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of Ukraine



Ministry of  
**Finance**  
of Ukraine



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MINISTRY  
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# Report on the Activities of National development institution in 2025



**National development  
institution**





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## 1. Address by the NDI General Participants' Meeting representatives



**Sergii MARCHENKO**  
Minister of Finance of Ukraine

The year 2025 has become a significant milestone in the development of Ukraine's state economic support system. In the face of full-scale war, the National Development Institution (NDI) continued to strengthen its role as a key state instrument for supporting small and medium-sized businesses, ensuring economic resilience, and implementing affordable financing programs in line with Government priorities.

Throughout the year, the Institution ensured the implementation of entrepreneurship support mechanisms, expanded business access to financial resources, and executed programs aimed at maintaining economic activity and preserving jobs. This enabled thousands of Ukrainian entrepreneurs to continue their operations and adapt to wartime challenges.

For the National Development Institution, 2025 was also a year of institutional establishment. The Ministry of Finance of Ukraine, together with international partners, continued working on the creation of a modern Development Institution in accordance with the best European practices of development finance institutions (DFIs). A crucial step was the preparation and adoption of the Law on the NDI, which forms the legal basis for expanding the institution's mandate and introducing new financial instruments to support the economy.

The updated status of the Institution is already demonstrating its first practical results. Implementation has begun on new programs – ranging from «Industrial Ramstein» to investment tools for innovative technologies, as well as programs to support the economy's energy resilience.

The Ministry of Finance consistently supports the institutional development of the National Development Institution as one of the key elements of the financial system for entrepreneurship development and the enhancement of economic stability.

I am convinced that the further strengthening of the Institution will contribute to the sustainable economic recovery of Ukraine.



**Yuriy DRAGANCHUK**  
Deputy Minister of Finance of Ukraine for  
European Integration

In the context of full-scale war, security challenges, and the necessity of maintaining economic stability, tools capable of ensuring business continuity, supporting investment activity, and creating a foundation for the long-term economic growth of the state are of particular importance. One of the key instruments for entrepreneurship support remains the State Program «Affordable Loans 5-7-9%», implemented by the National Development Institution (NDI). In 2025, the program marked its fifth anniversary.

In 2025, the State Program «Affordable Loans 5-7-9%» confirmed its effectiveness as one of the primary mechanisms for supporting micro, small, and medium-sized enterprises (MSMEs). During 2025, loans worth UAH 93,944 million were issued, and the program's total portfolio reached UAH 453,732 million. The main focus was directed toward supporting enterprises in high-war-risk zones, developing the manufacturing industry, the agricultural sector, and energy. The energy sector became one of the key priorities, as the program enabled enterprises to implement projects for energy efficiency, modernization, and ensuring energy resilience.

Throughout the year, the program combined two strategic approaches: mass support for entrepreneurship through a significant number of loan agreements and financing for sectors critical to the country's economic recovery. In wartime conditions, «5-7-9%» has become a tool for preserving production, relocating enterprises, modernizing capacities, and launching new investment projects.

For the National Development Institution, this program is an example of effective interaction between the state, the banking sector, and international partners. The Ministry of Finance of Ukraine plays a crucial role in ensuring its stable implementation by providing financial sustainability for state support instruments and forming a modern institutional development model in accordance with European practices. We are convinced that the development of affordable financing will become the cornerstone of Ukraine's economic resilience, modernization, and recovery.

## 1.1. Address by the Chairman of the NDI Supervisory Board



### **Mantas ŠUKEVIČIUS** Chairman of the Supervisory Board of the National Development Institution

The year 2025 marked an important milestone in strengthening the institutional capacity and strategic role of the National Development Institution as a trusted partner in Ukraine's economic recovery and long-term development.

One of the key achievements of the year was the consistent implementation of best practices in corporate governance. Significant efforts were undertaken to strengthen internal control functions, enhance transparency and accountability mechanisms, and reinforce the Institution's operational integrity. These measures are essential not only for ensuring effective governance, but also for increasing the Institution's credibility and attractiveness to international partners and financial institutions.

The progress achieved in 2025 has already resulted in important strategic partnerships and new opportunities for international cooperation. In particular, agreements were reached with the European Commission and our esteemed partners — BMZ and KfW — to launch, in 2026, a project aimed at preparing the Institution for the Pillar Assessment process. This represents a major step forward. The establishment of a modern governance framework, including the involvement of independent members of the Supervisory Board and the strengthening of institutional safeguards, creates a solid foundation for future direct cooperation with the European Union.

This opens significant prospects not only for the Institution itself, but also for Ukraine as a whole, creating new opportunities to mobilize international support for the country's recovery, resilience, and economic transformation.

At the same time, 2025 was a productive year in terms of launching and preparing strategic development initiatives. Important groundwork was laid for new flagship projects, including SMERF and Industrial Ramstein, as well as Program NDI4Ukraine aimed at supporting manufacturers of dual-use products and expanding access to financial instruments for Ukrainian enterprises.

Another important achievement of the year was the preparation of the Institution's new development strategy, in which the Supervisory Board played an active and direct role. At the same time, the National Development Institution was in the process of developing its 2026–2030 strategy, which envisages attracting substantial funding and channeling more than EUR 3 billion into Ukraine's economy. The strategy sets out an ambitious yet realistic vision for the future — positioning the National Development Institution as a flagship institution for business support in Ukraine, capable of driving sustainable economic growth, facilitating recovery, and supporting the country's integration into the European economic space.

The results of 2025 demonstrate that the Institution is moving confidently toward this goal. I would like to express my sincere appreciation to the management team, employees, partners, and stakeholders whose professionalism, dedication, and commitment made these achievements possible.

Together, we are building an institution that will play a meaningful role in Ukraine's future recovery and development.

## 2. Address by NDI management representatives



**Andrii HAPON**

**Chairman of the Management Board of the National Development Institution**

In 2025, the National Development Institution continued its path of development amidst the unprecedented challenges of war and laid the foundation for a new model of support for Ukrainian entrepreneurship.

Systematic development of internal processes and strengthening of the institutional capacity of the NDI continued within the framework of the transformation project implemented with the support of the Government of Germany through the Federal Ministry for Economic Cooperation and Development of Germany (BMZ) and KfW. This work was carried out as part of the German Government's "VISION: NUR 2.0" initiative, presented during the Ukraine Recovery Conference 2024 in Berlin.

In particular, management and operational mechanisms were strengthened, internal team coordination was improved, and more effective approaches to planning, monitoring, and programme implementation were introduced.

The NDI paid special attention to enhancing transparency and internal process control, improving the quality of internal services, and establishing a sustainable organisational structure capable of responding swiftly to challenges and ensuring the effective implementation of projects in cooperation with international partners, local communities, and businesses.

The adoption of the Law of Ukraine "On the National Development Institution" became an important milestone in the establishment of a modern system of state support for business and the country's recovery. The NDI is being established as a new-type institution — a development finance institution capable of combining state mechanisms, international support, and the needs of Ukrainian businesses into a single effective ecosystem.

The expansion of international cooperation became particularly important for us. It is precisely thanks to the trust of international partners that Ukraine has received additional financial instruments to support businesses, promote regional development, and facilitate the country's future reconstruction.

We are grateful to the Government of Ukraine, the Verkhovna Rada of Ukraine, the National Bank of Ukraine, Ukrainian partner banks, regional military administrations, and all institutions involved in the implementation of business support programmes.

We would also like to express our special gratitude to our international donors and partners — the European Union, the Government of Germany, KfW, the World Bank, GIZ, UNDP, LuxDev, Norad, JICA, and other international organisations and financial institutions — for their trust, support, and joint efforts aimed at strengthening the economic resilience and recovery of Ukraine.



**Valerii MAIBORODA**

**First Deputy Chairman of the Management Board of the National Development Institution**

For the National Development Institution, 2025 became a year of profound transformation, strategic decision-making, and the formation of a new role for the institution within Ukraine's entrepreneurial financing system. The key achievements of this period were won against the backdrop of the Institution's ongoing institutional development — the renewal of approaches, the expansion of its functions, and the introduction of new mechanisms to support the economy.

Amid the conditions of full-scale war, Ukrainian businesses faced not only limited access to financial resources, but also shortages of human capital, risks to energy supply, and the necessity to operate in an environment of constant uncertainty. In response to these challenges, the Institution focused on expanding businesses' access to financing, supporting retraining programmes and human capital development, as well as creating conditions for Ukraine's economic resilience and sustainable development.

One of the defining events of the year was the signing of an agreement with the German development bank KfW on cooperation within the framework of the new large-scale SME Resilience Facility project, financed by the Government of Germany and laying the foundation for a new architecture of small and medium-sized enterprise financing in Ukraine. The project combines three key components: long-term liquidity for partner banks, guarantee mechanisms to reduce credit risks, and instruments for partial compensation of MSME loan liabilities.

The synergy of these mechanisms forms a new approach to the development of financing in Ukraine and creates the potential for a significant expansion of the credit portfolio through the mobilisation of partner bank resources. Particular emphasis within the project is placed on supporting enterprises that continue operating in frontline regions, preserving production capacities, jobs, and economic activity.

This period became further confirmation that even under the most difficult conditions, Ukraine is capable of laying the foundation for a resilient, competitive, and future-oriented economy.



## Viktor KATRENYCH

### Deputy Chairperson of the Board, National Development Institution

2025 marked the pinnacle of the transformation of the National Development Institution into a platform for launching the National Development Institution.

With the expansion of programmes and the growing scale of projects, the volume of internal processes and operational tasks has also grown significantly. In this context, IT infrastructure development, process automation and the development of a modern digital business support ecosystem became key priorities. Throughout the year, we have been working on developing new digital solutions, modernizing internal systems, and preparing to build an updated IT platform for the NDI intended to establish a new standard for the government business support in Ukraine. The platform will make all processes, from filing an application to monitoring whether money is being used as intended, fully digitalized. That will help significantly reduce decision-making time, minimize human factor and ensure that businesses have a more transparent and clearer access to financial instruments.

Simultaneously, strong focus was placed on cybersecurity and protection of information systems. The unhindered operation of the digital infrastructure became a key element of NDI's institutional resilience in the context of war, persistent cyberattacks and energy-related risks.

Our work in the legal domain also played a significant role in the transformation. Throughout the year, systematic efforts were made to create an updated legal framework for the Institution's operations, including the drafting of the Law on the National Development Institution and of its new Charter. It was a crucial step towards strengthening its institutional capacity and enhancing its management system.

A special emphasis was placed on ensuring that our team is able to work continuously amid ongoing strikes by the Russian Federation and energy-related risks. To keep pace with the scale-up of operations and the expansion of our team, a modern and autonomous office space was created to ensure that employees can work continuously and efficiently under any circumstances.

Each of NDI's achievements has been made possible by a professional, committed, and resilient team that, even amid a full-scale war, has ensured that work was carried out without interruption, changes were introduced, and programmes vital to the country were implemented. Through our shared dedication to the cause and willingness to embrace responsibility, we continue to build a modern and powerful institution capable of effectively supporting the development of Ukraine's economy and meeting the challenges of our time.



## Tetiana CHEPTSOVA

### Chief Financial Officer of the National Development Institution

For the National Development Institution, 2025 was a year of strategic change and a testament to the fact that, even in the midst of war, Ukraine is capable of building strong financial institutions. For the NDI, it was a year that marked the conclusion of an important phase and the start of a new cycle of development.

During the year, we have strengthened the Institution's finance function: we have integrated treasury operations, improved planning and budgeting, and strengthened our resource and risk management system. The financial results confirm NDI's stability: assets stood at UAH 4.4 billion, equity at UAH 2.0 billion, and net profit at UAH 105 million. The loan portfolio for partner banks exceeded UAH 2.4 billion, and over UAH 100 billion has been channelled into the real economy through NDI's instruments.

The «Affordable Loans 5-7-9%» Programme remained a key tool for supporting businesses, with 30,053 enterprises receiving funding totalling UAH 93.9 billion. Guarantee products became crucial for micro and small businesses, particularly in frontline regions, where coverage reaches 80%. Over the next three years, we plan to increase the guarantee portfolio from UAH 1.5 billion to UAH 10 billion, in particular thanks to the KfW SMERF agreement worth EUR 40.5 million.

Sustainable development remains an integral part of the NDI's mission. The energy independence programme has supported 2,164 families, whilst new products for veterans, women entrepreneurs and internally displaced persons have strengthened the social resilience of businesses.

A landmark decision was the adoption of Law of Ukraine No. 4622-IX, under which, from 1 January 2026, NDI will operate as a National Development Institution. We are entering a new phase as a financially stable and institutionally strong institution.

I would like to express my sincere gratitude to the NDI team, partner banks and international donors for their trust and collaboration in developing the Ukrainian economy.

### 3. Main events in NDI activities in 2025

#### March 2025

A meeting was held at the Ministry of Finance of Ukraine between Deputy Minister of Finance Yurii Drahanchuk and the leadership of the National Development Institution, as well as the newly appointed members of the Institution's Supervisory Board. During the meeting, the Institution's key role in implementing and executing state business support programmes, in particular the "Affordable Loans at 5-7-9%" Programme, was emphasised. Its significance is particularly important in the context of martial law, the aggressor's constant attacks on Ukraine's critical infrastructure, and the need to maintain economic stability. The Ministry of Finance of Ukraine has ensured that all necessary procedures for forming the new composition of the Supervisory Board have been completed. This will contribute to strengthening the Institution's reputational appeal, expanding cooperation with international partners and potential investors, and increasing the volume of funding for projects supporting the development and reconstruction of Ukraine's economy.



On 14 March 2025, the first meeting of the Supervisory Board of the National Development Institution took place.

Mantas Šukevičius, a citizen of the Republic of Lithuania with extensive experience at the Lithuanian Development Agency, was elected Chair of the Supervisory Board.

The Supervisory Board established three committees — the Audit Committee, the Risk Committee and the Appointments and Remuneration Committee — and elected their chairs.

In accordance with the agenda, the NDI Supervisory Board heard a report from Andrii Hapon, Chairman of the Management Board of the National Development Institution, on the implementation of business support programmes, which is particularly important under martial law, and agreed on further working procedures.

Overall, the NDI Supervisory Board consists of five members: three independent members — Volker Renner, a citizen of the Federal Republic of Germany, Mantas Šukevičius, a citizen of the Republic of Lithuania, and Magdalena Dulczewska, a citizen of the Republic of Poland, and two government representatives — Andrii Teliupa, Deputy Minister of Economy of Ukraine, and Roman Fedorchenko, who is a representative of the Ministry of Finance of Ukraine.

#### April 2025

An event entitled «Moving Forward Together: Results of REACT4UA / EU4BUSINESS and Prospects for STEP IN 2 EU», organised by the GIZ Ukraine team, took place in Kyiv. During the panel discussions, participants discussed the results of the implementation of REACT4UA / EU4BUSINESS and outlined the priorities for the development of the STEP IN 2 EU initiative, aimed at Ukraine's economic recovery. Valerii Maiboroda, First Deputy Chairman of the Board, took part in the discussion on behalf of the NDI. He highlighted the Institution's role in supporting micro, small and medium-sized enterprises, in particular through grant programmes for business recovery in affected and de-occupied regions, support for enterprises employing veterans and people with disabilities, as well as the development of energy independence for businesses. Following the event, current needs were identified, which will form the basis for future projects within the STEP IN 2 EU initiative.





The Institution is expanding its programmes in collaboration with regional administrations. New financial support instruments for entrepreneurs are being introduced in the Cherkasy region. The National Development Institution has signed a cooperation agreement with the Department of Regional Development of the Cherkasy Regional Military Administration.

Under the partnership, additional interest rate reimbursement from the regional budget is provided for loans under the “Affordable Loans at 5-7-9%” State Programme. The synergy between state and local funding will enable entrepreneurs in the region to receive an additional 5% in compensation and improve business conditions. UAH 2M has been allocated from the regional budget for the implementation of the initiative in 2025 as part of the small and medium-sized enterprise development programme. The pilot project aims to test support mechanisms in practice, with a focus on socially responsible businesses, particularly businesses that employ veterans.

The National Development Institution, YouControl and the Open Data Association have signed a tripartite memorandum of cooperation, formalising their intention to strengthen their partnership. The joint initiative aims to increase transparency in the business environment, implement ESG standards, reduce corruption risks and enhance the investment attractiveness of Ukrainian companies. The partnership combines state financial support, analytical solutions and expertise in the field of open data. For the Institution, the implementation of objective ESG assessment is an important tool for ensuring the responsible use of state resources, supporting sustainable business development and compliance with international standards, which is a key factor in attracting investment for Ukraine’s reconstruction.



## May 2025

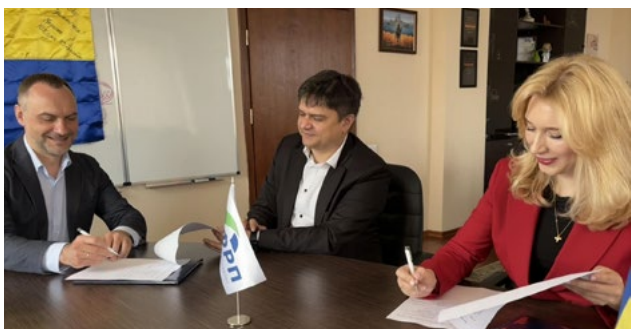
The National Development Institution has presented the project “From Education to Employment: Vocational Training for Women and Other Target Groups», which is being implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and Solidarity Fund PL (SFPL) with financial support from the European Union, Germany, Poland, Estonia and Denmark as part of the Skills4Recovery Multi-Donor Initiative.

The project aims to strengthen the capacity of educational institutions and create real opportunities for reskilling and employment for women, veterans, internally displaced persons and other vulnerable groups. A key feature of the initiative is adapting training to the needs of the labour market: retraining is carried out in line with employers’ requirements. During the presentation, the challenges of the modern labour market were discussed, in particular the shortage of workers in blue-collar professions, and vocational retraining was identified as an effective tool to overcome labour shortages and support economic recovery.



The National Development Institution took part in the «VISION UKRAINE 2030» International Business Forum, which brought together representatives from government, business and international partners to discuss new models for Ukraine’s economic development. During discussions on financial technologies and green investments, Valerii Maiboroda, First Deputy Chairman of the Institution’s Board, presented the Institution’s systematic steps towards implementing environmental and social standards within the framework of the “Affordable Loans at 5-7-9%” State Programme. The introduction of these requirements was a prerequisite for attracting international financing from the World Bank and the German development bank KfW. Currently, all 46 authorised banks participating in the Programme have implemented environmental and social management policies, and entrepreneurs undergo an environmental assessment alongside their application for financial support. The next stage will be the creation of an ESG Competence Centre within the Institution, which will provide businesses with practical tools and support to implement new standards and improve the quality of investment projects.





The Ministry of Education and Science of Ukraine and the National Development Institution have signed a memorandum of cooperation as part of the “From Education to Employment: Vocational Training for Women and Other Target Groups» project. The partnership aims to train qualified specialists to help rebuild Ukraine’s economy, strengthen the vocational education system, and encourage women and members of target groups to enter industrial and technical professions. Particular emphasis is placed on closer cooperation between educational institutions and employers, the development of practical training, and the effective employment of graduates.

The National Development Institution has signed a memorandum of cooperation and collaboration with the State Employment Centre.

The memorandum provides for enhancing the capacity of the vocational (technical and vocational) education system to enable women and other target groups to acquire skills in the manufacturing and technical sectors, improving communication between vocational education institutions and employers to ensure a flexible response to labour market needs, and refining mechanisms for students to develop practical skills and secure subsequent employment.



## June 2025

### A landmark start to a new chapter in the institution’s development

On 11 June 2025, the event «A Bright Future for Small Business: The NDI Vision 2.0» took place in Kyiv — an occasion that marked the beginning of a new phase in the development of the National Development Institution as a modern development institution. The event presented the results of state and international financial support for small and medium-sized businesses since the start of the Russian Federation’s full-scale invasion, and outlined further steps to develop entrepreneurship financing for the reconstruction and growth of Ukraine’s economy, taking into account the NDI’s updated mandate. Discussions focused on the impact of state programmes on the economic resilience of SMEs, expanding access to credit, the role of international financial support, and its strengthening through the Institution’s institutional transformation. The NDI’s transition to a development institution model with rules and procedures recognised in the EU opens up new opportunities for deepening cooperation with international financial organisations and attracting resources for the recovery of Ukraine’s economy. The key objective of the transformation is to create a sustainable institution that will comply with global best practices and ensure the effective implementation of state and international support programmes for small and medium-sized enterprises. It was precisely the effectiveness of MSME support programmes and the readiness to scale up that formed the basis for the German Government’s and the German development bank KfW’s decision to support the Institution’s transformation and the renewal of its mandate. In the long term, this lays the groundwork for direct cooperation with the European Union, opening up new opportunities for Ukrainian entrepreneurs.



The National Development Institution continues to expand its regional business support network. The latest step was the signing of a memorandum of cooperation with the Vinnytsia Regional State Administration. The partnership aims to improve access to financial resources for micro, small and medium-sized businesses in the Vinnytsia region. Specifically, it involves an additional 5% per annum interest-rate compensation from the regional budget for investment loans under the “Affordable Loans at 5-7-9%” State Programme. The cooperation involves coordinating joint efforts to make lending more affordable, holding working meetings and consultations, as well as providing information support for regional initiatives and developing effective communication with the business community.



## July 2025

During his speech at the Ukraine Recovery Conference 2025 (URC2025) held on 10–11 July in Rome, German Federal Chancellor Friedrich Merz clearly outlined his vision for Ukraine’s institutional recovery by creating a powerful development institution based on the Business Development Fund.

“Together with our international partners, we are establishing the Ukraine Development Fund (Business Development Fund — ed.) — an instrument based on the principles of the German financial and credit system. It was precisely this model that helped rebuild Germany after World War II. This is our Marshall Plan for Ukraine: strong, institutional and effective,” the Chancellor emphasised.

Friedrich Merz stressed that Ukraine’s economic recovery is impossible without an active and competitive private sector. That is precisely why the German Government is focusing on mobilising private capital, attracting investment and creating financial instruments capable of scaling up support for business.

“We understand that the main thing needed for this is peace. Ukraine needs a fair peace. Our primary political commitment is to continue putting pressure on Russia to reach negotiations. Germany’s support remains unwavering. We will not stop,” added the Chancellor. These statements were made against the backdrop of the recent presentation of the updated mandate of the Business Development Fund — a key state instrument for supporting small and medium-sized businesses in Ukraine. It is the Fund that has been identified as the basis for establishing a modern development institution capable of operating according to European rules, attracting international funding and effectively supporting the economy during the recovery. The institutional transformation of the Fund was initiated during URC2024 in Berlin. At that time, the Government of Ukraine and international partners agreed on the need to relaunch the NDI — with an expanded mandate, new financial instruments and strategic support from KfW, the European Union and other donors. Today, this transformation is moving into the practical phase and is becoming one of the key elements of Ukraine’s economic recovery architecture.

### €40.5M from KfW to support Ukrainian businesses!

On the sidelines of the Ukraine Recovery Conference 2025 (URC2025) in Rome, the National Development Institution signed a grant agreement with the German development bank KfW for €40.5 million as part of the SME Resilience Facility project. The project aims to support entrepreneurs from de-occupied and war-affected regions and provides loan guarantees, preferential lending and compensation for investment costs related to business recovery and development. The funding is provided by the German Government through KfW. The Institution’s new programme will be implemented in conjunction with the “Affordable Loans at 5-7-9%” State Programme, strengthening support for businesses that preserve jobs and rebuild communities.

The project will be implemented in partnership with the Ministry of Finance of Ukraine and partner banks.





140 Ukrainian businesses have received UAH 63M to support energy resilience.

The project “Support for Energy Resilience of Micro and Small Enterprises in Ukraine” was funded by international partners – the German government and the Norwegian Agency for Development Cooperation (NORAD). It was implemented by the German federal company Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. The National Development Institution acted as the implementing partner.

