for the following positions: Fund Manager – Andriy Fetsun (before – Senior Portfolio Manager, Invest in Vision, Frankfurt) and his Deputy – Valeriy Mayboroda (before – Senior Project Manager, NBU). First priority – development of the new SME support products and implementation of the new approaches for the cooperation with the banks of the GUF.

#### Implementation of the new GUF Risk Management Policy

GUF has started the implementation of the new Risk Management Policy by the selection and assessment of the partner banks process.

The new policy was developed by the GUF in cooperation with the consulting firm «Frankfurt school for finance and management» and within the SME support project financed by the Government of Germany and managed by the KfW.

New policy applies a risk-based lending approach. The primary idea of the risk-based lending approach is to offer the lowest-risk partner banks a reduction of the collateral coverage ratio, when the most rigorous assessment of the systemic and institution-specific risk factors will allow such a collateral relief.

#### GUF improves conditions for lending in local currency with EU support

Within EU initiative «EU4Business» GUF is getting ready to sign the agreement with the KfW for the total amount of €5 million, which will be used for the compensation of the exchange rate difference for the GUF by financing of SMEs through partner banks in the local currency protecting against devaluation up to 30%.



EU4Business

#### Restart lending through credit guarantee for SMEs

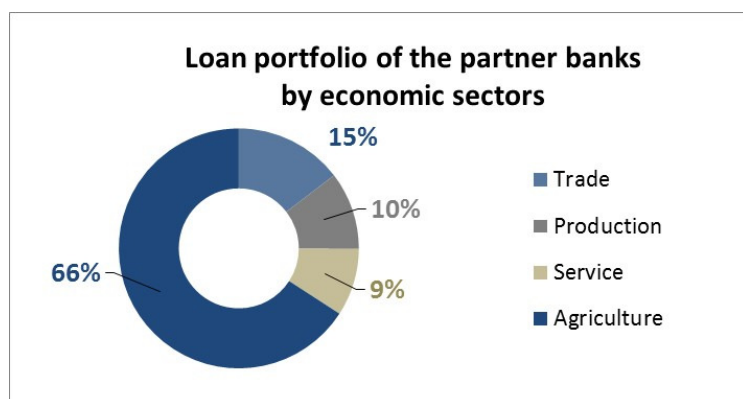
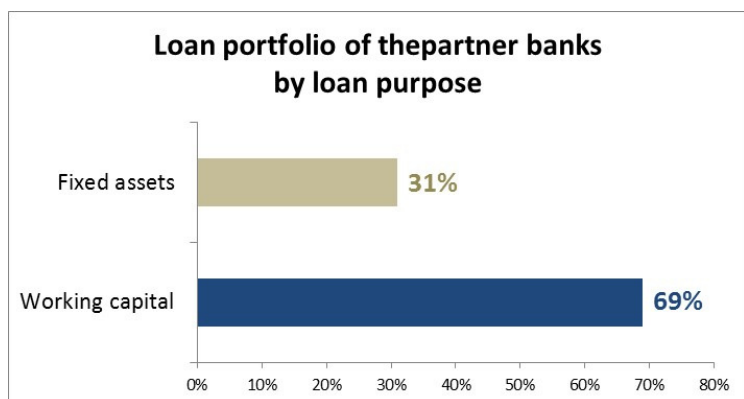
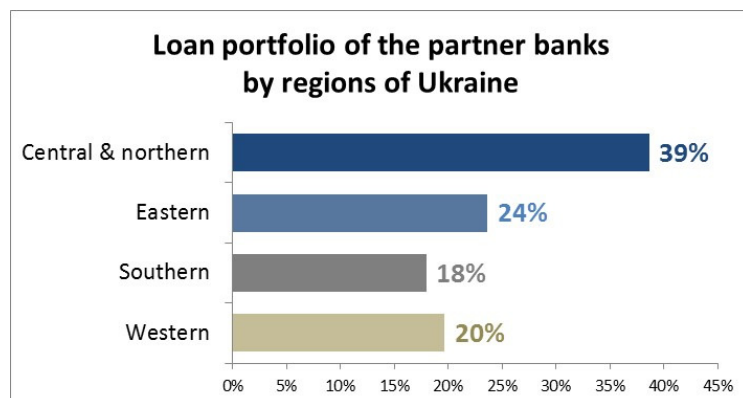
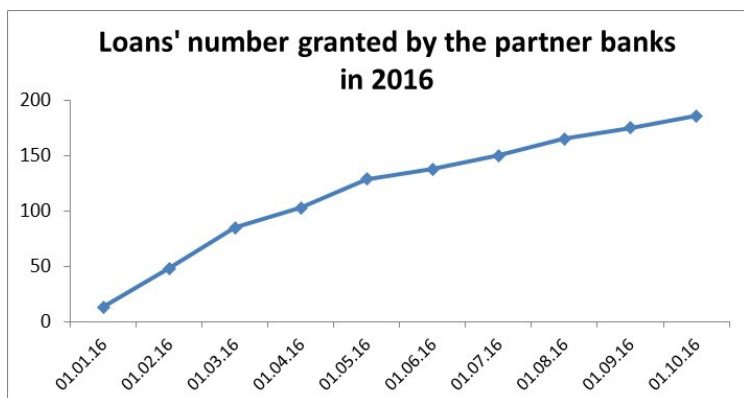
On November 29<sup>th</sup>, 2016 the meeting with the participation of the Restart Lending Project and banking sector representatives was conducted in NBU. NBU and GUF plans have been represented during the meeting to introduce a new instrument for the financial support of SMEs – credit guarantees. This new instrument can be rapidly implemented based on the GUF and with the help of the technical assistance required for the development of the risks procedures.

#### Negotiation of the new GUF charter

Members of the working group represented by the shareholders and the National Commission for Financial Services representatives have met on November 24<sup>th</sup>, 2016 in NBU to approve the amendments to the new version of the GUF charter. The new version of the GUF charter contains an additional instrument for the financial support of SME – credit guarantees. This given decision was made by the members of the working group.

<p><b>Micro Lending program</b></p>	<p><b>161 453</b> loans since 1997</p>	<p>worth <b>€715,6 mil.</b></p>	<p><b>92</b> cities and towns of Ukraine</p>	<p><b>€28 000</b> average loan amount</p>
<p><b>Program for lending to SMEs in the rural area</b></p>	<p><b>406</b> loans since 2008</p>	<p>worth <b>€26 mil.</b></p>	<p><b>48</b> cities and towns of Ukraine</p>	<p><b>€17 000</b> average loan amount</p>
<p><b>Program for lending to SMEs in the prioritized industrial areas</b></p>	<p><b>220</b> loans since 2012</p>	<p>worth <b>€214 mil.</b></p>	<p><b>48</b> cities and towns of Ukraine</p>	<p><b>€480 000</b> average loan amount</p>

**Loan portfolio of the partner banks as of 01 November 2016**



**GERMAN-UKRAINIAN FUND**

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