The project’s winners are Ukrainian entrepreneurs from various regions, many of whom are from front-line and border areas. They used the funds to install solar panels, inverters, generators and energy-efficient equipment.



The National Development Institution held a strategic session attended by representatives from KfW, Deloitte and the Institution’s Supervisory Board, focused on setting priorities for its activities and strengthening support for businesses during the war. The focus was on improving the effectiveness of SME support programmes, developing competitive financial instruments, attracting investment, digitalisation and strengthening the Institution’s financial stability. Particular attention was paid to the prospects of the Institution gaining access to EU funds following an assessment of compliance with European Union requirements. Following the session, a roadmap was drawn up for the preparation of the Institution’s medium-term development strategy, which envisages the modernisation of processes, the strengthening of corporate and financial models, and sustainable development of the institution.

The National Development Institution at URC2025: a meeting with the Council of Europe Development Bank!

Andrii Hapon, Chairman of the Board of the National Development Institution, and Valerii Maiboroda, First Deputy Chairman of the Board, held a meeting with the management of the Council of Europe Development Bank (CEB Bank) on the sidelines of the Ukraine Recovery Conference 2025 in Rome.

During the meeting, they discussed the launch of a new project to support micro-enterprises in Ukraine.

The initiative involves providing liquidity to Ukrainian banks for lending to micro-businesses, as well as compensating entrepreneurs for part of their investment costs.



## September 2025

Representatives of UNDP Ukraine held a working meeting with Yurii Drahanchuk, Ukraine’s Deputy Minister of Finance for European Integration, and members of the Board of the National Development Institution. The key topic of discussion was establishing an effective mechanism to finance Ukraine’s recovery and development, with a focus on actively attracting private and institutional investment. Following the meeting, the parties agreed on an approach to the preparation and participation of the National Development Institution in a multi-component project for the country’s reconstruction. The initiative involves a combination of financial instruments, including loan guarantees, investment cost compensation, technical assistance and affordable financing. The proposed mechanism is seen as a stimulating financial platform aimed at supporting Ukraine’s recovery, fulfilling European integration commitments and accelerating the achievement of the Sustainable Development Goals.





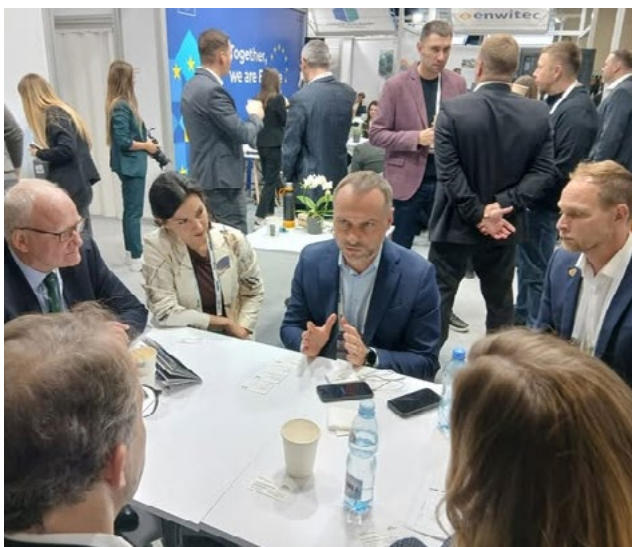
The Verkhovna Rada of Ukraine has adopted draft law No. 11238 “On the National Development Institution”, which provides for the establishment of the National Development Institution (NDI) on the basis of the National Development Institution.

The draft law was passed by 280 MPs. It was developed with the participation of the Ministry of Finance of Ukraine, the NDI, the German development bank KfW and Deloitte consultants, in coordination with the World Bank and the EU. The NDI will operate as a non-profit «second-tier» financial institution, providing small and medium-sized businesses with access to preferential financing through partner banks. The institution will have autonomous management, adapted regulation by the NBU, and powers to administer state business support programmes.

## October 2025

robota.ua as a new partner in strengthening Ukraine’s human potential

The National Development Institution and robota.ua have signed a cooperation agreement as part of the “From Education to Employment: Vocational Training for Women and Other Target Groups» project, aimed at strengthening the labour market during the war. The partnership brings together the efforts of the state, business and international donors to develop the skilled workforce needed for the recovery and growth of Ukraine’s economy. The agreement was signed on 7 October during a panel discussion at the Interfax-Ukraine press centre, dedicated to the development of vocational training and reskilling in wartime conditions.



«New law on the National Development Institution strengthens support for MSMEs and integration with the EU,» Valerii Maiboroda.

During a panel discussion at the ReBuild Ukraine international conference in Warsaw, Valerii Maiboroda, First Deputy Chairman of the Board of the National Development Institution, emphasised the strategic importance of the recently adopted Law of Ukraine «On the National Development Institution».

“The main objective of the National Development Institution is to promote Ukraine’s economic and social development by ensuring MSMEs have access to financial, advisory and informational support. The National Bank of Ukraine will regulate the activities of the NDI,” noted Valerii Maiboroda. According to him, the law establishes the NDI’s status as a second-tier financial institution with a special mandate to implement support programmes for micro, small and medium-sized enterprises through banks and other financial institutions. The NDI is also designated as the Government’s official agent for implementing financial support programmes for MSMEs, thereby strengthening coordination with relevant ministries, unifying approaches, and eliminating duplication of mechanisms.

## November 2025

The NDI and the German development bank KfW discussed the prospects for launching new projects in the fields of energy efficiency and renewable energy during the ReBuild Ukraine international conference in Warsaw. On the sidelines of the event, Valerii Maiboroda, First Deputy Chairman of the NDI Board, held a working meeting with KfW teams responsible for financing energy and municipal projects. The focus was on creating effective mechanisms for the sustainable financing of communities, utility companies and green energy projects through preferential lending and portfolio guarantees to reduce credit risks and enhance the resilience of Ukraine’s energy sector. These discussions received a further boost from the Institution’s restructuring into a National Development Institution, which opens up new opportunities for attracting investment and expanding business support, particularly in the energy sector, which has suffered significant losses as a result of the war. The ReBuild Ukraine conference brought together representatives from government, business and investors to discuss Ukraine’s recovery, with a key focus on infrastructure, energy, industry and housing construction.





Andrii Hapon, Chairman of the Board of the National Development Institution, took part in the international conference «Istanbul Development Dialogues – 2025», organised by UNDP with the support of TİKA. The event brought together representatives from governments, the business sector, investors and the expert community to discuss trade, investment and sustainable development. During his speech, Andrii Hapon presented the results of the NDI's activities and the key areas of its institutional transformation — updating policies and processes, digitalisation, expanding cooperation with donors and scaling up business support programmes. From 1 January 2026, the National Development Institution will begin operating as a National Development Institution with a status enshrined in law.



**December 2025**

The NDI held a working meeting with representatives of the Council of Europe Development Bank regarding the launch of a new programme to support microbusinesses in Ukraine, worth approximately €20M. The initiative combines loan financing through partner financial institutions with grant support — covering up to 20% of investment costs financed by the loan. The programme's target audience will be existing micro-businesses, as well as private smallholder farms — with a focus on their transition to formal entrepreneurship and access to financial resources. A distinctive feature of the programme will be the expansion of the range of partners, including non-bank financial institutions, in particular credit unions.



The European Commission and the National Development Institution held a working meeting to strengthen cooperation in supporting micro, small, and medium-sized enterprises in Ukraine. The parties discussed the development of existing programmes and new opportunities for collaboration arising from the establishment of the National Development Institution, focusing on enhancing the coordination and effectiveness of financial support for MSMEs.



The National Development Institution presented a model for its transformation into the National Development Institution (NDI) during a meeting with representatives of the BMZ and KfW in Kyiv. The establishment of the NDI, based on the National Development Institution and in accordance with the new law, aims to create a modern system of financial support for businesses and communities by combining the efforts of Ukraine, Germany, and international partners. The transformation opens opportunities to attract investment and scale up support programmes, particularly in energy efficiency and renewable energy. The parties confirmed their readiness to further deepen cooperation, develop sustainable financing instruments for SMEs and launch new business support programmes.



The NDI and LuxDev are strengthening their cooperation and announcing a new phase of support for entrepreneurs in the Kryvyi Rih district.

Valerii Maiboroda, First Deputy Chairman of the Board of the National Development Institution, held a working meeting with Paolo Cervino, Head of the Global Programmes Department at LuxDev, the Luxembourg Agency for Development and Cooperation.

The key topic of the talks was deepening the partnership between the NDI and LuxDev, as well as expanding support programmes for micro, small and medium-sized enterprises in Ukraine. Both sides confirmed their readiness to continue strengthening joint financing instruments to enhance entrepreneurs' resilience and investment capacity.

During the meeting, they discussed the results of the first cycle of the MSME Support Programme in the Kryvyi Rih district, which is being implemented by the NDI and funded by the Government of the Grand Duchy of Luxembourg through LuxDev.

The National Development Institution took part in the conference «Kryvyi Rih 250: A Regional Growth Hub in the Context of Ukraine's Recovery», dedicated to the development of the Kryvyi Rih district as a major economic centre. During the event, the NDI presented the results of the SME support programme in the region: entrepreneurs received 200 grants totalling €2.7M, which enabled the creation of nearly 300 new jobs and strengthened local entrepreneurship. The launch of the second phase of business support in the Kryvyi Rih district was also announced.



A partnership agreement has been signed between the National Development Institution and BANK CREDIT DNIPRO JSC, marking the start of a new phase of cooperation in the field of financial support for micro, small and medium-sized enterprises.

This partnership is significant, as Bank Credit Dnipro has become the first non-state-owned bank with Ukrainian capital to join the NDI's partner network. This decision expands entrepreneurs' access to finance and strengthens the role of the private banking sector in Ukraine's economic recovery.



## 4. National Development Institution's financial instruments and programmes

### 4.1. State interest rate compensation programmes to support MSMEs

#### 4.1.1. "Affordable Loans at 5–7–9%" Programme

The "Affordable Loans at 5–7–9%" State Programme (the Programme) was initiated by the President and the Government of Ukraine and officially launched on 3 February 2020 as a systematic tool to support business development. Programme terms, criteria and implementation mechanism are set out in the Procedure for Providing Financial State Support to Small and Medium-Sized Enterprises adopted by Resolution No.28 of the Cabinet of Ministers of Ukraine of 24 January 2020. The use of state budget funds under the "Ensuring the Functioning of the National Development Institution" Programme is regulated by the Resolution of the Cabinet of Ministers of Ukraine No. 29 of 24 January 2020.

State support is provided through two key financial tools: the National Development Institution (NDI), which compensates part of the interest rate on loans to micro, small, medium, and large enterprises, and the provision of portfolio guarantees by the Institution for micro-, small-, and medium-sized enterprise loans within established limits. Between 2022 and 2025, the Procedure was updated several times to adapt the Programme to the conditions of martial law. The changes were designed to support agricultural producers during the sowing season, develop processing industries, stimulate business activity in de-occupied and front-line areas, and address the consequences of systematic attacks on energy infrastructure. From 2024 onwards, the Programme underwent the most extensive and comprehensive reform in its history, the main aim of which was to improve the efficiency of budget spending and refocus support on investment priorities.

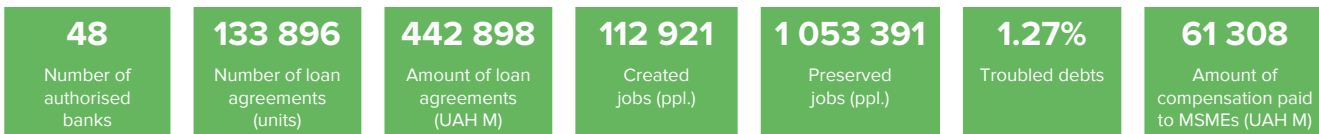
The Programme provided for the following differentiated compensation interest rates: 1%, 3%, 5%, 7% or 9%, and 13% or 15% per annum, depending on the lending objectives, the size of the business and the geographical area in which it operates. A fundamentally new measure is an interest rate of 1% per annum for the first two years, rising to 5% thereafter, which applies to investment loans for businesses operating in areas of high military risk.

Thanks to its wide range of tools and high degree of flexibility, by the end of 2025, the Programme is implemented within two main goals (investment and working capital financing) and covers six priority areas. These include: support for businesses in areas

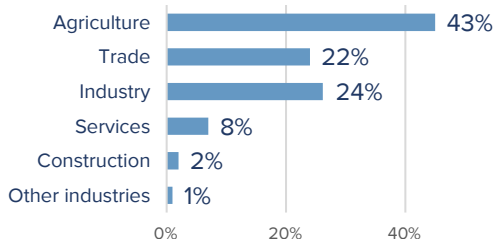
of high military risk; development of processing industries; financing of agricultural production and sowing campaigns (extended until 31 March 2027); ensuring energy independence for enterprises (including through the purchase of generation units); and reconstruction of destroyed enterprises. The maximum loan amount for investing in processing and livestock farming businesses is up to UAH 150M; the same limit applies to agricultural businesses for the construction of vegetable and potato storage facilities. At the same time, the maximum loan amount for working capital financing is limited to UAH 5M. This is a deliberate decision that reflects a strategic shift in state support from short-term liquidity to long-term production investments.

Following the introduction of martial law, the Programme virtually became the only large-scale mechanism for accessible lending in Ukraine and a key factor in maintaining stability of the banking system and functioning of businesses. According to estimates by the National Bank of Ukraine, between 2022 and 2024, over 40% of the loan portfolio of authorised banks was generated specifically as a result of the Programme. In 2025, with the gradual recovery of market lending, its share is set to fall to 31.2% in the first quarter and 27.4% in the third quarter of 2025. These changes indicate the market's gradual return to normal functioning and the Programme's increasing focus on those segments where market mechanisms remain limited. In 2025, the Programme ensured the uninterrupted operation of the real economy sector under wartime conditions, supported agricultural production and processing industry, facilitated the restoration of operations for relocated enterprises, and stimulated entrepreneurial activity in de-occupied and front-line territories. In 2025 alone, the volume of lending in these regions exceeded UAH 5B. Such cooperation between the state and business helps preserve and create jobs, increase tax revenues, gradually bring the economy out of the shadows and enhance the transparency of economic activity, thereby establishing the foundation for the recovery and sustainable development of Ukraine's economic potential under the ongoing military conflict.

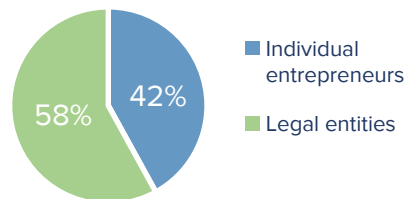
**Programme outcomes in terms of interest compensation as of 1 January 2026 (cumulatively)**



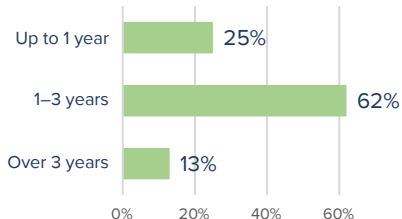
**Loan agreements by type of business activity, %**



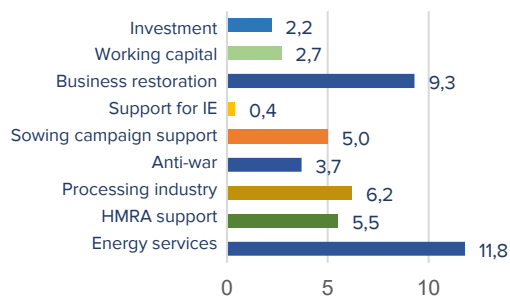
**Programme participants' makeup by number engaged in a certain type of MSMEs**



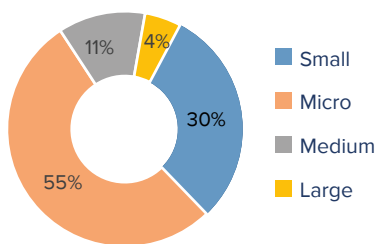
**Loan agreements structure by maturity, %**



The average loan amount under the Investment Component of UAH 2.2M indicates a wide presence of mainly micro-enterprises therein

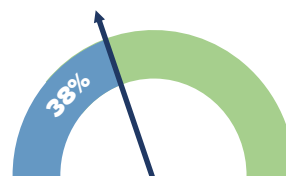


**Share of business segments in the total loan portfolio, %**

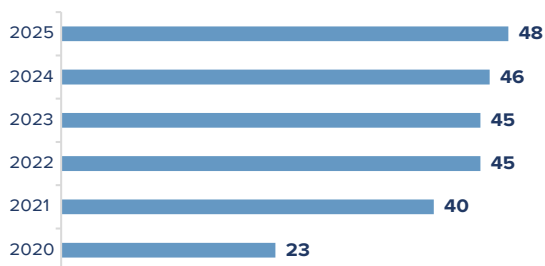


During 5 years of implementation, the Programme accounted for 38% of the MSME's total loan portfolio of authorised banks

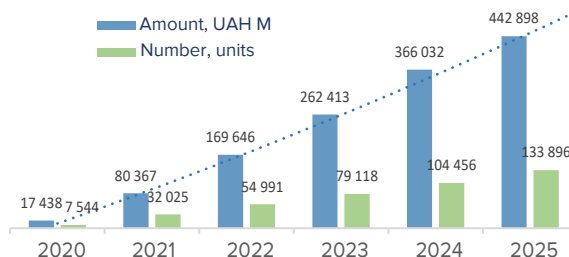
**Programme share in the total MSME's loan portfolio of authorised banks, %**



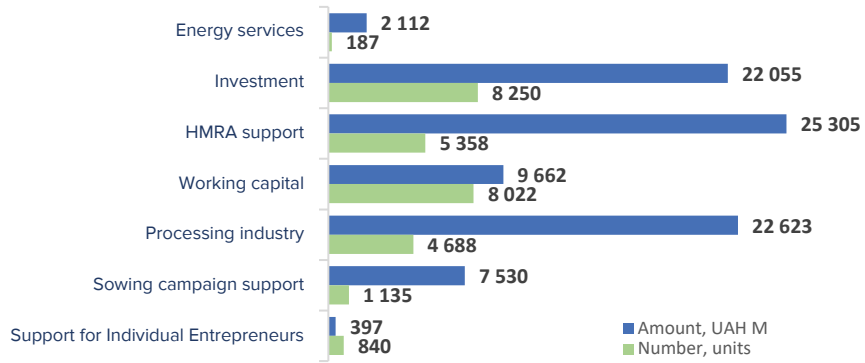
**Authorised banks (Programme participants), number**



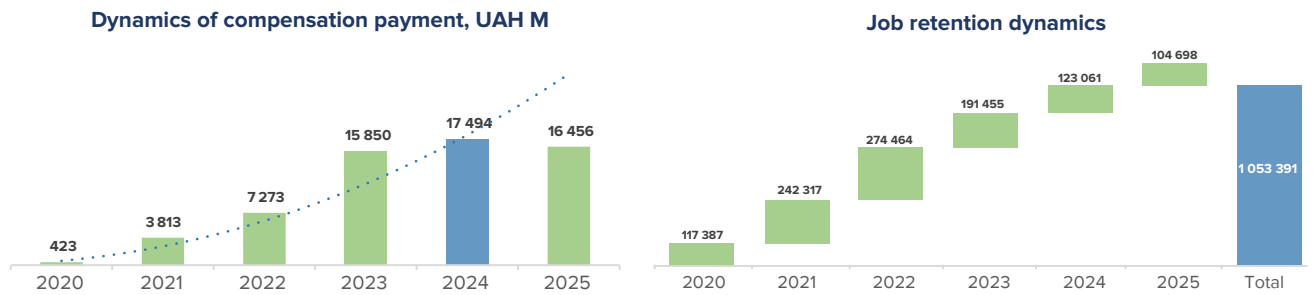
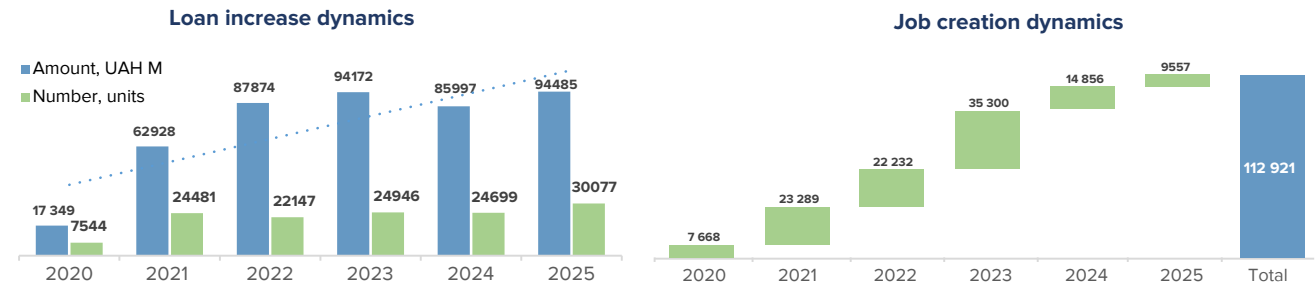
**Loan agreements**



### Signed loan agreements by key Programme components in 2025

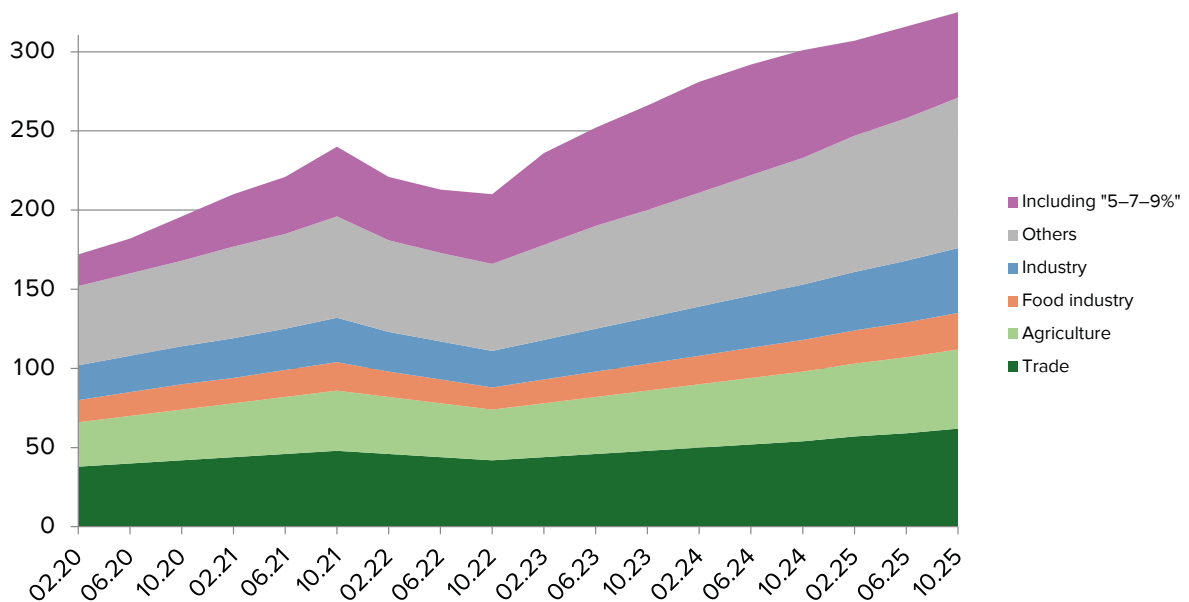


### Programme outcomes in terms of interest compensation as of 1 January 2026 (dynamics by years)



### Programme outcomes in terms of interest compensation as of 1 January 2026

#### Net UAH loans to businesses, UAH B



Source: NBU Financial Stability Report, June 2025

For over two years now, banks have maintained consistently high levels of hryvnia lending to businesses, actively competing for customers.

Improved financing conditions, particularly lower interest rates, have been the key driver of this growth.

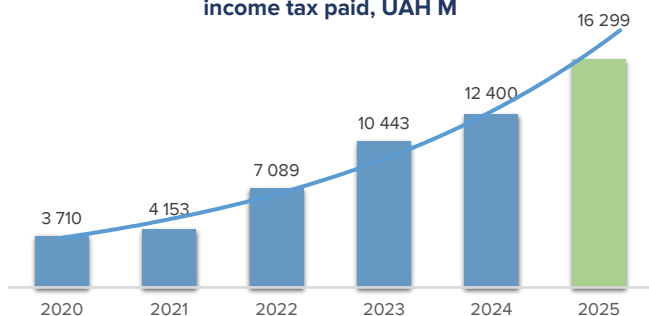
The share of loans under the “Affordable Loans at 5–7–9%” Programme has fallen to 31%, indicating a steady recovery and growth in market-based, unsubsidised lending.

In 2025, the Programme was significantly updated as follows:

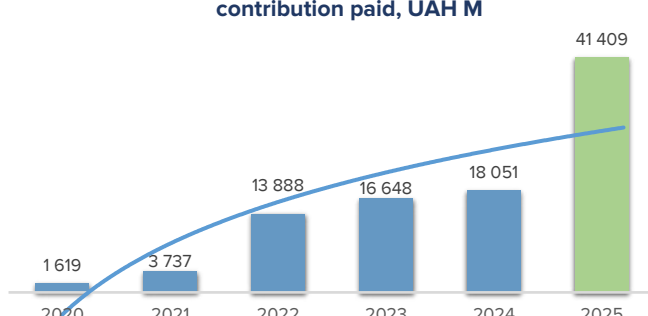
- the base interest rate was reduced from 30% to 23%;
- the working capital financing limit was reduced from UAH 60M to UAH 5M;
- a preferential rate of 1% was introduced for investments in high-risk areas;
- the focus on investment projects and economic recovery was strengthened.

**State support impact under the Programme on the increase in key performance indicators of enterprises**

**Change in the total amount of corporate income tax paid, UAH M**



**Change in the total amount of the unified social contribution paid, UAH M**



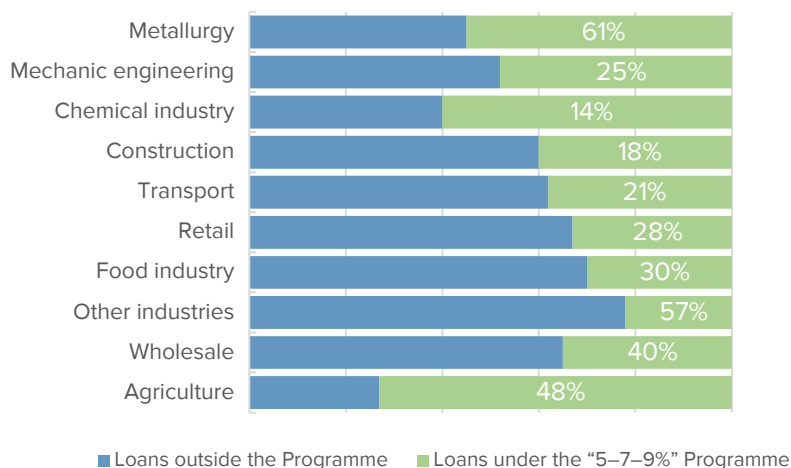
1. Despite the slowdown in business activity caused by Russian aggression in 2022–2025, revenue from corporate income tax and the unified social contribution has grown steadily.
2. Consequently, state support payments to compensate for loan interest rates in 2025 significantly boosted budget revenues, despite negative economic trends during the period of martial law.

**Outcome 1.**

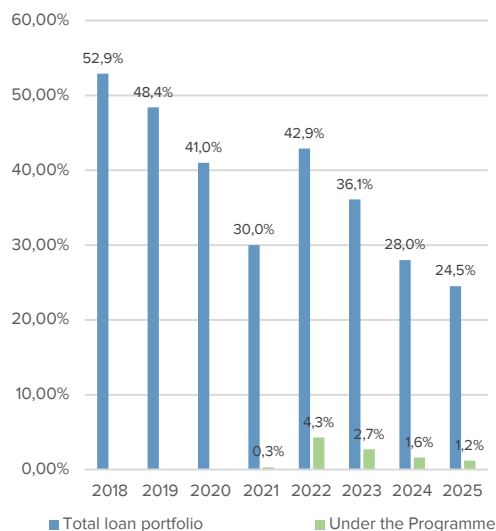
The Programme influenced the growth of the loan portfolio of micro, small, medium and large enterprises

**Outcome 2.**

The Programme has reduced the financial burden on MSMEs during martial law, reducing the negative impact on the country's financial stability



**NPL share**



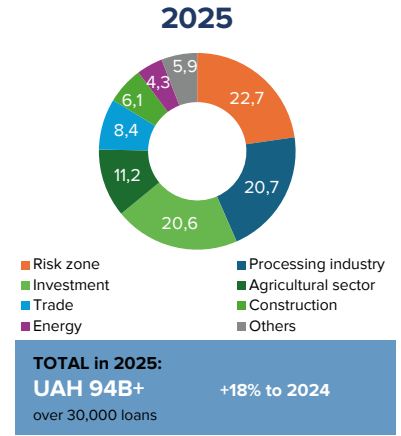
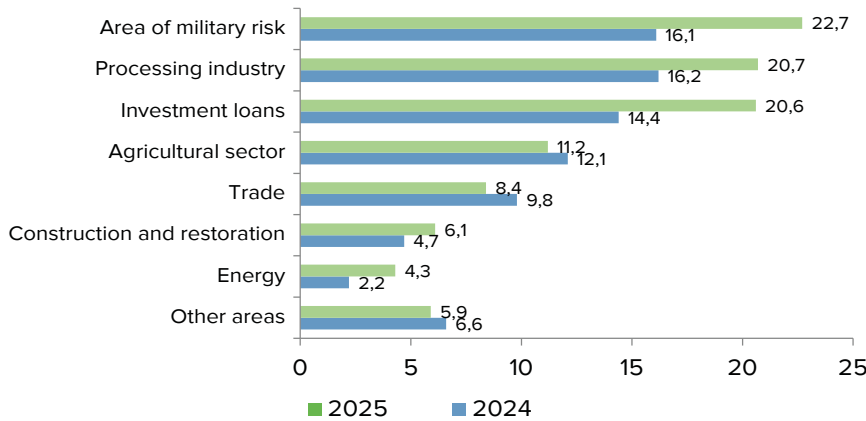
Source: NBU Financial Stability Report

Source: NBU banking sector overview

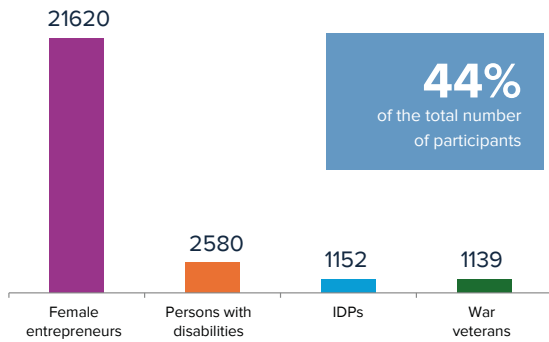
Despite the impact of martial law in 2022–2025, which had a negative effect on all business sectors, the volume of business lending under the Programme increased. According to the NBU, “Affordable Loans at 5–7–9%” Programme has effectively become the sole effective driver of corporate lending. Today, loans under the Programme account for around 35% of banks’ net hryvnia corporate portfolio.

The level of troubled debt under the Programme reached 4.3% and 1.2% at the end of 2022 and 2025, respectively. The Programme helped to strengthen the financial discipline of MSME and acted as a stabilising buffer, limiting the growth of NPLs in the banking system to 24.5% compared with 52.9% in 2018.

### Outcome 3. Breakdown of loans by area of use in 2025 (UAH B)

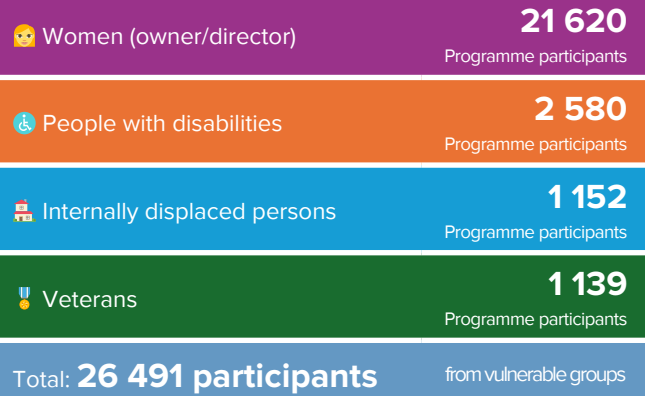


### Outcome 4. The Programme provides support for vulnerable groups in Ukraine

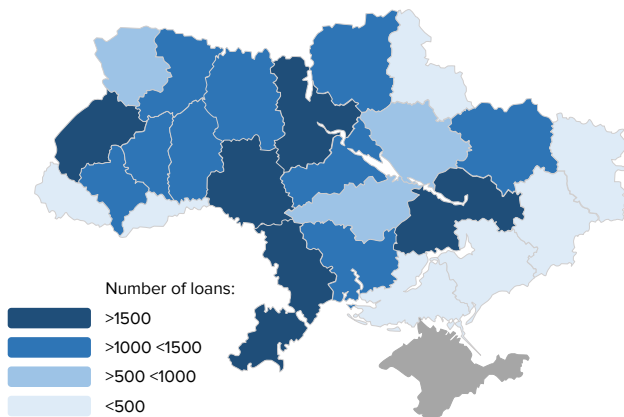


The Programme combines economic benefits with a strong social dimension, providing inclusive support for women, veterans, IDPs and people with disabilities, in line with the principles of sustainable development.

#### The social dimension of the Programme



### Outcome 5. Programme breakdown by regions of Ukraine



### Outcome 6. The Programme is highly popular among Ukrainian banks compared to similar state programmes



By the end of 2025, despite the impact of Russian aggression, the Programme had shifted its geographical focus, concentrating its efforts on the safest regions of Ukraine, where it continued to be widely implemented.

As of 1 January 2026, 48 banking institutions, which cover about 90% of the bank lending market, became authorised banks within the Programme framework.

The main reasons for the banks' interest in the Programme included the Programme's relevance, especially in the context of martial law, and the possibility of providing affordable lending to businesses.

## I. General context and strategic role of the Programme

The “Affordable Loans at 5–7–9%” Programme is in place since 2020, but it was the full-scale Russian invasion that gave it a fundamentally different role. Although it had been one of the tools for stimulating the development of small and medium-sized businesses until 2022, after the invasion began, it effectively became the key — and in some cases the only effective — mechanism for ensuring access to loans. Against a backdrop of market rates at 20–25% per annum, the Programme enabled businesses to attract financing at a time when their own and market resources were no longer available for this purpose.

In 2025, the Programme enters a new phase of development. It is expanding in two areas simultaneously: on the one hand, the state continues to actively support lending under martial law; on the other, there is a deliberate shift away from mass subsidisation of working capital towards more targeted investment lending. This approach reflects the gradual normalisation of the credit market and the desire to direct limited budgetary resources towards projects that generate long-term economic benefits and lay the foundations for business recovery and growth.

## II. Reorientation to the investment lending

The most significant structural change in 2025 was the deliberate reorientation of the working capital financing Programme towards supporting investment projects. The starting point for this transformation was a decision by the Cabinet of Ministers of Ukraine in late April 2024, which reduced the maximum loan amount for working capital from UAH 60M to UAH 5M. At the same time, the state maintained significant limits for investment purposes — up to UAH 150M per project. The priorities are clearly defined: the processing industry, production in regions with high military risk and the reconstruction of destroyed enterprises, the agricultural sector, and projects aimed at increasing energy independence of businesses. This approach reflects the government’s desire to focus state support on areas that foster long-term economic stability and establish a foundation for recovery and growth in the post-war period.

## III. Special regime for areas of high military risk

One of the most conceptually new elements of the Programme in 2025 was a differentiated approach to supporting businesses operating in high-risk regions. Special investment lending terms have been introduced for enterprises in high-risk military zones: a preferential interest rate of 1% per annum for the first 60 months, followed by an increase to 5% per annum. The practical impact of this decision has been significant. Since the start of 2025, banks have already granted 930 loans in such regions, totalling over UAH 5B. This proves that a differentiated interest rate policy not only compensates for the increased risks of doing business but also effectively stimulates investment activity, where it is critical for maintaining an economic presence and future reconstruction.

## IV. Expansion of the list of priority areas

In 2025, the government continued to expand the list of areas eligible for funding under the Programme. Specifically, agricultural producers gained access to loans of up to UAH 150M for the construction of vegetable and potato storage facilities on terms similar to those already in place for enterprises in the livestock and processing sectors.

A separate decision under the Programme authorised funding for the purchase of gas-fired generation units. In this way, the Programme swiftly adapted to the reality of systematic attacks on energy infrastructure and responded to the growing need among businesses for autonomous and reliable energy supply.

## V. Strategic Outlook

As of 2025, the Programme operates at the intersection of crisis relief and industrial policy instruments. The government is deliberately shifting its focus towards long-term development, and this is a strategically sound approach.

The focus is gradually shifting from supporting business liquidity to financing projects that create sustainable economic value. Increased limits for processing (up to UAH 150M), preferential rates for risk zones, and new areas (agricultural storage, power generation) are shaping a systematic industrial policy.

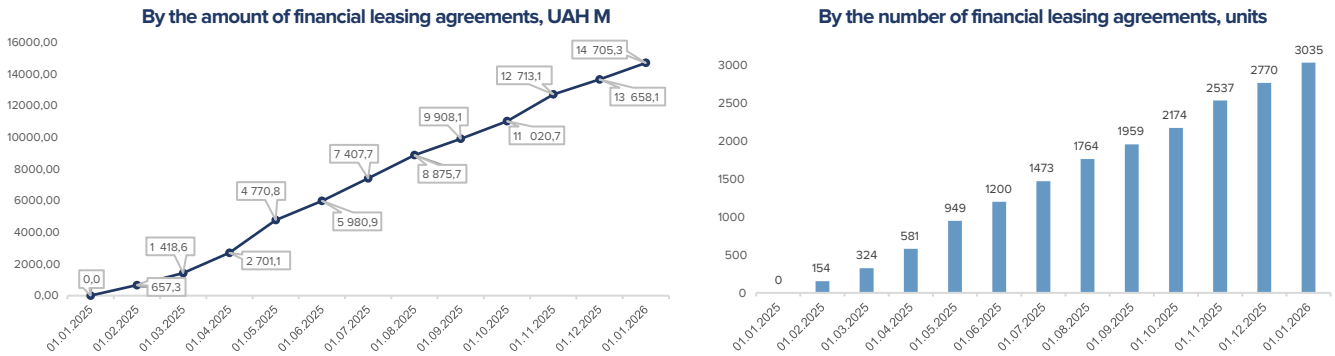
The extension of the Programme until 2027 in the agricultural sector confirms its transformation from a crisis-response tool into a long-term mechanism for supporting the real sector, providing businesses and banks with the necessary planning horizon under conditions of military uncertainty.

## 4.1.2. “Affordable Financial Leasing 5–7–9%” Programme

### PROGRAMME OUTCOMES AS OF 1 JANUARY 2026



#### Dynamics of the financial leasing portfolio under the Programm

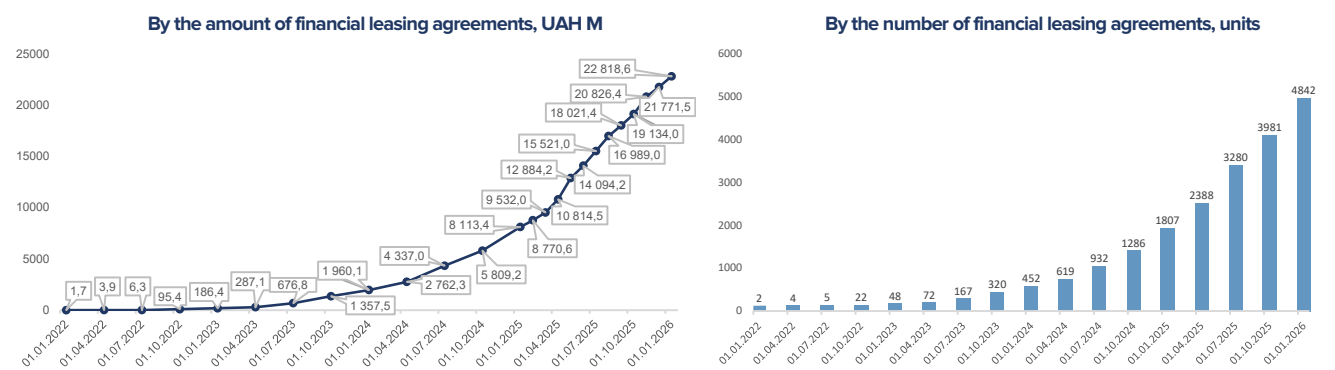


Throughout 2025, the “Affordable Financial Leasing 5–7–9%” Programme demonstrated steady positive growth and a significant acceleration in development. This is clearly evidenced by the almost two-fold increase in the financial leasing portfolio under the Programme compared to 2024. Such growth rates confirm the increasing role of financial leasing as an effective financial tool, which is gradually intensifying competition with the “Affordable Loans at 5–7–9%” State Programme. The Programme’s rapid development is primarily driven by high demand for leased assets to restore and expand businesses, particularly in regions that have suffered significant losses as a result of Russian aggression and the imposition of martial law in Ukraine. At the same time, this trend is an indicator of a significant revival of the financial market in the leasing finance segment and growing business confidence in this support tool.

### PROGRAMME OUTCOMES AS OF 1 JANUARY 2026 (FOR THE ENTIRE PROGRAMME PERIOD)



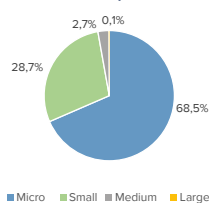
#### Dynamics of the financial leasing portfolio under the Programme



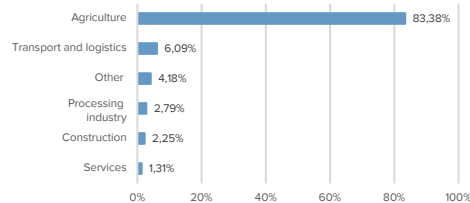
In 2022–2023, the financial leasing market under the “Affordable Financial Leasing 5–7–9%” Programme was in recovery, with moderate growth. From 2024 onwards, a steady upward trend emerged, transitioning into active expansion in 2025. It was in 2025 that a sharp increase in financing volumes was recorded – from UAH 8.1B to over UAH 20B. Such a dynamic indicates a significant expansion of the financial leasing market, as well as growing business demand for this tool as an effective mechanism for modernising and developing production capacity.

#### Structure of the financial leasing portfolio under the Programme

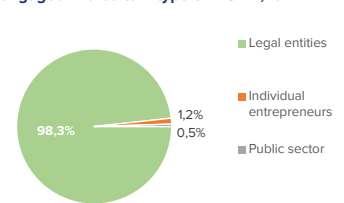
Share of business segments in the total loan portfolio, %



Financial leasing agreements by type of business activity, %



Programme participants’ makeup by number engaged in a certain type of MSME, %



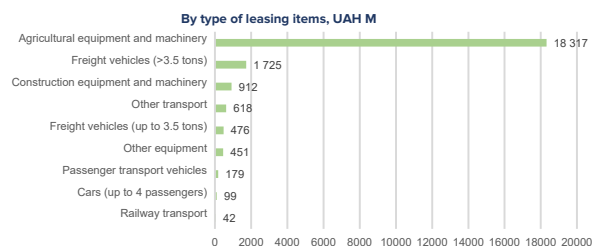
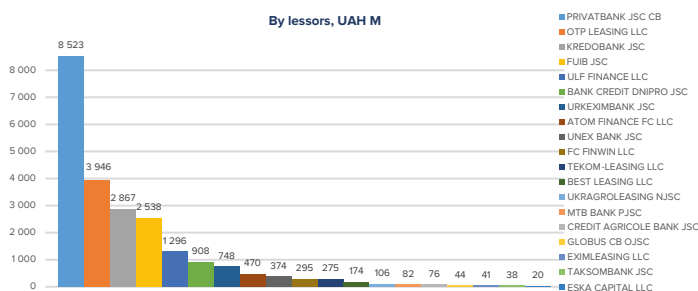
Micro-enterprises and small businesses provided over 97% of the total funding under the Programme, which clearly demonstrates that it is these business segments that have the greatest need for accessible financial tools for the development, modernisation and expansion of their operations.

Medium-sized enterprises accounted for almost 3% of the total funding. This is due to their greater financial capacity, including access to traditional bank lending or other alternative sources of capital.

By the end of 2025, financial leasing is most widely used in the agricultural sector, as expected given agriculture's high capital intensity and the need for regular machinery renewal. In this context, leasing serves as a convenient and effective financing tool, enabling agricultural producers to maintain their production capacity without a significant one-off financial burden.

Transport and logistics also account for a significant share of financial leasing usage, where the renewal and expansion of the vehicle fleet is a critical factor for uninterrupted operational activity and competitiveness. In contrast, enterprises in the processing industry and the construction sector make almost no use of leasing tools. This indicates their greater reliance on traditional bank lending or the use of specialised state support programmes. The services sector shows the lowest share of financial leasing usage, indicating this sector's low dependence on assets that are suitably financed through leasing mechanism.

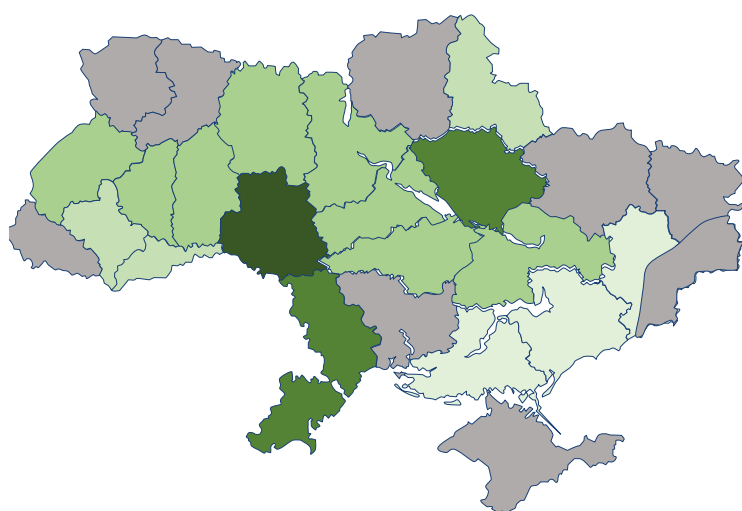
As in previous years, in 2025 financial leasing is almost entirely focused on legal entities, which drive the bulk of demand due to their systematic investment needs and greater financial capacity. For this segment, leasing remains an effective tool for renewing fixed assets and managing liquidity. By contrast, individual entrepreneurs and the public sector make almost no use of lease financing. This low level of activity is due to the complexity of procedures, limited financial transparency, regulatory barriers, and the availability of alternative sources of funding, in particular, budgetary funds or targeted support programmes. At the same time, this situation indicates untapped growth potential. The development of specialised leasing products — simplified solutions for individual entrepreneurs — and preferential or guaranteed programmes for the public sector could become a key factor in diversifying the customer base and further developing the market.



In 2025, PrivatBank JSC CB and OTP Leasing LLC remained the undisputed leaders of the Programme, having not only maintained but also significantly strengthened their positions. The volume of financing provided by these institutions amounted to UAH 8.52B and UAH 3.94B, respectively, emphasising their key role in shaping and scaling the financial leasing portfolio. At the same time, other leading market participants — KREDOBANK JSC, FUIB PJSC, BANK CREDIT DNIPRO JSC and the leasing company ULF FINANCE LLC — also made a significant contribution to the implementation of the Programme. Their active participation demonstrates the banking sector's and individual leasing companies' strong interest in developing this financing tool. Overall, the market structure is characterised by high concentration: banks account for a significant portion of the leasing portfolio, confirming their dominant position in the financial leasing sector. At the same time, smaller banks and leasing companies — notably UNEX BANK JSC and BEST LEASING LLC — are gradually finding their niche within the Programme. Although their share remains limited at present, the existence of stable demand opens up opportunities for further growth. Leasing companies, such as ATOM FINANCE FC LLC and FC FINWIN LLC, play an important role in complementing the banking segment, providing greater flexibility and a wider variety of financial solutions within the Programme.

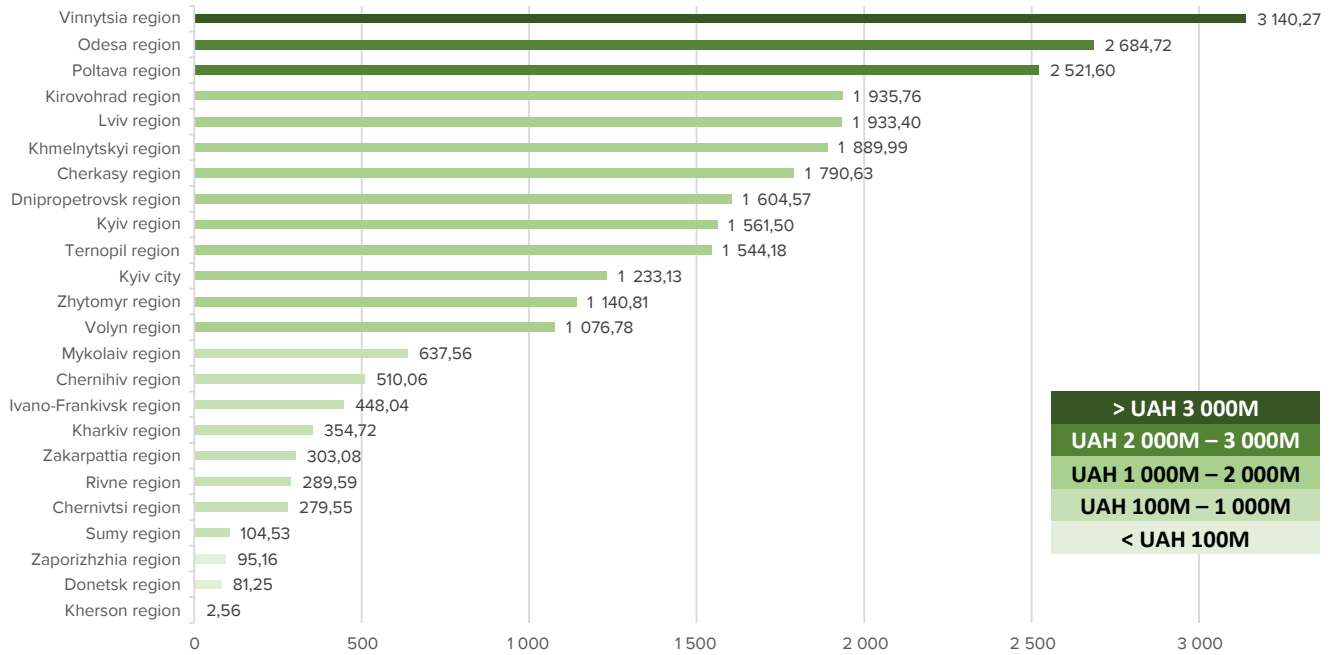
In 2025, agricultural machinery remains the undisputed leader in terms of funding under the Programme, with UAH 18.31B allocated to this sector. Such a significant concentration of resources is to be expected and reflects the strategic role of the agricultural sector as a key driver of the country's economy. The industry's high capital intensity and the constant need to renew the machinery fleet make financial leasing one of the most effective tools for supporting agribusiness. The second-largest category was freight transport vehicles (over 3.5 tonnes), with financing of UAH 1.72B. This indicates sustained demand for the modernisation of the heavy-duty vehicle fleet, primarily in the sectors of logistics, agricultural transport and industrial distribution. Construction equipment and machinery attracted UAH 912M, indicating stable, albeit more subdued, demand from the construction sector.

This level of financing reflects the sector's cautious recovery and businesses' need to renew fixed assets without excessive financial burden. At the same time, financing for passenger cars and rail transport remains insignificant — UAH 99M and UAH 42M, respectively. This may be due both to the lower relevance of leasing tools for these categories and to the availability of alternative sources of financing, in particular direct procurement, bank lending or targeted government programmes.



In 2025, Vynnytsia region emerged as the clear leader in terms of funding under the Programme, with the total amount of funds raised reaching UAH 3,140.27M. This result reflects a high level of business activity in the region and a significant demand from businesses for leasing tools to upgrade and develop their material and technical base. Odesa and Poltava regions also held strong positions, with businesses in each region receiving over UAH 2.5B in funding. This reflects stable demand for leasing in regions with developed agricultural, logistics and industrial potential. A broad group of regions, including Kirovohrad, Lviv, Khmelnytskyi, Cherkasy, Dnipropetrovsk, Kyiv and Ternopil regions, show financing ranging from UAH 1B to UAH 2B. This geographical distribution indicates balanced demand for financial leasing across the country and a gradual recovery in investment activity at the regional level. At the same time, the lowest figures were recorded in Zaporizhzhia, Donetsk and Kherson regions, which is objectively due to security risks, the consequences of hostilities and limited economic activity in these areas.

By regions of Ukraine, UAH M



### 4.1.3. “Affordable Factoring” Programme

“Affordable Factoring” State Programme is financial support that works for Ukrainian manufacturers

The “Affordable Factoring” Programme is a government initiative launched on 14 December 2023 with the support of the Ministry of Finance and the Ministry of Economy of Ukraine. It has become a new tool within the “Affordable Loans at 5–7–9%” Programme, and was specifically designed to support micro, small and medium-sized enterprises. First and foremost, it is aimed at manufacturers, exporters, and companies that operate on deferred payment terms or participate in public procurement. However, its main value lies in its focus on real business: entrepreneurs who take risks, create jobs, support the economy, and require accessible financial instruments for stable development.

The National Development Institution launched the Programme in 2023 Q4. The main objective of “Affordable Factoring” is to enable businesses to quickly access working capital without having to wait for payments from counterparties and without using traditional loans. In many cases, an enterprise has already shipped its goods or provided a service, but payment has not yet been received. At the same time, expenses do not stop: wages must be paid, raw materials purchased, and daily operational needs met. It is precisely the shortage of working capital that remains a critical bottleneck for many businesses, hindering development and scaling, and in difficult times even threatening the continuity of operations.

«Affordable Factoring» meets this need by offering businesses a flexible and practical financial tool that enables them to maintain liquidity and plan for future growth with greater confidence.

This is when factoring becomes a real life-saver for businesses. When an enterprise transfers the right to a monetary claim against its customer to a bank and, in return, receives up to 95% of the future payment, it immediately resolves its liquidity problem.

Under the «Affordable Factoring» Programme, the state makes this tool not only accessible but also financially advantageous — it compensates for part of entrepreneurs’ expenses, in particular by reducing the cost of attracted funds to 13% per annum through a mechanism that compensates the interest rate under the factoring agreement.

“Affordable Factoring”, first of all, is about trust in Ukrainian businesses. It demonstrates the state’s commitment to supporting entrepreneurs even in the most challenging circumstances and to seeking flexible and practical solutions. For many companies, this represents a real opportunity not only to stay afloat, but also to grow, expand their operations and enter new markets. The Programme operates in accordance with the government Procedure approved by Resolution of the Cabinet of Ministers of Ukraine No. 28 of 24 January 2020 (as amended by Resolution of the Cabinet of Ministers of Ukraine No. 1016 of 22 September 2023). It enables Ukrainian micro, small and medium-sized enterprises — producers of goods, services or works — to obtain factoring financing from authorised banks with partial compensation of costs by the state.

For businesses, this means immediate access to «live» funds without having to wait weeks or months for

payments from counterparties. It also offers greater flexibility, more predictable cash flows, and reduced risk of late payments. MSMEs receive financing more quickly and at a lower cost thanks to state support.

In the very first year of the Programme implementation, during 2023–2024, 10 factor banks joined it. As of the reporting date, the number of authorised banks had risen to 11, and 124 agreements had been concluded with enterprises from 19 regions of Ukraine. This clearly demonstrates the Programme’s popularity and its practical value for Ukrainian businesses.

Businesses in front-line and de-occupied territories, i.e. regions where the need for rapid access to finance is most acute, have been particularly active within the Programme. It is there that factoring has become a critically important tool for maintaining business operations.

The high level of interest from businesses and the Programme’s practical effectiveness have yielded tangible results: the total value of financed transactions exceeded UAH 2.4B, whilst the total amount of compensation for base fees paid to factor banks reached UAH 95.3M.

The maximum funding limit for one enterprise or a group of related counterparties is UAH 150M, with the possibility of funding up to 95% of the contractual debt. Importantly, this mechanism is revolving within the established limit, allowing businesses to use the tool on an ongoing basis. Furthermore, the state, through the National Development Institution, assumes part of the financial burden: the base fee for factoring is reduced to 13% per annum, which significantly lowers the cost of financing for enterprises.

2024 was a year of the Programme’s active development and improvement. Considerable

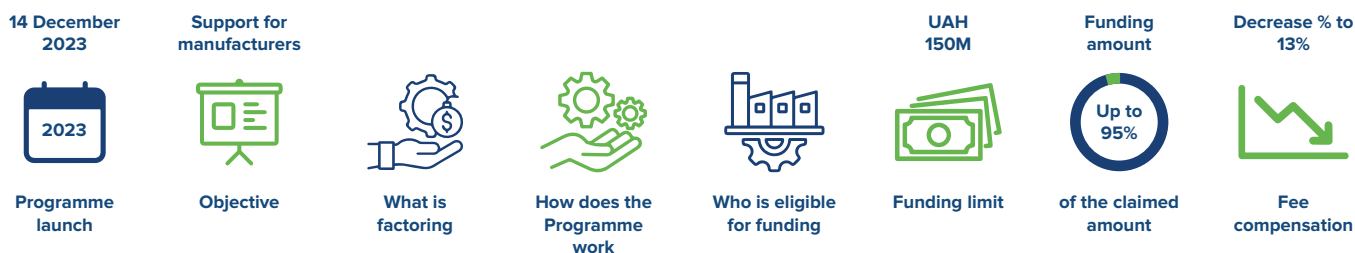
attention was paid to widening the range of participating banks: one of the key market players, FUIB JSC, joined the partnership, having signed an agreement with the Development Institution at the end of 2024. By 2025, 7 authorised factors were already actively participating in the Programme.

Information support for businesses became a separate priority. Throughout 2024, webinars, training events and communication campaigns were held for entrepreneurs, and video success stories were created. The Institution’s information strategy involved close cooperation with banks and regional business communities, which made it possible to attract a wider range of participants to the Programme.

Equally important has been the shift in entrepreneurs’ attitudes towards factoring itself. Today, an increasing number of companies are confidently utilising it in their day-to-day operations, having seen that state support is stable and genuinely effective.

Further growth is expected according to the forecasts for 2026. Authorised factor banks, taking into account the results and trends for 2025, estimate the potential volume of financing at up to UAH 2.5B. According to the budget programme passport for 2026, UAH 200M in budget funds has been allocated for the implementation of «Affordable Factoring». In comparison, in 2025, UAH 66.1M was utilised. The planned funding volume is sufficient to ensure the Programme’s expected development, particularly given the active expansion of FUIB JSC’s presence within it.

“Affordable Factoring” provides real support to those who are already building Ukraine’s economy today, despite all the challenges of wartime. It is a financial tool that works in favor of business: fast, flexible, transparent, and with the active state involvement.

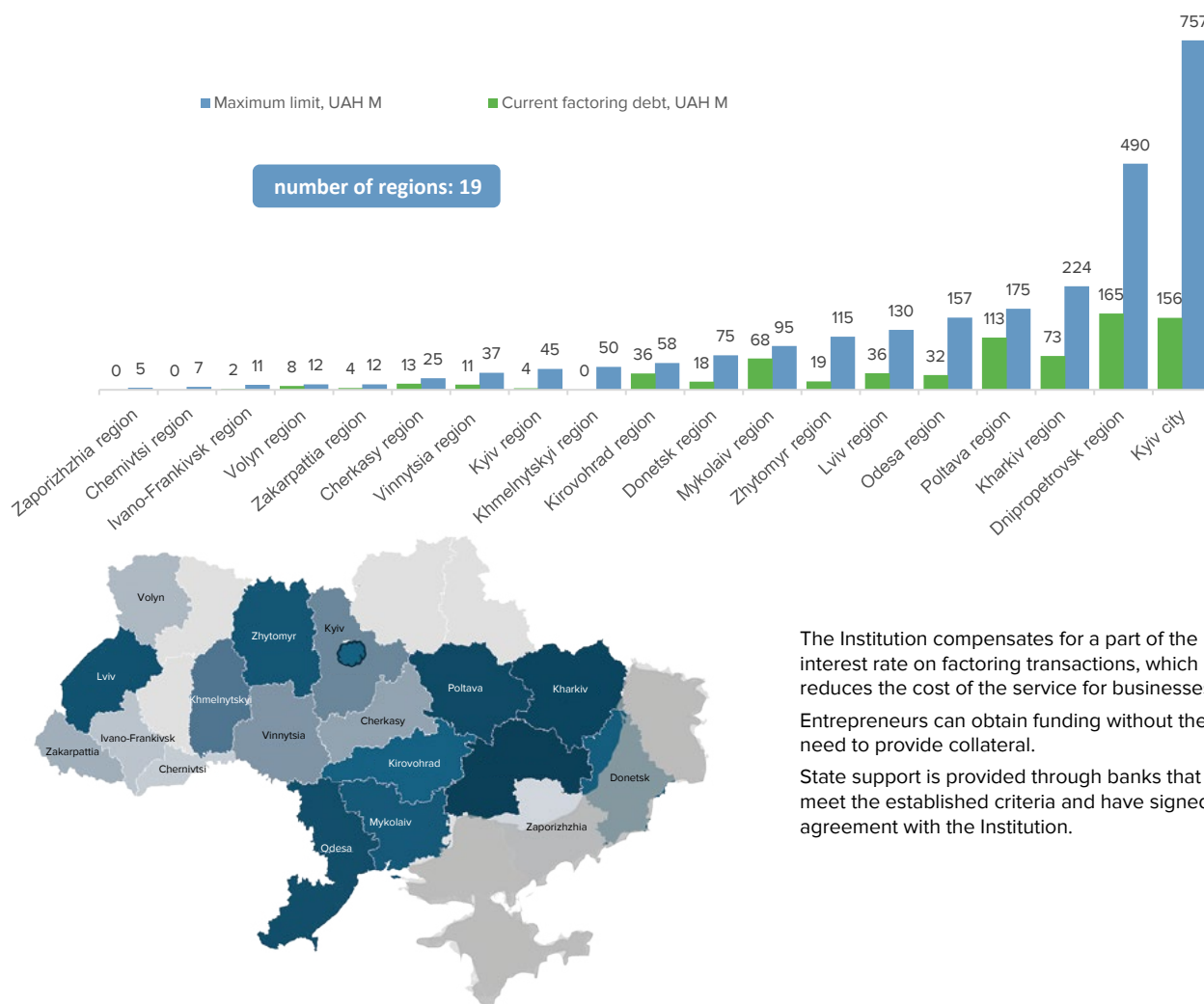


- The “Affordable Factoring” Programme, introduced by the Ministry of Finance and the Ministry of Economy of Ukraine, was launched on **14 December 2023** as part of a government initiative to support micro, small and medium-sized enterprises. The Programme is a new financial tool designed to help MSMEs secure working capital. The National Development Institution launched the Programme in 2023 Q4.
- The main objective of this Programme is to help entrepreneurs access affordable financing on favourable terms. Factoring enables enterprises to quickly obtain the necessary funds without incurring additional debt burden, thereby helping to improve liquidity and ensure the stable operation of the business. **11 factor banks have been involved**

**11 factor banks have been involved:**

• TASCOMBANK JSC	• FUIB JSC
• MTB BANK PJSC	• BANK CREDIT DNIPRO JSC
• COMINBANK JSC	• RADABANK JSB JSC
• GLOBUS CB OJSC	• SENSE BANK JSC
• OTP BANK JSC	• CRYSTALBANK JSC
• VST BANK JSC	

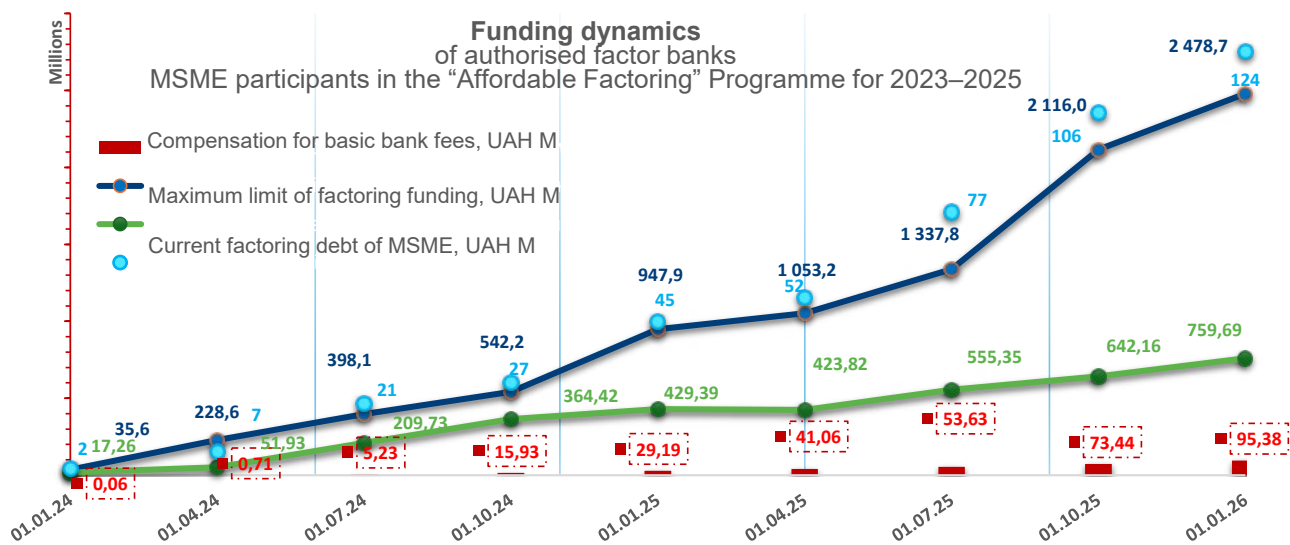
- Factoring is a financial tool that helps businesses receive payment for goods shipped or services provided before the customer has actually paid. Under the Programme, the business transfers its claim against the buyer for unpaid goods or services to the bank (the authorised factor) in return for a fee, thereby receiving funding before the buyer makes payment.
- The Programme has been developed in accordance with the Procedure for Providing Financial State Support under Factoring Contracts adopted by the Resolution of the Cabinet of Ministers of Ukraine No. 28 of 24 January 2020 (as amended on 22 September 2023), which sets out the conditions, criteria, and mechanism for its implementation. **124 agreements between MSMEs and factor banks**
- The Programme enables Ukrainian producers of goods, services or works of Ukrainian origin designed for sale (or transfer for payment) to access affordable financing through factor banks that collaborate with the National Development Institution. **19 participating regions**
- The maximum financing limit under a factoring agreement for a single business entity (and its related counterparties) may not exceed UAH 150M. Within this limit, funding is renewable. **UAH 2.48B total funding limit**
- Up to 95% of monetary claims under factoring agreements to improve business liquidity. **The current volume of funds withdrawn through factoring stands at UAH 760M**
- National Development Institution compensates entrepreneurs for part of the costs of the base fee under a factoring agreement, reducing it to 13% per annum. **The amount of compensation paid to MSMEs for the base fee is UAH 95.3M**



The Institution compensates for a part of the interest rate on factoring transactions, which reduces the cost of the service for businesses. Entrepreneurs can obtain funding without the need to provide collateral. State support is provided through banks that meet the established criteria and have signed an agreement with the Institution.

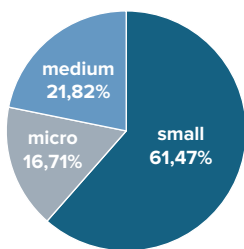
14 December 2023	Support for manufacturers	Funding mechanism	Micro, small and medium-sized businesses	Ukrainian manufacturers	UAH 150M	Funding amount	Decrease % to 13%
Programme launch	Objective	What is factoring	How does the Programme work	Who is eligible for funding	Funding limit	of the claimed amount	Fee compensation
Ministry of Finance and Ministry of Economy	Conditions: CMU Resolution No. 28 of 24 January 2020	11 factor banks have been involved	124 agreements between MSMEs and factor banks	19 participating regions	UAH 2.48B total funding limit	The current volume of factoring stands at UAH 760M	UAH 95.3M of fee compensation

FACTORS INFLUENCING THE PROGRAMME PERFORMANCE AND FINANCIAL RESULTS

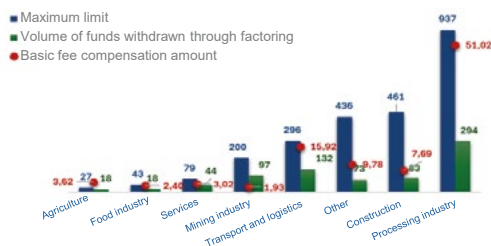


Analysis of the participating MSMEs structure and funding forecast for 2026

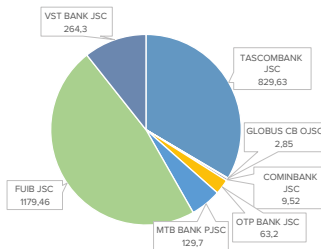
MSMEs financing by company size



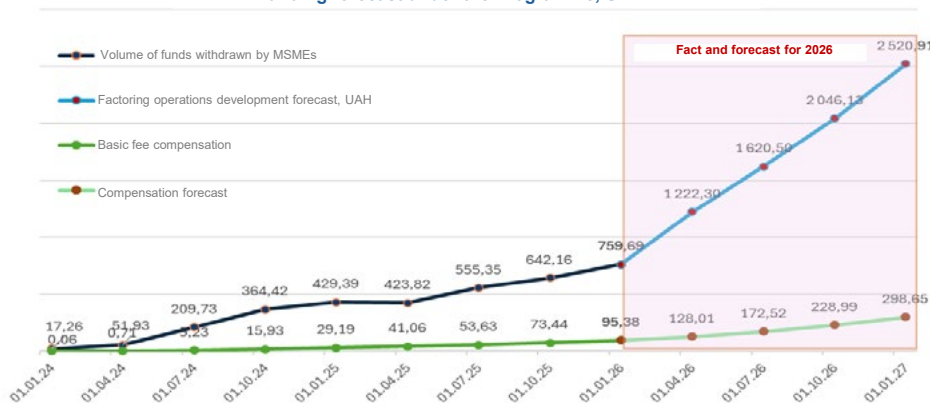
Status of funding under factoring agreements by industry, UAH M



Participation of authorised factors in the Programme as of 1 January 2026, by banks, UAH M



Funding forecast under the Programme, UAH M



According to the budget Programme document for 2026, the total budget allocation for the «Affordable Factoring» Programme is set at UAH 200M.

FUIB JSC is actively expanding its presence within the Programme.

According to the forecast by authorised factors, the budget funds allocated to the Programme will be sufficient for the Programme’s current level of development.

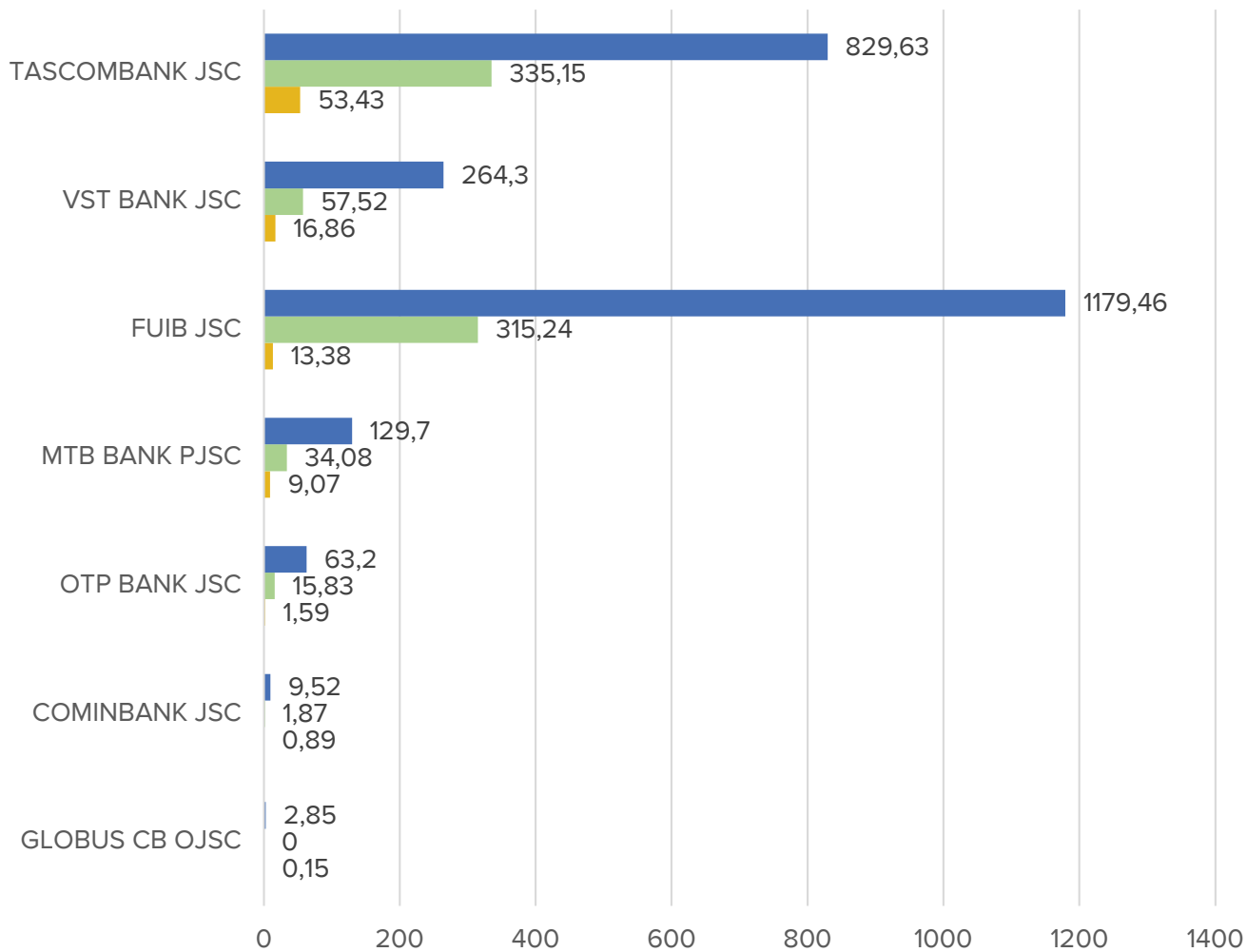
The Programme demonstrates a steady increase in funding, which indicates its successful implementation and growing demand.

The expected increase in compensation in 2026 indicates an increase in the availability of business support.

The drastic increase in funding in 2025 is due to the involvement of additional participating banks, including FUIB JSC, with the largest capabilities.

Authorised factor banks, active participants of the Programme as of 1 January 2026

Number of active factor banks 7



- Basic fee compensation, UAH M
- Current debt under the factoring agreement, UAH M
- Maximum funding limit under a factoring agreement, UAH M



## SUCCESS STORIES

### From Sloviansk to all over Ukraine: how white clay ceramics help sustain a livelihood

Artem Maryniuk is a founder of the NANA CERAMICS brand. He produces ceramic vases, pots and souvenirs from white clay in frontline Sloviansk. His business is a true family enterprise, founded by his parents back in the late 1990s, which he took full responsibility for in 2020. The company now consists of Artem, his wife, and three employees.

The uniqueness of NANA CERAMICS lies not only in the design and quality, but also in the material itself: the white clay used to make the products is sourced right here in Sloviansk. «This is one of the main reasons why we cannot leave the city, even amidst the war. Whole Ukraine, and even parts of Europe, use this clay for ceramic production. If we lose Sloviansk, we'll lose our raw materials too,» explains Artem.



### War as a challenge and a fresh start

After the full-scale invasion began, the business was shut down for six months. Due to the threat of shelling, Artem and his family evacuated. But as soon as the situation in the city became relatively stable, he returned — and began to restart production. Literally: with new logistics, new customers and new sales channels.

“We completely changed our strategy. Whereas before we sold to large clients and didn’t worry too much about marketing, we now work with everyone: large chains, small online shops, regional flower markets. And all this thanks to social media, postal services and trade fairs. We’ve become flexible and visible,» says Artem.

Read the full story at the link:





## SUCCESS STORIES

### Carving through challenges: how a craftsman from Dnipropetrovsk region has stayed in business and plans to teach veterans

Pavlo Klymenko from Samar, Dnipropetrovsk region, is a master of artistic woodcarving who has turned his hobby into his life's work.

Before the full-scale invasion, he made decorative elements for furniture, interiors and iconostases, had a stable client base in eastern Ukraine and worked in a cluster with other craftsmen.

"I wanted Samar to become the centre of woodcarving in Left-bank Ukraine," says Pavlo.



24 February 2022 completely changed the entrepreneur's life. "I lost the market in just one day. Most of my clients were from the Donetsk, Kharkiv and Zaporizhzhia regions. Some people left, some remained under occupation."

To adapt to the new circumstances, Pavlo decided to modernise his workshop, design a website, and launch new services — and applied for the EU4Business grant programme.

"This programme was the first to provide feedback at every stage. Everything is clear, simple and quick. And that's very inspiring."

Read the full story at the link:



## 4.2. State interest rate compensation programmes to support households

### 4.2.1. “Energy Independence of Individuals—Household Owners” Programme

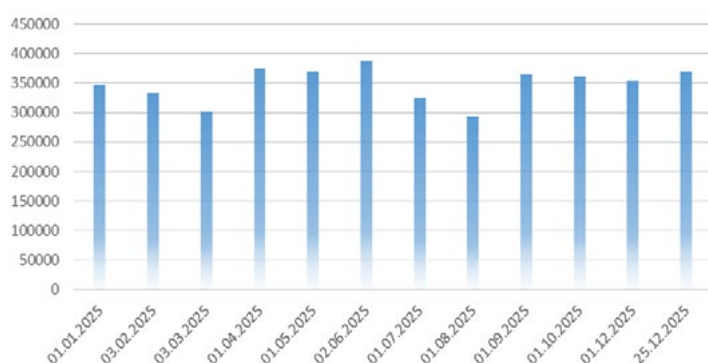


The “Energy Independence of Individuals — Household Owners” Programme is designed to support Ukrainian citizens in their transition to alternative energy sources and to enhance the energy resilience of households.

The key mechanism of the Programme is the compensation of interest rates on loans taken out for the purchase and installation of hybrid power supply systems, in particular solar panels, inverters and energy storage systems. The Programme was introduced in accordance with Resolution of the Cabinet of Ministers of Ukraine No. 673 of 7 June 2024. It provides for the

granting of preferential loans at 0% per annum for a term of up to 10 years, for amounts of up to UAH 480,000, through authorised banks. This financial tool makes investments in autonomous and energy-efficient solutions more accessible to a wide range of households. Implementation of the Programme helps to reduce the population’s dependence on centralised energy supply, enhance energy security in the face of military challenges, and stimulate the development of «green» energy in Ukraine, creating long-term conditions for the sustainable development of the energy system.

#### The Programme development in terms of the loans granted to household owners and installed solar panel capacity

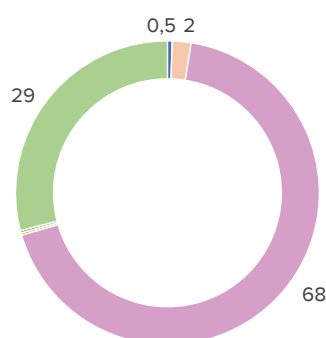


The “Energy Independence of Individuals — Household Owners” Programme is a presentation of the government’s initiative to ensure Ukraine’s energy independence.

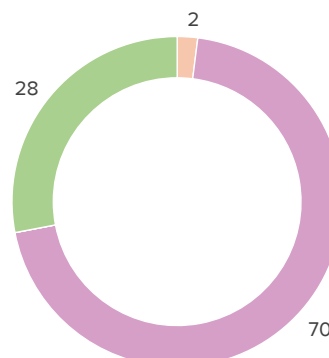
Since the launch of the Programme in 2024, households have been interested in it: the amount of loans granted under the Programme has a steady upward trend and amounted to UAH 1,404.2M as of 31 December 2025.

Among partner banks, the most active are Oschadbank JSC and Privatbank PJSC CB in terms of the number of approved loan applications and installed solar panel capacity.

Number of approved applications by bank



Solar panels capacity by bank



■ UKRGAZBANK JSC ■ GLOBUS CB OJSC ■ OSCHADBANK JSC  
■ POLTAVA-BANK JSC ■ SENSE BANK JSC ■ PRIVATBANK CB JSC

■ UKRGAZBANK JSC ■ GLOBUS CB OJSC ■ OSCHADBANK JSC  
■ POLTAVA-BANK JSC ■ SENSE BANK JSC ■ PRIVATBANK CB JSC



Ukraine's region	Power unit capacity, kW
Kyiv region and Kyiv	5,386.56
Lviv region	3,958.22
Ivano-Frankivsk region	2,392.66
Dnipropetrovsk region	1,695.69
Zakarpattia region	1,418.87
Poltava region	1,966.53
Kirovohrad region	425.305
Cherkasy region	1,350.24
Rivne region	2,281.11
Odesa region	1,140.02
Chernivtsi region	1,566.34
Vinnitsia region	1,539.42
Chernihiv region	1,070.30
Khmelnyskyi region	1,390.15
Volyn region	1,599.21
Zhytomyr region	937.68
Sumy region	504.43
Mykolaiv region	1,075.35
Kharkiv region	411.35
Ternopil region	730.15
Zaporizhzhia region	181.33

In 2025, the highest installed capacity of solar panels by households, broken down by administrative region, was recorded in Kyiv region and Kyiv, as well as in Lviv and Ivano-Frankivsk regions. The leadership of these regions is explained by a combination of factors, in particular the high affordability of the population, a significant concentration of private housing, and greater public awareness of opportunities for state support in the field of energy efficiency and renewable energy. Western areas, particularly Lviv and Ivano-Frankivsk regions, have traditionally shown strong engagement in renewable energy projects, driven by favourable natural conditions and public demand for energy independence. The high figures for the capital region, in turn, reflect the concentration of financial resources and better access to banking products and to the infrastructure required for installing solar stations. At the same time, the Programme is not limited to specific regions. The administrative distribution of installed capacity indicates interest from households across all regions of Ukraine, confirming the Programme's nationwide scope and its role as an effective tool for enhancing the population's energy independence. This dynamic creates the prerequisites for further scaling up of the Programme and the development of a more sustainable, decentralised energy system for the country.

## 4.3. International programmes to refinance Ukraine’s state budget expenditures under the NDI state programmes

### 4.3.1. Ukraine Agriculture Recovery Inclusive Support Emergency (ARISE) Project

Between 2022 and 2025, the National Development Institution took part in the implementation of a large-scale international project — Ukraine Agriculture Recovery Inclusive Support Emergency (ARISE) — aimed at supporting Ukraine’s agricultural sector in the context of full-scale war and ensuring food security for Ukraine and the world.

The ARISE project was initiated by the World Bank in cooperation with the Government of Ukraine as a comprehensive mechanism to support agricultural production during the military crisis. Its key goal was to ensure the continuity of the sowing and harvesting

campaigns, as well as to create conditions for the inclusive recovery of agriculture, in particular by expanding small agricultural producers’ access to funding and state support.

At the same time, ARISE has served as an example of how Ukrainian state institutions, even in the context of war, continue to play a key role in implementing economy and business support policies. The project was developed as a \$700 million financing facility utilising rapid response tools for crisis and emergency situations.

The initial funding package included:



The project implemented two key support areas:



The National Development Institution played a significant role in the implementation of ARISE, acting as one of the key institutional partners in the roll-out of financial instruments to support the agricultural sector. The Institution ensured the administration and implementation of certain project components aimed at expanding agricultural producers’ access to funding, in particular through affordable lending mechanisms and risk-sharing tools.

The project’s implementation helped support thousands of Ukrainian farms, including small

producers, who worked under conditions of limited access to liquidity, disrupted logistics, rising costs, and the constant wartime risks. Thanks to ARISE’s instruments, farmers got the chance to continue production, carry out the sowing campaign, upgrade their technical infrastructure, and sustain economic activity in their communities.

A key component of the project’s implementation was the adoption of environmental standards in line with World Bank requirements. All support mechanisms implemented under ARISE took into account the

requirements of the World Bank's Environmental and Social Framework (ESF), a system of environmental and social principles aimed at ensuring sustainable, safe, and inclusive development.

As part of the project, the National Development Institution ensured the integration of relevant environmental and social approaches into the administration of support programmes, including:

- ➔ **Compliance with the requirements for environmental safety and the responsible use of natural resources;**
- ➔ **Taking into account the principles of inclusion and non-discrimination;**
- ➔ **Ensuring the transparency of beneficiary selection procedures;**
- ➔ **Assessing potential environmental and social risks when implementing measures;**
- ➔ **Introducing mechanisms for handling enquiries and complaints from programme participants.**

Particular attention was paid to supporting small agricultural producers and ensuring equal access to financial instruments for different categories of agricultural producers, particularly in vulnerable and war-affected regions. This approach was consistent with the principles of sustainable recovery, which are a fundamental requirement of international financial organisations when implementing post-crisis recovery programmes.

The implementation of environmental and social standards as part of ARISE has also helped strengthen the National Development Institution's institutional capacity to operate in compliance with international

project management, risk management, transparency, and accountability standards.

The National Development Institution's participation in the ARISE marked an important step in strengthening the NDI role in international programmes to support businesses and the development of financial instruments for micro, small and medium-sized enterprises, particularly in the agricultural sector. The project has also served as an example of effective coordination between the Government of Ukraine, international financial organisations and national development institutions to support the country's economic resilience in the context of the war.

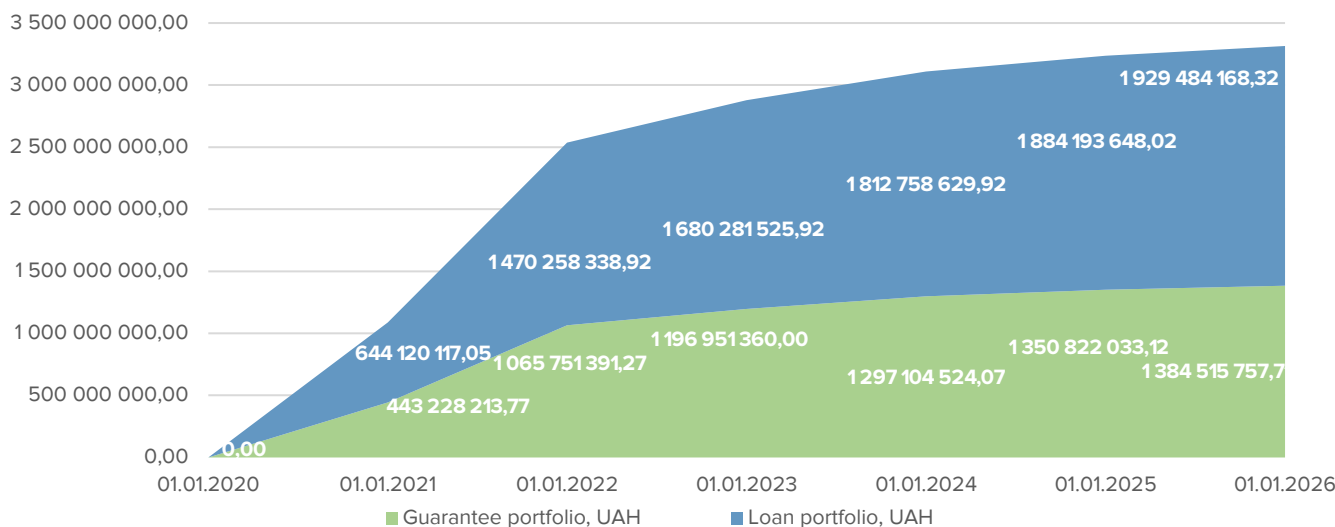
## 4.4. NDI Loan Guarantee Programme

### PROGRAMME DELIVERABLES WITH REGARD TO LOAN GUARANTEES AS OF 1 JANUARY 2026

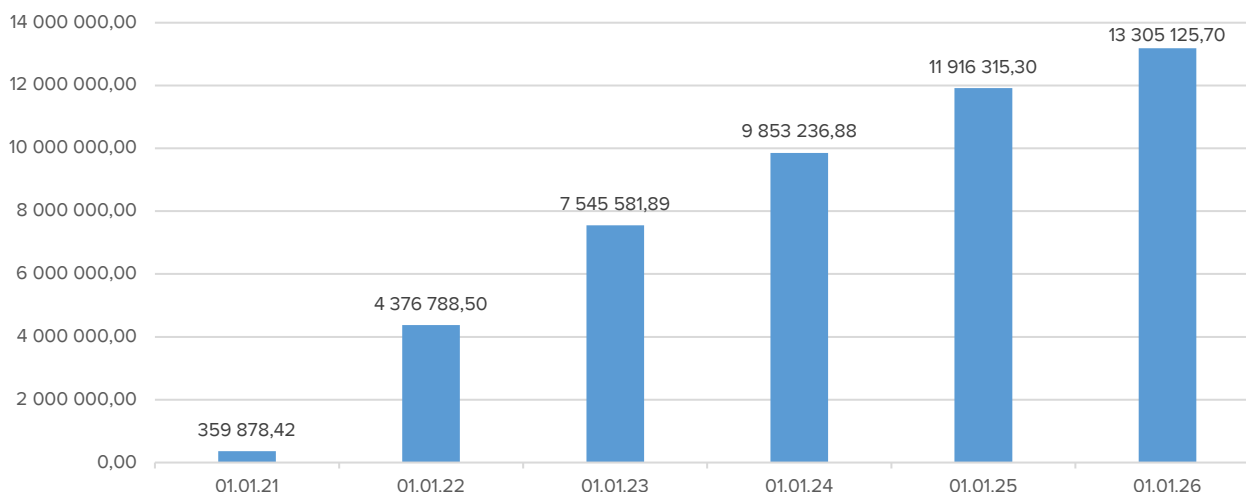
<b>5</b> Number of authorised banks	<b>291.91M</b> UAH MSME portfolio with NDI guarantee	<b>202.65M</b> UAH Guaranteed SME portfolio	<b>101.32M</b> UAH The maximum amount payable under NDI guarantees	<b>13.31M</b> UAH Guarantee fund gains (fee)	<b>60.32M</b> UAH Amount of guarantees paid	<b>4%</b> Guarantee events
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In 2025, as part of the “Affordable Loans at 5–7–9%” State Programme, the National Development Institution continues to provide portfolio state loan guarantees, via authorised banks, for loans to micro, small and medium-sized enterprises (MSMEs). The idea is that the government takes on part of the business’ credit risk. This allows banks to lend more actively to MSMEs, particularly those with limited collateral or higher risk profiles, whilst increasing the amount of available financing in the market. The size of the portfolio loan guarantee ranges from 50% to 80% of the amount of an individual MSME loan, whilst the total volume of state guarantees may not exceed 50% of the total guaranteed loan portfolio of such businesses at each authorised bank. This model allows for a balance between the interests of the state and the financial sector and ensures the effective use of budgetary resources.

Historical changes in loan and guarantee portfolios

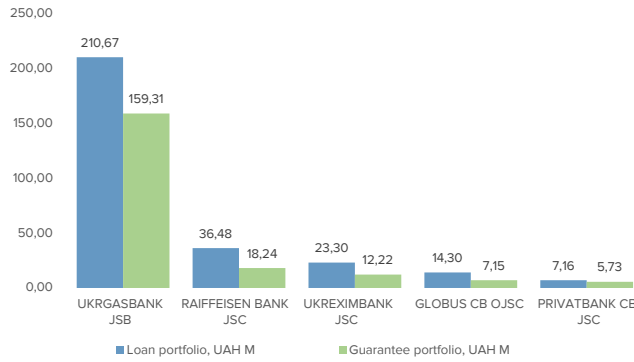


Guarantee fund gains owing to the guarantee fee, UAH

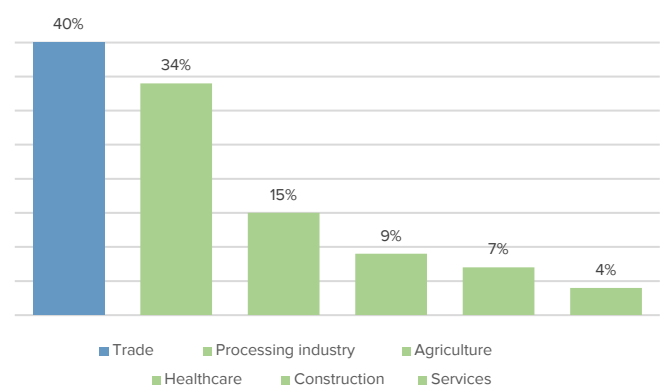


Since the introduction of the loan guarantee mechanism, the National Development Institution has provided authorised banks with portfolio guarantees totalling UAH 1.38B as part of a UAH 1.92B loan portfolio for MSMEs. Thanks to this instrument, small and medium-sized businesses have gained broader access to bank financing, particularly in conditions of heightened risks and a limited collateral base. Over the period 2020–2025, the guarantee fund grew to UAH 13.31M. It is funded by a guarantee fee of 0.5% per annum of the guaranteed MSME loan portfolio. At the same time, payments on claims by authorised banks amounted UAH 60.32M, corresponding to 4% of the total guaranteed portfolio. These figures indicate a controlled level of risk and the financial stability of the state portfolio guarantee model.

**GUARANTEE PORTFOLIO BY AUTHORISED BANKS, UAH M**



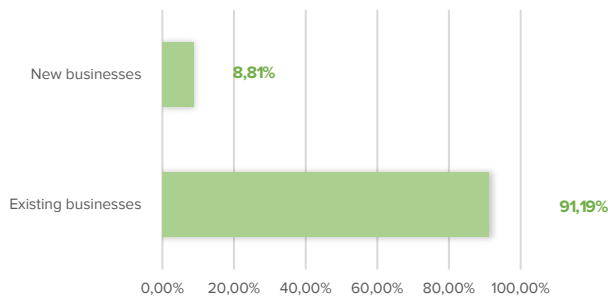
**GUARANTEE PORTFOLIO SECTORAL MAKEUP, %**



The current value of the MSME loan portfolio guaranteed by the NDI as of 1 January 2026 stands at UAH 291.91M, whilst the value of the guaranteed MSME portfolio is UAH 202.65M.

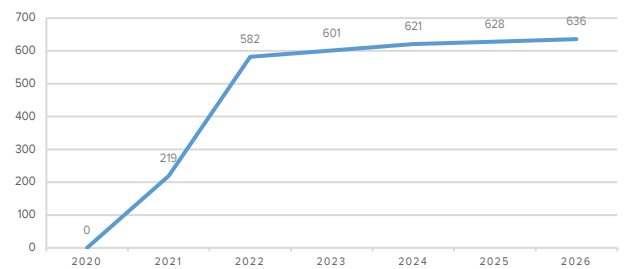
In terms of area breakdown, the largest share of the current portfolio is accounted for by loans secured by NDI guarantees granted to MSMEs in the trade sector; the share of industrial and agricultural producers is slightly lower, whilst other areas have significantly lower figures.

**GUARANTEE PORTFOLIO SPREAD BY MSME CATEGORIES, %**



The majority of the guaranteed portfolio consists of loans provided to representatives of existing businesses, due to the need to cover risks arising when MSMEs conduct business under martial law.

**QUANTITATIVE CHANGES IN THE GUARANTEE PORTFOLIO**



Throughout the “Affordable Loans at 5–7–9%” Programme, authorised banks concluded 636 loan agreements secured by the NDI’s guarantee.

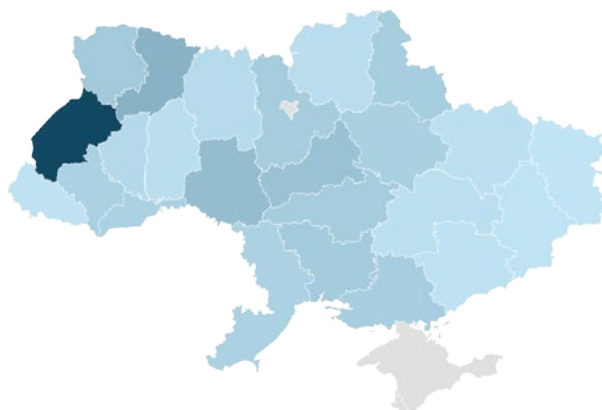
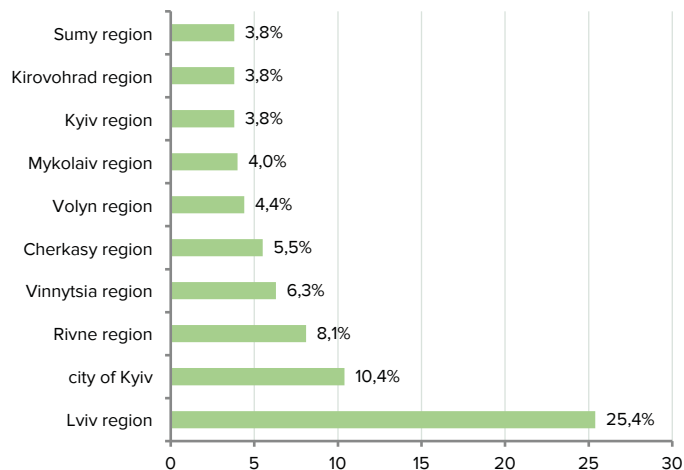
## 4.5. Loan Programmes to Support MSME Funding

### 4.5.1. Microlending Programme

#### Key properties of the Programme

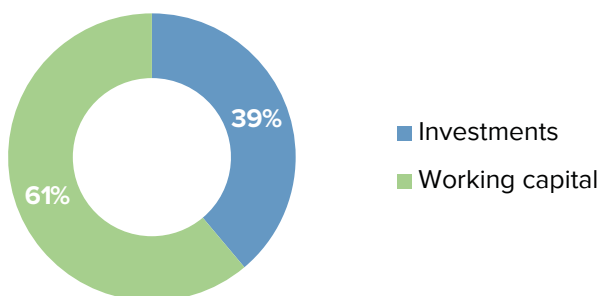
Objective	To support the funding of micro, small, medium and large enterprises' commercial operations and to develop microlending system
Programme launch	1997
Funding source	Own funds
Partner banks under the Programme	
Current liability of partner banks	€23.6M
Interest rate for MSMEs	Market rate, without limitations
Number of MSME loans since the Programme launch	164,671
Volume of loans granted	€873M
Areas	All MSMEs

LOAN PORTFOLIO REGIONAL MAKEUP, TOP 10

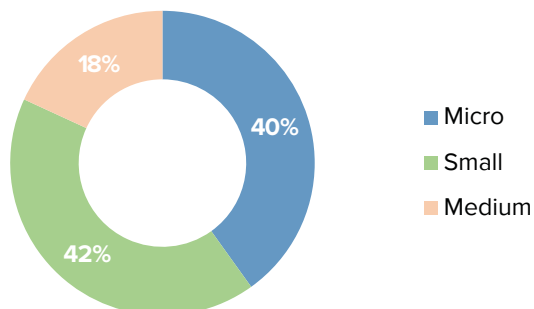


The Programme demonstrated a steady but modest increase. Throughout 2025, partner banks granted 245 new sub-loans totaling approximately €11.8M, representing a 10.9% increase in the cumulative volume since the start of the Programme's new phase. Lending funded by NDI increased by €6M (from €17.6M to €23.6M), indicating continued support for the foreign currency segment.

FOR INTENDED PURPOSE




BY ENTERPRISE SIZE

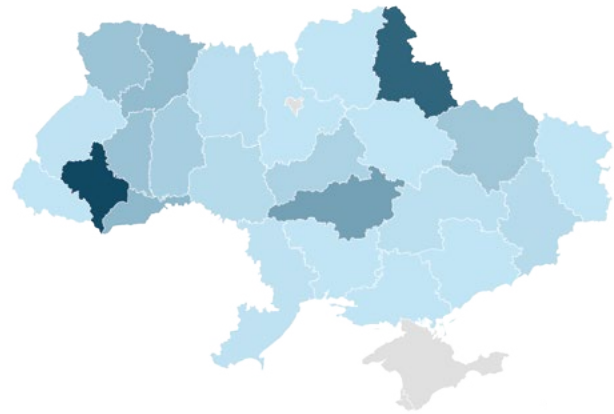
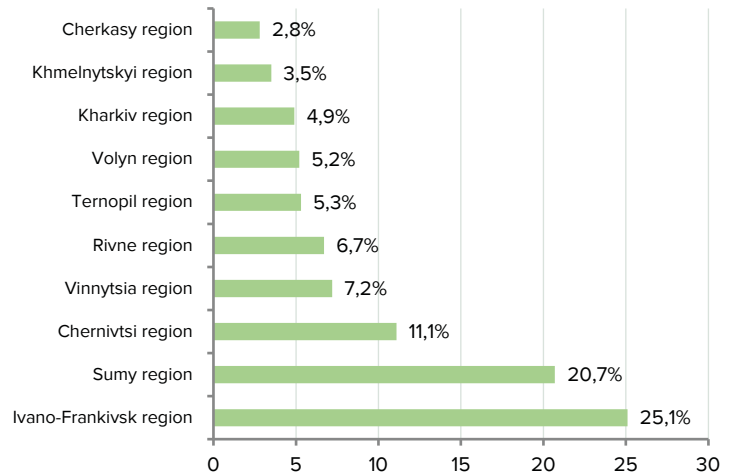


## 4.5.2. MSME Lending Programme in Priority Sectoral Areas

### Key properties of the Programme

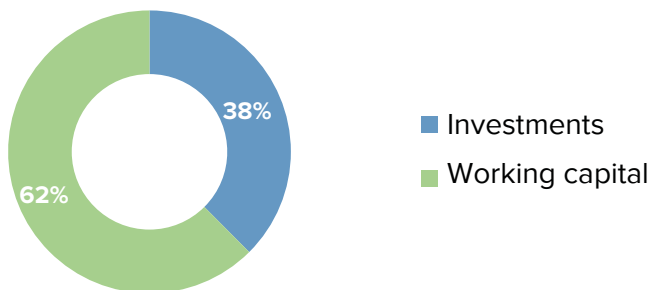
Objective	To provide MSME lending in priority sectoral areas of Ukraine (A, C, D, E, F, I sections)
Programme launch	2010
Funding source	Own funds
Partner banks under the Programme	
Current debt of partner banks	€160 млн
Interest rate for MSMEs	UIRD (3 months) + 5 percentage points
Number of MSME loans since the Programme launch	618
The size of the SME loan portfolio since the Programme launch	UAH 824.5M
Priority sectoral areas	Agriculture, processing industry, hotels and restaurants, ecotourism, construction (including construction of utility networks), energy efficiency

### LOAN PORTFOLIO REGIONAL MAKEUP, TOP 10

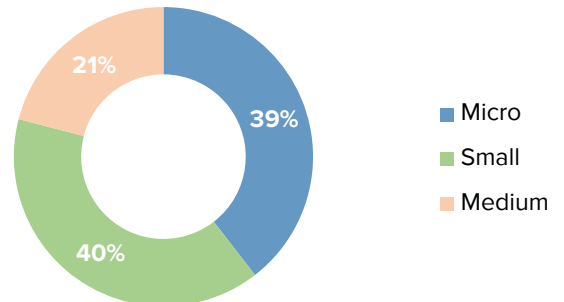


The Programme is currently in a state of effective stabilisation. In 2025, 13 new sub-loans were granted, totaling UAH 38.3M (+13.4% of the total volume since the Programme's launch) with the Q4 accounting for one new sub-loan. The current portfolio volume remained basically unchanged (+0.6%).

### FOR INTENDED PURPOSE








### BY ENTERPRISE SIZE

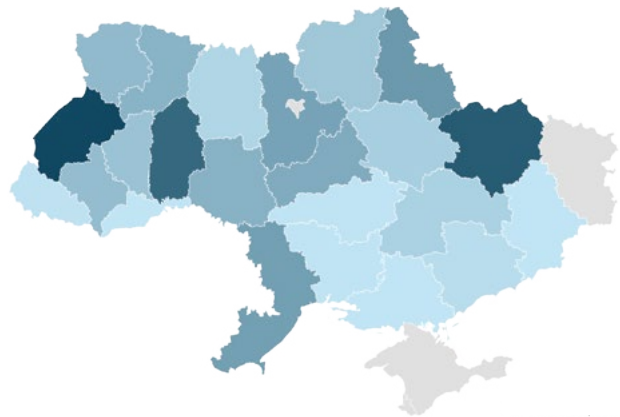
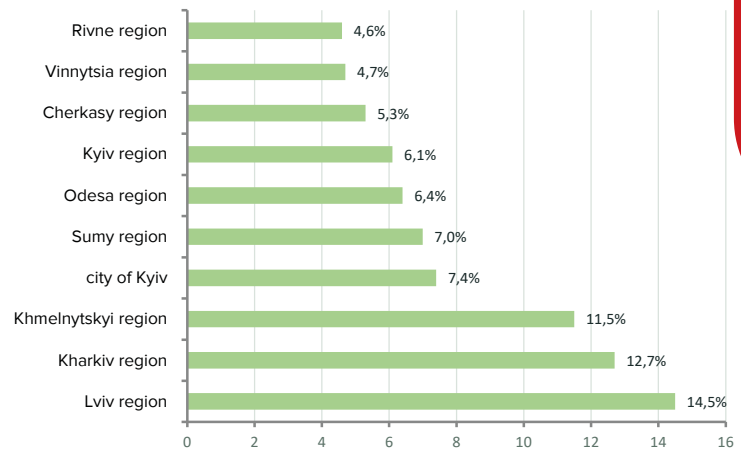


### 4.5.3. Programme to Support SME Investment in Priority Sectoral Areas

#### Key properties of the Programme

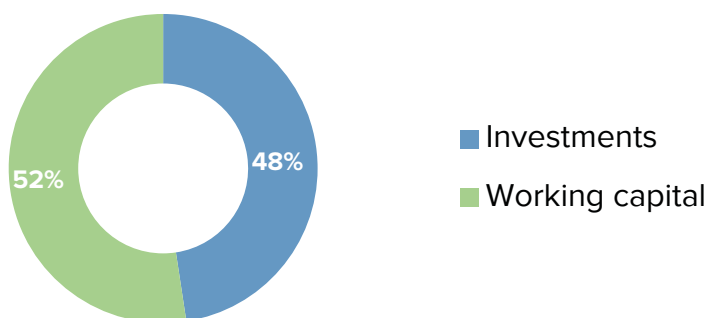
Objective	Financing of investment projects for SMEs that work in Ukraine's priority industries
Programme launch	2017
Funding source	A loan from the German government through KfW as part of the Support for Small and Medium-Sized Enterprises Project
Partner banks under the Programme	    
Current debt of partner banks	UAH 700M
Interest rate for MSMEs	UIRD (3 months) + 5 percentage points
Number of MSME loans since the Programme launch	784
The size of the SME loan portfolio since the Programme launch	UAH 2,284M
Priority areas	Agriculture, processing industry, hotels and restaurants, electricity/gas/steam supply and air conditioning, energy efficiency measures

LOAN PORTFOLIO REGIONAL MAKEUP, TOP 10

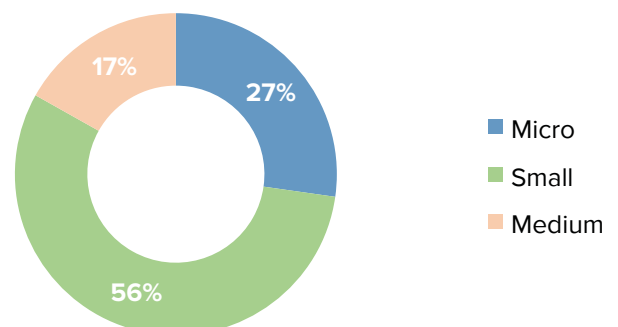


This is the most dynamic hryvnia program based on the results for 2025. Number of sub-loans granted increased by 45%, and the total volume of the MSME sub-portfolio increased by 33%. Partner bank lending increased by UAH 200M (+40%, from UAH 500M to UAH 700M), which was the main driver of growth. The current portfolio has grown by 147% in terms of volume and by 144% in terms of the number of loan agreements; this means that the average loan size in the active portfolio remains stable at approximately UAH 2M.

FOR INTENDED PURPOSE



BY ENTERPRISE SIZE

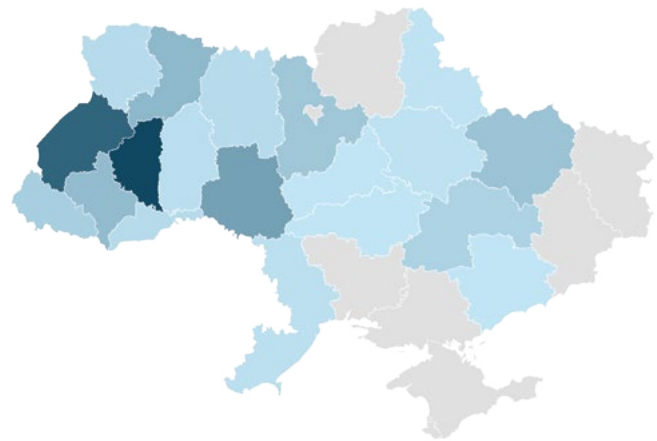
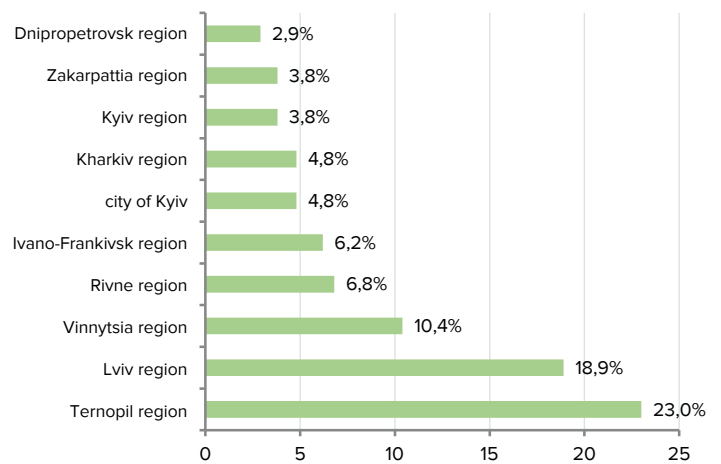


## 4.5.4. Boost your business Programme

### Key properties of the Programme

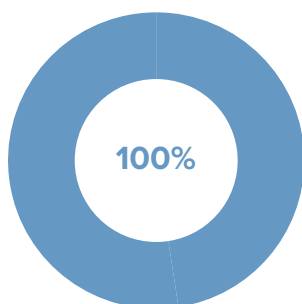
Objective	To finance investment projects At least 20% reduction in energy consumption and CO <sub>2</sub> emissions in the business operations of SMEs
Programme launch	2022
Funding source	A loan from the German government through KfW
Partner banks under the Programme	
Current debt of partner banks	UAH 338M
Interest rate for MSMEs	UIRD (3 months) + 5 percentage points
Number of MSME loans since the Programme launch	160
The size of the SME loan portfolio since the Programme launch	UAH 440.3M

### LOAN PORTFOLIO REGIONAL MAKEUP, TOP 10



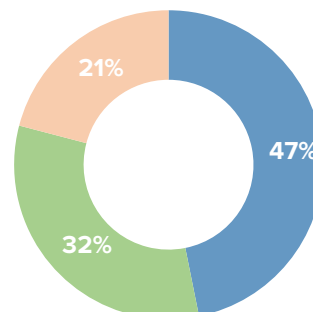
The Programme is currently at the active implementation stage. In 2025, the number of sub-loans granted increased by 51%. Partner bank lending increased by UAH 173.8M (from UAH 164M to UAH 338M, +106%).

### FOR INTENDED PURPOSE



■ Investments

### BY ENTERPRISE SIZE



■ Micro  
■ Small  
■ Medium



## SUCCESS STORIES

**“A grant is an opportunity to accelerate what matters.” How a family clinic in the Mykolaiv region is using grant funding to operate independently**

In 2018, following the implementation of healthcare reforms that allowed private institutions to enter into state contracts, the Family Clinic on Hrushevskiyi Street opened in Pervomaisk, Mykolaiv region. It was founded by Kateryna Korovkina, a doctor with over 20 years’ experience in family medicine, who combines daily practice with running her own medical business.

Today, there are three doctors working at the clinic — two family doctors and a paediatrician — and five members of junior medical staff. They serve around 5,000 patients, and there are dozens more waiting to sign the declaration. “We’ve already stopped taking on new patients. There’s a waiting list, and we’re thinking about expanding our staff and our premises.”



### Lessons of war: from blackouts to energy resilience

The full-scale war did not spare Pervomaisk, even though the town itself was not under occupation. Migration, air raid alerts, tension, humanitarian challenges.

“We gathered on the third day. I asked: who is ready to stay and work? The whole team said: we’re staying. And then we made a decision: we’ll treat everyone, regardless of the declarations. That was our front line,” recalls the entrepreneur.

Pervomaisk became a logistics hub for displaced people from the south of Mykolaiv and Kherson regions. In the early months, the clinic treated everyone who came, even without a declaration or documents. A mobile medical station was set up in the shelter where people were going during air raid alerts.

“There were cases where people simply collapsed in the shelter — high blood pressure, heart problems. Our nurses provided assistance right there on the spot,” adds Kateryna.

Eventually, blackouts turned to be the biggest challenge: fridges with vaccines, electronic healthcare system, diagnostics — everything depended on the power supply. For two months, the clinic operated solely on a generator. This was expensive and unreliable.

“Medical equipment doesn’t go well with generators. A cardiograph, for example, produces distorted results when running on a generator. This poses a risk to the patient,” she explains.

Read the full story at the link:





## SUCCESS STORIES

### A broadcast that has not gone silent

During wartime, information saves lives. That is precisely why the enemy's immediate response is to try to silence the voices speaking the truth. For communities along the border and near the front line, such as those in the Sumy region, local broadcasting becomes not merely a source of news, but a voice of hope, a link to the world, and a sign that their hometown is still alive. People of all ages wait for this voice every day — in the news, in messages from local authorities, in simple greetings on the screen.

Kateryna Kasianenko is an entrepreneur from the Sumy region who kept a local TV channel in Okhnytka going. First, when it was planned to be closed down, and later despite all the challenges of 2022.



Today, her team is broadcasting a national telethon, supporting community radio and preparing to resume its own content. And support from the Support for Energy Resilience of Micro and Small Enterprises in Ukraine Project has enabled a key step to be taken — the transition to energy independence.

🔋 After taking part in the tender, the TV channel received funding to install 36 solar panels, a battery system and a grid-connected inverter. The system will be installed on the office roof, and in favourable weather conditions it will enable to reduce electricity consumption by 50%.

This publication was produced with the support of the Support for Energy Resilience of Micro and Small Enterprises in Ukraine Project implemented as part of the ReACT4UA (Application and Implementation of the Association Agreement between the EU and Ukraine in the Field of Trade) international cooperation programme. The international cooperation programme is jointly funded by the German government and the Norwegian Agency for Development Cooperation (NORAD) and implemented by the German federal company Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

The aim of the project is to increase the resilience of the Ukrainian economy to periodic power cuts and to ensure the uninterrupted operation of micro, small and medium-sized enterprises (MSMEs) by providing financial support for solutions that ensure stable access to electricity.

The content of this publication is the sole responsibility of the National Development Institution, and does not necessarily reflect the views of the German government, NORAD or GIZ.

Read the full story at the link:





## 4.6. International MSME Grant Support Programmes

### 4.6.1. Kryvyi Rih District MSME Support Programme

#### PROGRAMME IMPLEMENTATION

The overall objective of the Programme is to facilitate access for micro, small and medium enterprises (MSMEs) located in Kryvyi Rih and its suburbs to bank funding to ensure the conduct of business and investment activities, as well as to strengthen the country's economic resilience in wartime. To accomplish this objective, the Project strengthens the resilience of business entities that provide employment (create new jobs) and income for the population and support the country's ability to produce goods and services.

The city of Kryvyi Rih is located in a frontline zone, which makes it nearly impossible to attract bank financing, as banks view such areas as high-risk credit zones or "red zones."



The MSME Support Programme in the Kryvyi Rih District is funded by the Government of the Grand Duchy of Luxembourg through the Luxembourg Development Cooperation Agency (LuxDev) with an implementation term from December 2022 to December 2026.

The Programme implementation is provided by the National Development Institution through two banks: Oschadbank JSC and PrivatBank JSC CB. Amount of funding: €5,000,000.

The Programme for businesses was implemented depending on their type (micro, small, or medium enterprises), within two components:

#### Component I.

Grants for micro enterprises aimed at funding fixed and working capital investments of up to €10,000.

#### Component II.

Grants provided in combination with bank loans for SMEs aimed at reimbursing up to 50% of the amount of fixed capital investments.

#### TERMS FOR PROVIDING GRANT SUPPORT

Component I: Micro enterprises (MEs)			Component II: Small and medium enterprises (SMEs)		
Micro enterprises	Number of employees up to 10	Annual income €2 M	Small enterprises	Number of employees up to 50	Annual income €5 M
Type of support	Grant not combined with bank loan		Medium enterprises	up to 250 employees	€10 M
Maximum grant	€10,000 (ex VAT)		Type of support	Grant combined with a bank loan	



### Uses of grant funds

- equipment purchase
- repair, reconstruction of commercial premises
- raw materials and supplies purchase
- payment of wages
- rental of premises/offices
- other business expenses

Number of grants **175**

In February 2025, due to a large number of applicants, the Donor increased the number of grants (from 50 to 175) and the total amount allocated to the component.

### Intended use

Investment loans for the purchase, modernisation or reconstruction of SME fixed assets

Maximum investment amount	€100,000 (ex VAT)	€200,000 (ex VAT)
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Grant share of the investment project amount	50%	50%
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Maximum grant	€50,000 (ex VAT)	€100,000 (ex VAT)
---------------	------------------	-------------------

Number of grants	16	9
------------------	----	---

## KEY DELIVERABLES OF THE PROGRAMME AS OF 31 DECEMBER 2025

### Number of Programme participants

Component	Number of participants	Percentage of the total,%
Component I	175	87.5%
Component II	25	12.5%
<b>TOTAL</b>	<b>200</b>	<b>100.0%</b>

### Total amount of grants awarded by component

Component	Number of participants	Total grant amount, UAH	Total grant amount, EUR
Component I	175	70,501,445.75	1,621,994.39
Component II	25	45,004,293.44	1,035,393.11
<b>TOTAL</b>	<b>200</b>	<b>115,505,739.19</b>	<b>2,657,387.50</b>



### Allocation:

Business owners:



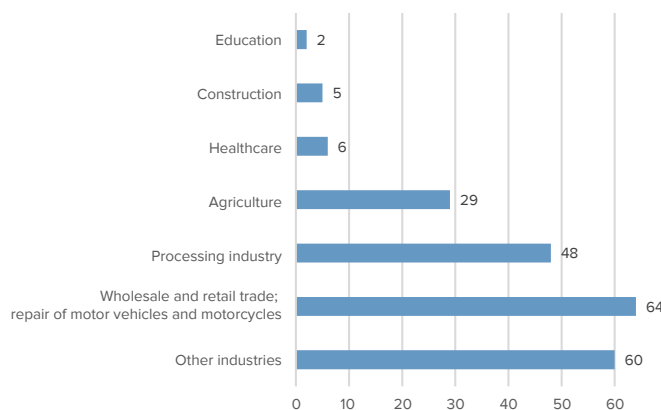
men — **60%**  
women — **40%**

### Jobs created:

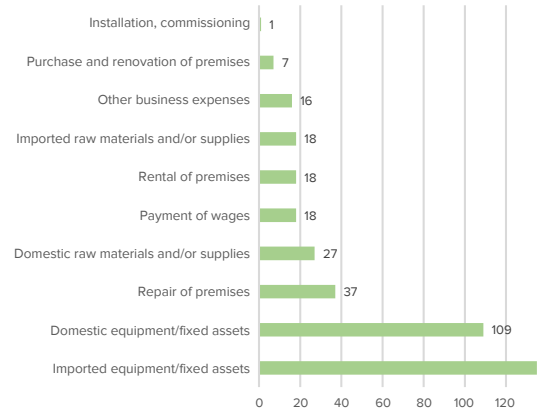
IDPs — **37**  
veterans — **11**  
men — **104**  
women — **165**



### Economy sectors



### Goals of the grant use



The Programme's priority areas are the processing industry, construction, healthcare, education, trade, and agriculture.

The main goal of using grants was the acquisition of fixed assets (imported and domestic) to ensure effective business activities and expand the scale of production.

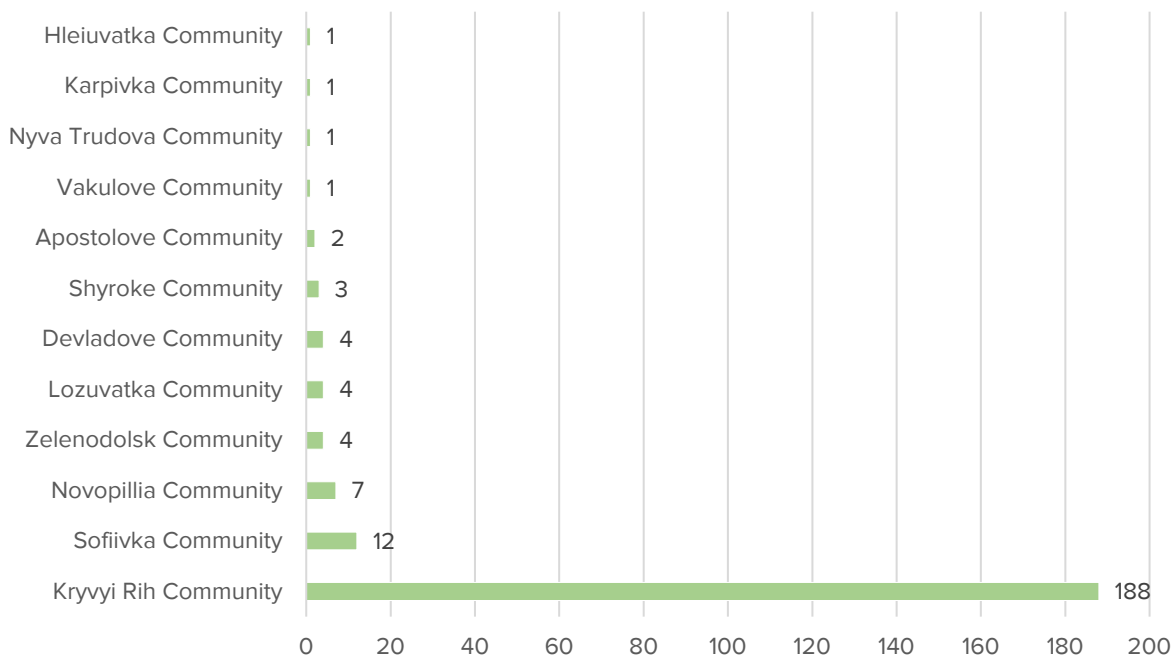
In addition, Programme support contributed to the modernisation of technical facilities, the creation of new jobs, in particular for veterans and IDPs, as well as the stimulation of the sustainable development of the local business environment.

The vast majority of grants were spent for:

- purchase of fixed assets to support and develop the business;
- repair work to restore production and commercial premises that were damaged as a result of military aggression;
- purchase of alternative power sources to continue operations during power outages;
- purchase of agricultural machinery etc.

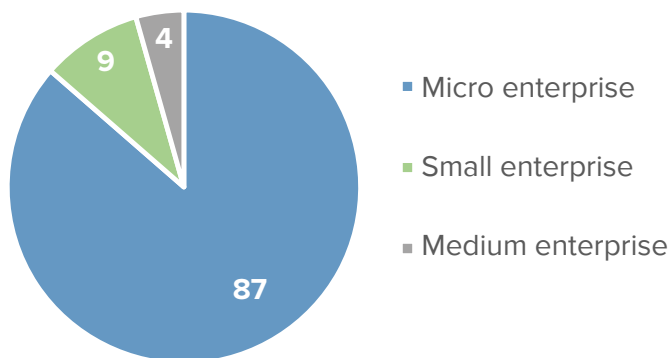


### Communities participating in the Programme

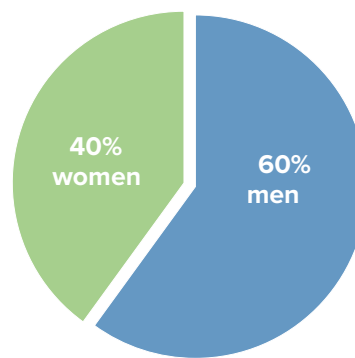


### Size of enterprises and gender ratio for participants

#### Size of enterprise



#### Gender ratio



The vast majority of Programme participants are individual entrepreneurs who received up to €10,000 within Component I for business development.

The number of participants within Component II (SMEs) is significantly lower for the following key reasons:

- entrepreneurs are watchful of undertaking long-term financial obligations due to the unstable economic situation and martial law;
- risks caused by military aggression. Kryvyi Rih district is a near-frontline territory, and this poses risks for doing business.

40% of the Programme participants are women business owners, and 60% are men, reflecting equal access to support opportunities for both genders.

## 4.6.2. Support for the Energy Resilience of Micro and Small Enterprises in Ukraine Programme

The Support for the Energy Resilience of Micro and Small Enterprises in Ukraine project was implemented within the framework of the ReACT4UA international cooperation programme (“Application and Implementation of the EU–Ukraine Association Agreement in the Field of Trade”). The international cooperation programme is jointly funded by the German government and the Norwegian Agency for Development Cooperation (NORAD) and implemented by the German federal company Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

The main objective of the financial assistance was to support the financing of energy resilience investments for micro and small enterprises (MSEs) from regions most affected by the destruction of energy infrastructure through the provision of 80 grants

in the amount of EUR 10,000 to micro-enterprises and 42 grants in the amount of EUR 20,000 to small enterprises in combination with bank loans.

Investments in the energy resilience of MSEs included the following measures:

- procurement of Ukrainian and/or imported equipment for the generation and storage of electricity from renewable and non-renewable energy sources;
- procurement of energy-efficient equipment;
- financing of works and/or services ancillary and related to the commissioning of equipment.

The programme for enterprises was implemented through two components:

<p style="text-align: center;"><b>Component I:</b> micro-enterprises were provided with grants of up to EUR 10,000 in hryvnia equivalent, directed towards financing investments in energy resilience.</p>	<p style="text-align: center;"><b>Component II:</b> grants were provided to small enterprises in the amount of up to EUR 20,000 in hryvnia equivalent in combination with a bank loan to strengthen business resilience (the grant component constituted 40% of the bank loan amount).</p>
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Priority participation in the programme was granted to enterprises registered and operating within the following regional groupings (where Group 1 had the highest priority and Group 3 was the lowest):

 <h3>Group 1:</h3> <p>Sumy, Kharkiv, Dnipropetrovsk, Mykolaiv, Lviv (excluding the city of Lviv), Volyn, and Kirovohrad regions.</p>	 <h3>Group 2:</h3> <p>Poltava, Odesa, Chernihiv, Kyiv (excluding the city of Kyiv), Zaporizhzhia, and Kherson regions.</p>	 <h3>Group 3:</h3> <p>Ivano-Frankivsk, Rivne, Zakarpattia, Ternopil, Zhytomyr, Khmelnytskyi, Chernivtsi, Cherkasy, Vinnytsia, Luhansk, and Donetsk regions, as well as the cities of Lviv and Kyiv.</p>
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Grant funds provided to micro and small enterprises were used to finance the cost of procuring goods, works, and services excluding value added tax (VAT), which was to be paid from the entrepreneur’s own funds.

Financial support was provided through four authorised banks: Oschadbank, Bank Lviv, Ukrgasbank, and Sense Bank.



# SUPPORT FOR ENERGY RESILIENCE OF MICRO AND SMALL ENTERPRISES

## ABOUT THE PROJECT



### PREREQUISITES

- Power cuts affecting businesses have been implemented due to damage to energy infrastructure.
- Frequent power cuts to businesses are leading to a fall in production volumes and revenue and, consequently, an increase in losses.
- An increase in the number of loss-making enterprises could lead to a rise in the proportion of non-performing loans (NPLs) and a deterioration in Ukraine's financial stability.



### OBJECTIVE

To support the energy resilience of micro and small enterprises in order to ensure the continuity of their production processes by supporting the investment financing of renewable energy sources.

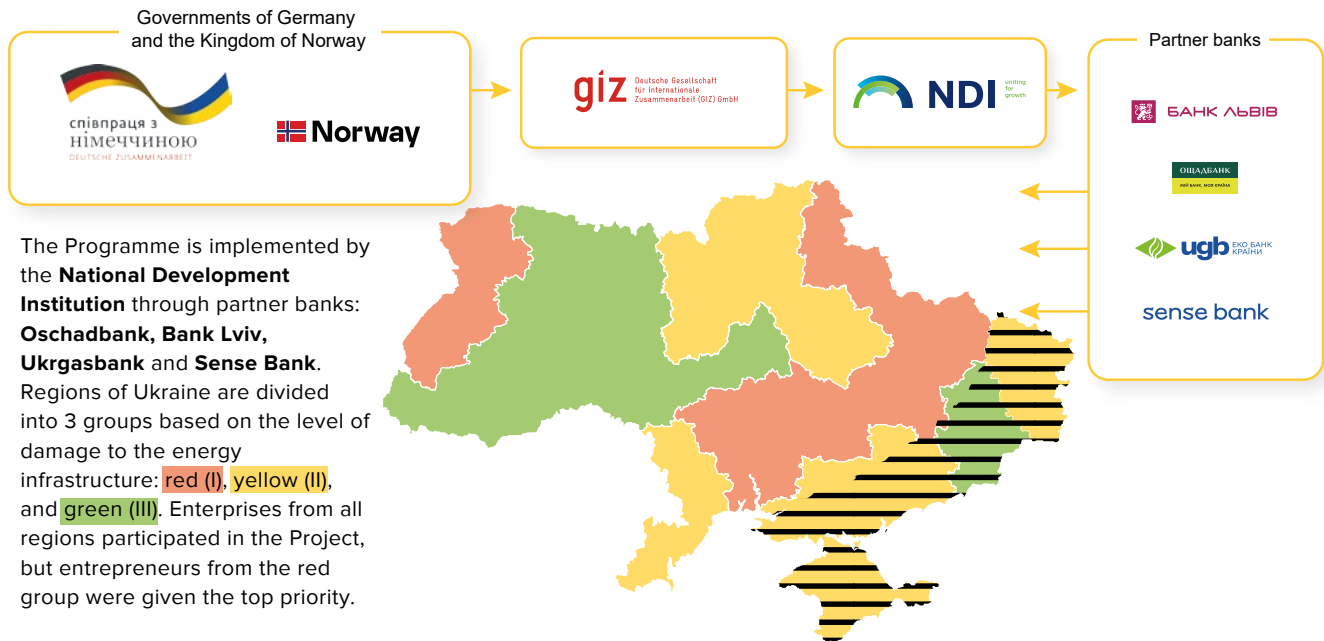


### WAYS OF ACHIEVING

**For micro enterprises:** grants of up to €10,000 to fund investments in alternative energy sources, energy-efficient equipment and energy storage systems.

**For small enterprises:** grants combined with bank financing to cover 40% of the loan amount (up to €20,000) for investments in alternative energy sources, energy-efficient equipment and energy storage systems.

## IMPLEMENTATION MECHANISM



## USE OF FUNDS AREAS



**Renewable energy sources**



**Non-renewable energy sources**



**Energy storage systems**

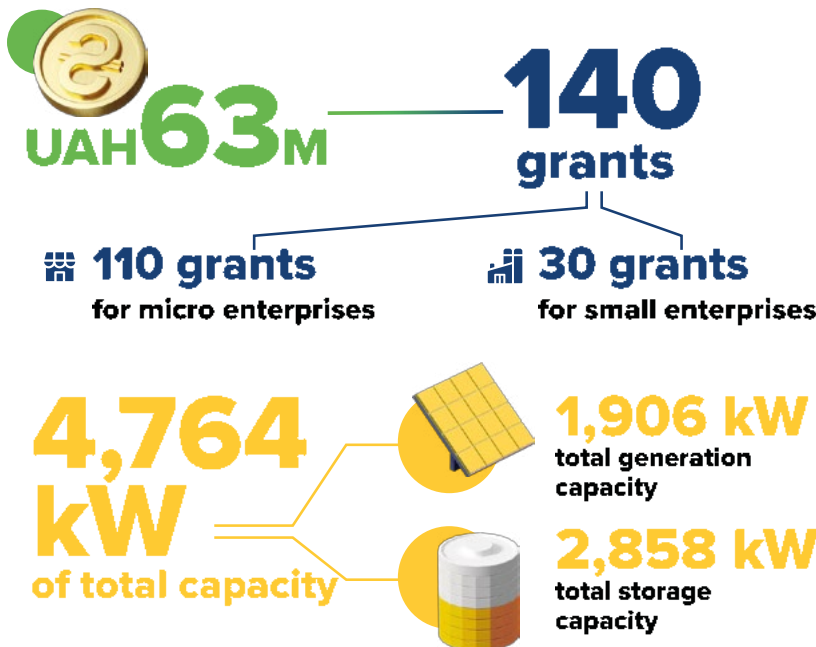


**Energy-efficient production equipment**



10% of the investment cost is attributed to funding of associated works and services related to equipment installation and energy audits

## PROJECT DELIVERABLES



**542**

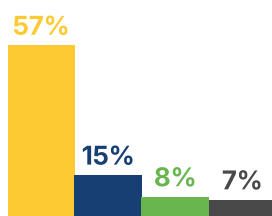
**Jobs** have been saved, including **8 veterans** and **44 IDPs**

**Among entrepreneurs**

**38%** are women

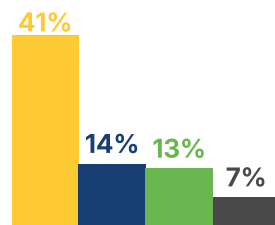
**62%** are men

### Goals of the grants use



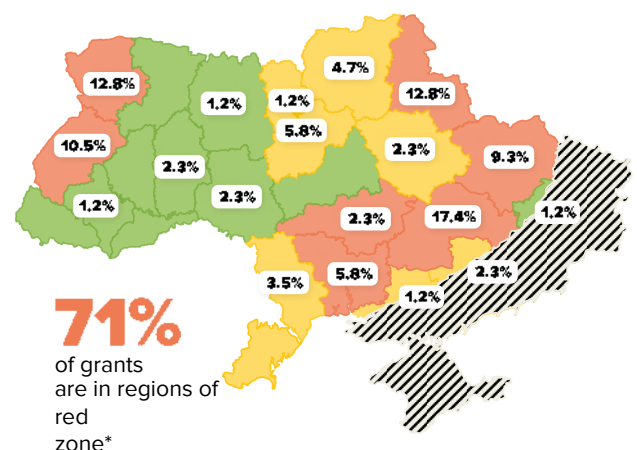
- Renewable energy sources
- Energy storage systems
- Energy-efficient equipment
- Generators

### Types of business activity



- Processing industry
- Trade
- Hotels and restaurants
- Construction

### GRANT ALLOCATION



\* Regions that have suffered the most damage to their energy infrastructure.

Ukrainian micro and small enterprises have received UAH 63M in grant funding for energy independence as part of the project “SUPPORT FOR ENERGY RESILIENCE OF MICRO AND SMALL ENTERPRISES”.

More than half of these funds (57%) were spent by entrepreneurs on renewable energy sources, mainly solar panels. 15% went towards energy storage systems (inverters), 8% towards energy-efficient equipment, and 7% towards generators.

The total capacity of the installed energy-saving systems amounted to 4,764 kW.

A total of 140 entrepreneurs received a grant. One of them is Oleksii Honcharov, an entrepreneur from Luhansk region.

See the video to find out more about resilience in character and business:



### 4.6.3. The ‘From Studying to Employment: Vocational Training for Women and Other Target Groups’ Programme (Skills4Recovery)

The project focuses on addressing the labour force shortage in the Ukrainian labour market by engaging target groups — primarily women — in vocational training and retraining for traditionally male-dominated but in-demand qualifications across four economic sectors relevant to recovery: construction, transport and logistics, agriculture, and services.

An important component of the project is to facilitate the development of the vocational education and training system through partnerships between educational institutions and businesses, upgrading curricula in line with current labor market needs, and strengthening the institutional capacity of vocational

During the reporting period, the project advanced from the preparatory stage to practical implementation. Employers’ needs were analysed, an IT platform for submitting applications was developed, a list of target occupations was made, a competitive selection of educational institutions was conducted, and training for the first groups of students began. The range of occupations the students are trained for reflects the real demand of the economy, i.e. forklift drivers, motor vehicle drivers, lathe operators, CNC machine operators, etc. As of early 2026, agreements have been signed with the

A network of partnerships was established at both the national and regional levels to ensure the project’s effective implementation. Memoranda of Cooperation were signed with the State Employment Service and the Ministry of Education and Science of Ukraine. An agreement was concluded with the *robota.ua* platform, which provided targeted communication with employers and job seekers. Meeting with large Ukrainian companies — Nova Poshta, Fozzy Group, Ukrposhta — were initiated regarding the employees’ retraining under the

The project is being implemented during wartime, which significantly affects labour market dynamics and business behaviour. Key challenges include the unwillingness of some employers to wait 3–6 months for specialists to be trained, limited interest among women in stereotypically ‘male’ professions given the demand for traditionally ‘female’ ones, and the difficulty of engaging small businesses due to their limited staffing needs.

#### PROJECT OBJECTIVE

education and training (VET) institutions, as well as vocational pre-higher education institutions.

The project is being implemented under a grant agreement signed on 16 December 2024 between Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and the National Development Institution (NDI). The project is funded by the Government of the Federal Republic of Germany through the Federal Ministry for Economic Cooperation and Development (BMZ), the European Union, the Estonian Centre for International Development (ESTDEV), and the Kingdom of Denmark.

Grant period: 16 December 2024 — 31 July 2026.

#### IMPLEMENTATION AND INITIAL OUTCOMES

Dnipro Centre for Vocational and Technical Education to train 13 groups with a total of 130 students, including 32 women. Training may take from 15 to 25 weeks, depending on the occupation. Preparations are also underway to launch training at several other institutions, including the Korostyshiv Vocational College, Vocational School No. 26 (Kremenchuk), the Lviv Centre for Vocational Education of the State Employment Service, the ‘Professional’ Training and Production Centre (Kyiv), and the Volyn Regional Training Centre for Agricultural Personnel.

#### PARTNERSHIPS AND COMMUNICATION

programme. In particular, an agreement was reached with Nova Poshta to form groups to train around 190 forklift drivers.

The communication campaign included an official project presentation (over 70 offline and 400 online participants), webinars for businesses and educational institutions, mailings to over 300,000 companies via the YouControl service, as well as promotional videos on Intercity trains on Ukraine’s main interregional routes.

#### CHALLENGES AND ADAPTATION

The experience of the first few months has also demonstrated that the ‘educational institution-driven’ approach is more effective. It means that educational institutions act as the entry point to the project, since they already have requests from businesses and are aware of the regional labour market needs.

## ABOUT THE PROGRAMME

### NDI · GIZ Skills4Recovery

Donor  
**GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit)**

Contractor  
**NDI (National Development Institution)**

#### Programme objective

The Programme aims to support the recovery of Ukraine's labour market through the retraining and advanced training of employees in partnership with vocational and technical education (VTE) institutions and the business community.

#### Key areas

- Developing partnerships with VTE institutions and employers
- Launching reskilling programmes tailored to the needs of the labour market
- Supporting businesses in funding training for their own employees
- Communication and awareness-raising activities
- A particular focus on the participation of women and people with special status

## GENERAL OVERVIEW



### Partnerships

Agreements have been signed with robota.ua, and Nova Poshta, Fozzy Group, ATB Market, Ukrposhta and national institutions have been brought on board.



### VTE institutions

Over 40 institutions have been informed; 26 have registered on the Programme's IT platform across various regions of Ukraine.



### Communications

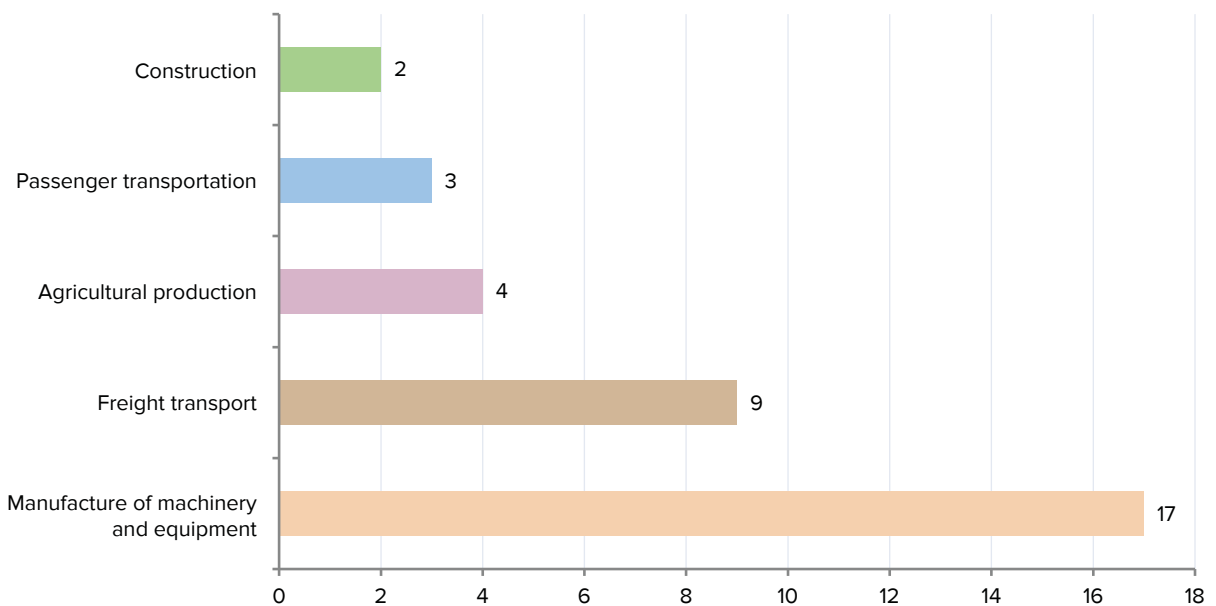
A webinar for over 170 participants; a video clip on Intercity trains; articles published on Diia.Business and EBA.



### Training has begun

13 groups have been launched at the Dnipro VTE Centre. A total of 130 participants have been enrolled: 32 women and 98 men.

## GRANT APPLICANTS · BREAKDOWN BY AREAS



Region	Enterprises q-ty	Share
Dnipropetrovsk region	8	19%
Zhytomyr region	4	10%
Lviv region	4	10%
City of Kyiv/Kyiv region	3	7%
Zaporizhzhia region	3	7%
Mykolaiv region	3	7%
Vinnitsia region	3	7%
Kharkiv region	2	5%
Chernihiv region	2	5%
Volyn region	2	5%
Poltava region	2	5%
Others (5 regions)	5	13%


**16**  
regions covered

**42**  
applicant enterprises

Dnipropetrovsk region is the leader with a 19% share




**13**  
training groups  
in Dnipro Centre



**130**  
participants  
enrolled



**32**  
are women  
25% of the total number



**10**  
people  
with special status

**Subjects covered**

- Forklift driver
- Gas and electric welder
- Electrician (maintenance electrician)
- Installation technician
- Electrical fitter
- Motor vehicle driver
- Turner (borer)
- CNC machine operator

**Duration of training**

**15–25 weeks**

depending on the subject

**PROSPECTS**



• Expanding training groups through new VTE institutions in additional regions



• Launch of ~190 training slots for forklift operators in partnership with Nova Poshta (Q1–Q2 2026)



• Development of gender-focused communication campaigns to increase women’s participation



• Systematic long-term communication to enhance the programme’s visibility and recognition



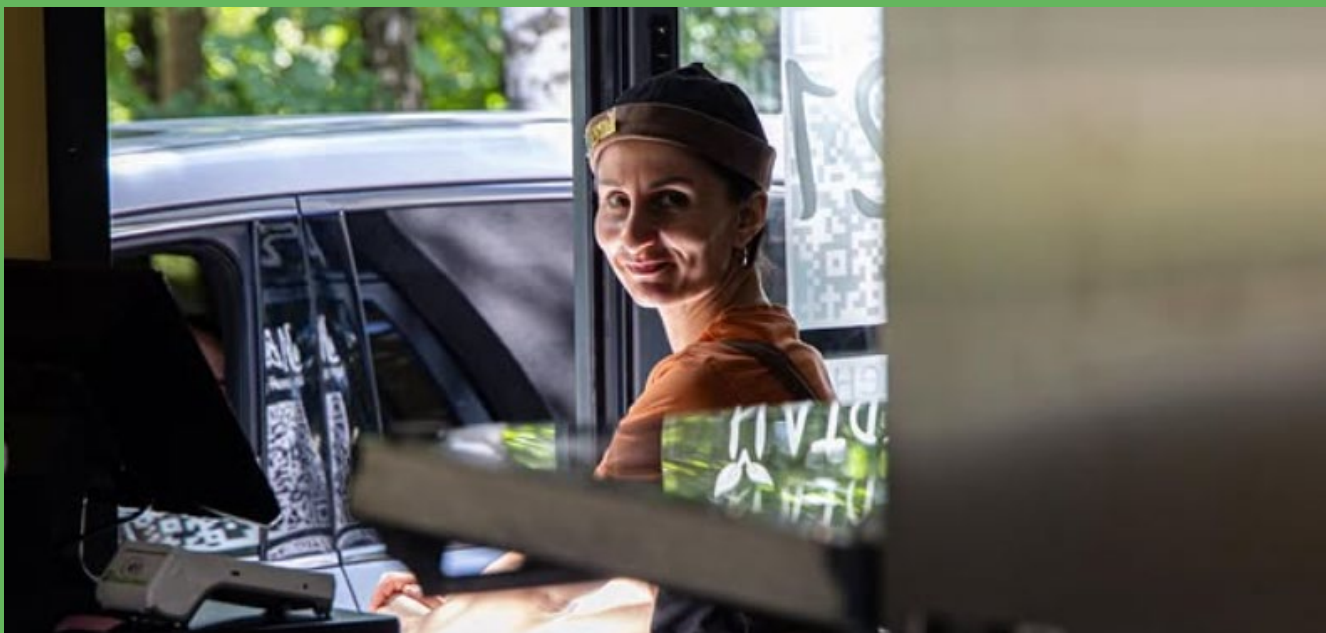
## SUCCESS STORIES

### A story of success and resilience: «ZAvantai», a fast-food restaurant serving healthy meals

Oleksii and his wife have been forced to move three times: from Kadiivka (Stakhanov), from Hirsk, and after 2022 they found their new home in Bucha. Each time, they left their business behind and had to start all over again.

In Bucha, the couple opened «ZAvantai» — a place where fast food has become healthy. This is their response to years of uncertainty, relocations and a life lived «on the fly».

☀️ Thanks to an energy resilience grant, a solar power station was installed at the restaurant. It allows the business to operate even during power cuts and provides a sense of stability that is so sorely lacking during wartime.



👤 The video story follows the journey of a family who refused to give up and found a way to stay afloat despite all their losses.

This publication was produced with the support of the Support for Energy Resilience of Micro and Small Enterprises in Ukraine Project implemented as part of the ReACT4UA (Application and Implementation of the Association Agreement between the EU and Ukraine in the Field of Trade) international cooperation programme. The international cooperation programme is jointly funded by the German government and the Norwegian Agency for Development Cooperation (NORAD) and implemented by the German federal company Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

The aim of the project is to increase the resilience of the Ukrainian economy to periodic power cuts and to ensure the uninterrupted operation of micro, small and medium-sized enterprises (MSMEs) by providing financial support for solutions that ensure stable access to electricity.

The content of this publication is the sole responsibility of the National Development Institution, and does not necessarily reflect the views of the German government, NORAD or GIZ.

Watch video:





## SUCCESS STORIES



### Resilience in action: how the Kramar company recovered from shelling and achieved energy independence

In Kryvyi Rih, some 50 kilometres from the front line, there is a company that has not halted production even in the face of enemy attacks. The private company Kramar founded in 2010 specialises in the production of compound feed, biomass and fuel materials from alternative sources, in particular sunflower husks. Today, the company's products cover almost the entire territory of Ukraine.



“We strive to maintain consistently high quality at a reasonable price. We don't compromise on quality, as some other manufacturers do. Our in-house laboratory tests every batch — from raw materials to the finished compound feed,” explains Commercial Director Serhii Zakharchenko.

#### After the strike: losses, injuries and recovery

On 8 July 2023, two «Shahed-131» drones struck the company's premises. One employee was injured. The production halls, warehouses and petrol station sustained significant damage. A hangar with area of over 1,100 m<sup>2</sup> was completely destroyed.

“It's fair to say that 20–25% of our infrastructure was destroyed or severely damaged. But we couldn't stop production for long. After the strike, we were down for just a day or two, dealing with the aftermath — and then we were back at work,” says Serhii.

Work did not stop even in the face of these losses: raw materials, equipment and fuel were burnt, and buildings were damaged, but the team remained committed to their work. And in less than six months, the company fully restored the damaged infrastructure, modernised the petrol station, rebuilt the hangar and refurbished the warehouses.

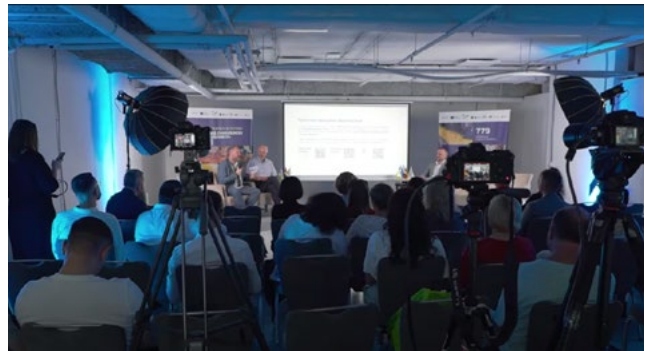
Read the full story at the link:



#### 4.6.4. EU4Business Grants for Microbusinesses—Stage II

To support micro-businesses in regions most affected by the war or which have undergone de-occupation, the European Union and the German Government have joined forces under the EU4Business: SME Competitiveness and Internationalisation initiative implemented by the German government agency GIZ. Its key objective is not merely to provide financial assistance, but to help small businesses return to active operation and revive economic life in the most vulnerable communities.

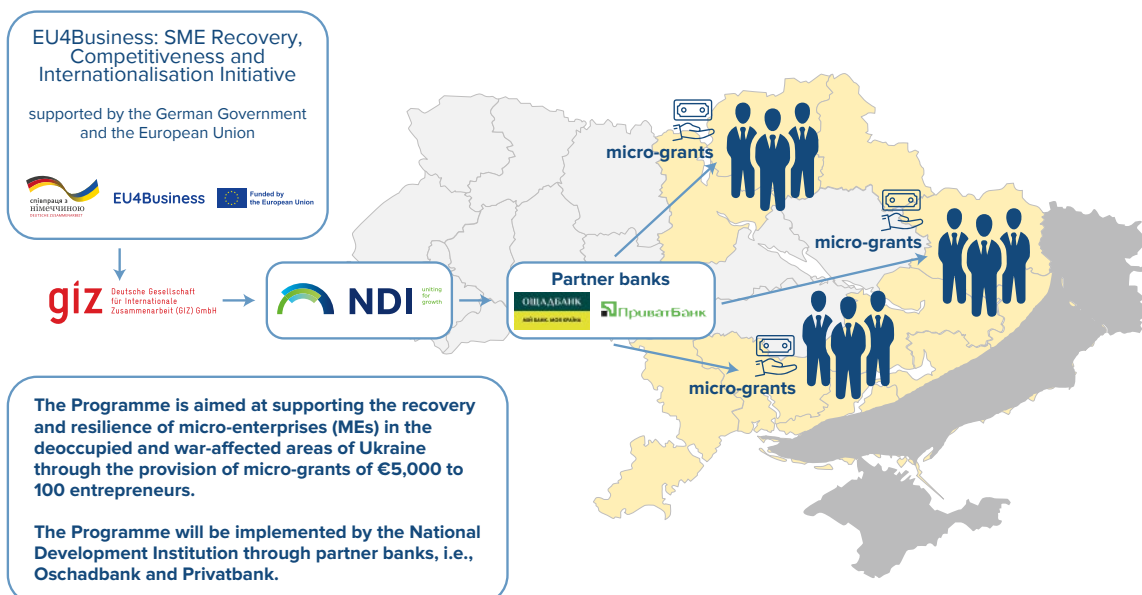
As part of this initiative, the National Development Institution, together with the Ministry of Digital Transformation of Ukraine, the Diia Portal, and the Entrepreneurship and Export Promotion Office, developed the EU4Business Micro-business Grant Programme. The Programme was launched in early August 2023 and, in its initial phase, was implemented through three calls for proposals (Phase I). The high level of interest from entrepreneurs and the results of the previous calls for proposals formed the basis for the decision by the European Union and the German Government to extend the Programme and announce a fourth call for proposals (Phase II). This phase was aimed at micro-business owners from the regions that



suffered the most damage as a result of the hostilities, specifically the Dnipropetrovsk, Donetsk, Zaporizhzhia, Kyiv (excluding the city of Kyiv), Luhansk, Mykolaiv, Sumy, Chernihiv, Kharkiv and Kherson regions.

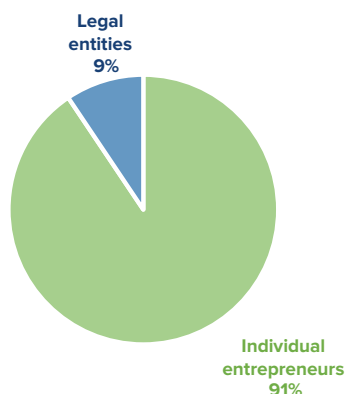
Participants were selected automatically on a ranking basis. The selection process took into account not only the extent of the damage caused to businesses by the war, but also the type of economic activity, the justification for planned expenditure, the location of the enterprise in de-occupied territories, and the level of social responsibility — in particular, the employment of veterans and people with disabilities. Winners of the Programme received grants of up to UAH 219,000 to resume their business operations. Funding was provided through authorised banks — Oschadbank and Privatbank — and the funds were used to pay for goods, works and services, excluding VAT, which micro-entrepreneurs paid out of their own pockets.

Ultimately, the Programme became not only a source of financial support but also a practical tool for getting micro-businesses back on their feet. It helped entrepreneurs, under the challenging conditions of war, to keep their businesses afloat, resume economic activity and contribute to the recovery of communities where business is one of the key drivers of life and employment.

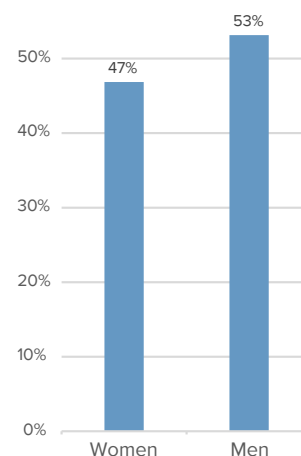


## OUTCOMES FOLLOWING THE IMPLEMENTATION OF THE EU4BUSINESS GRANTS FOR MICROBUSINESSES PROGRAMME (STAGE II) FOR 2025

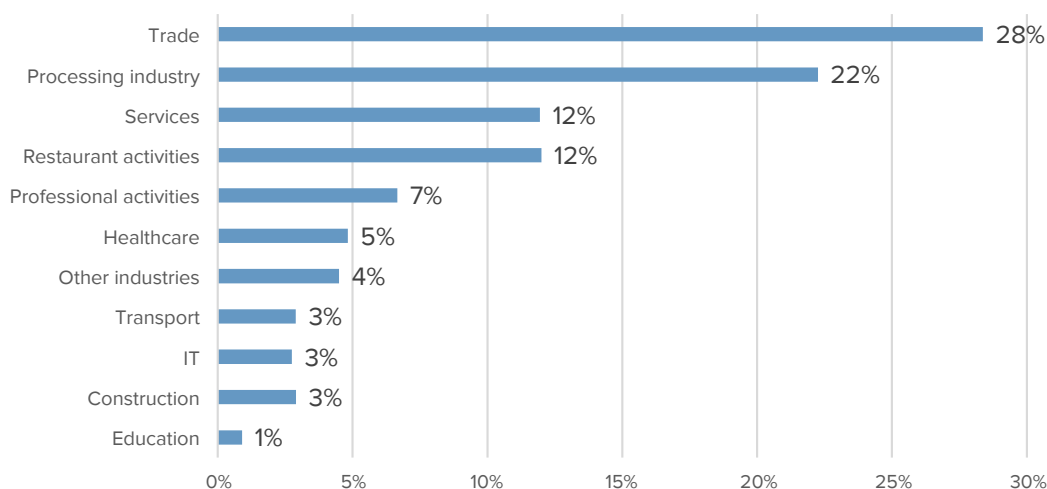
Concluded grant agreements by type of micro-enterprise, %



Concluded grant agreements by gender, %



Concluded grant agreements by type of business activity, %



Trade remain key area for donor funding, reflecting donors' focus on sectors with a rapid economic impact. In trade, support is directed towards the development of logistics, retail infrastructure and e-commerce, whilst in industry it is aimed at modernising production, introducing new technologies and strengthening export potential. The services sector also retains an important role, primarily as a tool for the recovery of micro-businesses following the crises of recent years, notably the pandemic and the war, by supporting employment and local economic activity.

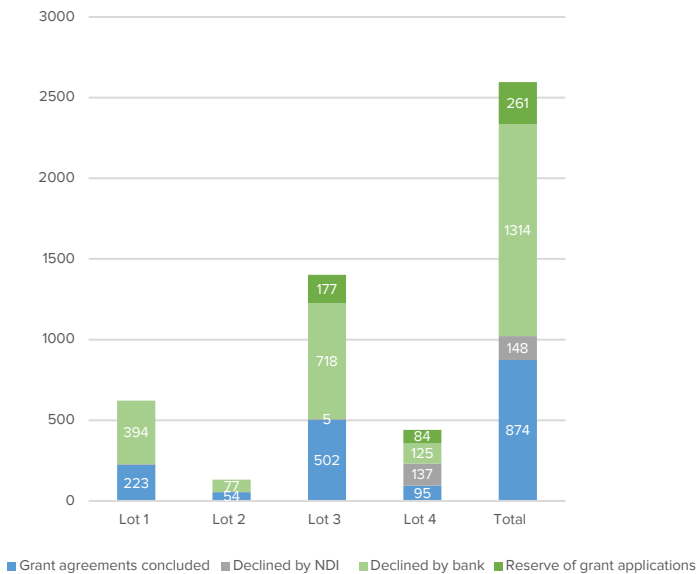
Is focused on short- and medium-term economic outcomes. To ensure sustainable development, it is advisable to gradually expand support for sectors with long-term multiplier effects — education, IT and construction — through specialised grant tools and increased engagement of entrepreneurs from these sectors.

Grant support for micro-businesses is targeted at sole traders, which is logical given their numerical dominance within the micro-enterprise sector and their high flexibility in utilising financial assistance. At the same time, expanding the participation of legal entities in grant programmes could be a promising direction for the further development of state and donor policies to support small businesses, particularly to encourage scaling up operations, enhance institutional resilience and create additional jobs.

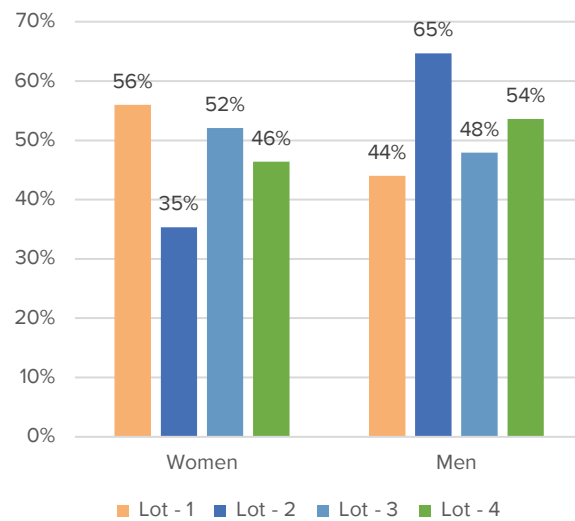
The grant Programme for micro-enterprises is characterised by a structure that is gender-balanced. This outcome indicates equal access to financial support tools for all participants. The gender balance is the result of a transparent and automated selection mechanism, equal conditions for participation in the Programme, and high levels of engagement from both women and men in submitting applications. Overall, this confirms the inclusive nature of the Programme and its alignment with contemporary approaches to shaping micro-business support policies based on equality and non-discrimination.

## OUTCOMES FOLLOWING THE IMPLEMENTATION OF THE EU4BUSINESS GRANTS FOR MICRO-BUSINESSES PROGRAMME (PHASE II) (FOR THE ENTIRE PROGRAMME PERIOD)

**Results of the review of applications, by lot as of 1 April 2025, units**



**Grant agreements concluded, by gender, %**



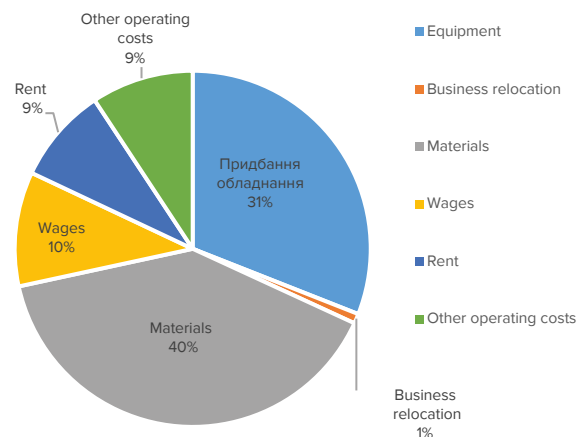
During 2025, as part of Phase II of the Programme, 95 grant agreements were concluded between authorised banks and grant recipients, representing approximately 11% of the total number of agreements concluded over the entire duration of the Programme (874 agreements). This indicates that the Programme is continuing in a more targeted and focused format, geared towards the most affected regions. Overall, 874 grant agreements were concluded during the entire duration of the Programme, of which:

- 223 — under Lot 1;
- 54 — under Lot 2;
- 502 — under Lot 3;
- 95 — under Lot 4.

This structure highlights the dominant role of Lot 3, which accounted for over half of all agreements concluded, reflecting its greater alignment with the needs of micro-businesses. Demand for participation in the Programme significantly exceeded the volume of support provided. The total number of applications submitted and verified was 2,597, distributed across the lots as follows: 622 applications for Lot 1; 132 applications for Lot 2; 1,402 applications for Lot 3; 441 applications for Lot 4. The ratio between the number of applications submitted and the number of agreements concluded indicates a high level of competition and significant unmet demand for grant support. This confirms the Programme’s relevance for micro-entrepreneurs and, at the same time, points to the potential to further scale up or differentiate support tools to meet the needs of individual business segments.

Across all lots, the gender figures are almost balanced: women ~47%, men ~53%.

**Allocation of grant funds, %**



The cost structure within the Programme clearly demonstrates the grant support’s investment focus. Over 70% of the funds (40% on materials and 31% on equipment) are directed towards establishing or scaling up production, highlighting the priority given to business development and expanding production capacity. Operating costs play a secondary role: combined expenditure on wages (10%), rent (9%) and other running costs (9%) accounts for around a third of the budget. Such allocation of resources limits the use of grants to cover running costs and encourages their more efficient and targeted use. At the same time, the minimal proportion of funds allocated to business relocation (1%) indicates that grant support is practically not used for relocation, but is focused on the recovery and development of enterprises at their current locations. Overall, this funding structure confirms that the grant Programme is not geared towards the short-term «squandering» of resources, but rather towards investment in assets and ensuring the long-term economic development of micro-businesses.

## OUTCOMES FOLLOWING THE IMPLEMENTATION OF THE EU4BUSINESS GRANTS FOR MICROBUSINESSES PROGRAMME (STAGE II) FOR 2025

In 2025, the National Development Institution carried out a comprehensive review of compliance with the Programme's implementation conditions, in particular the targeted use of grant funds. The review was conducted by analysing a sample of grant recipients' cases and carrying out on-site inspections, and consisted of two consecutive stages. The first stage involved an analytical review of the grant recipients' cases. 12 cases were selected, featuring clearly defined investment areas and enterprises located in different regions. The breakdown by authorised banks was as follows: 3 cases were reviewed by Oschadbank JSC, and 9 cases by PrivatBank JSC CB.

The analysis of all selected cases confirmed that the grant recipients complied with the Programme's conditions and

that the documentation was complete and comprehensive. The second stage involved on-site monitoring to verify the actual and intended use of grant funds, as well as an inspection of the purchased equipment and materials. Representatives of the NDI carried out on-site visits to 11 grant recipients in the Mykolaiv, Odesa and Kyiv regions. The results of the on-site inspections confirmed, at all visited entities, the presence of the purchased assets and their use in accordance with the terms of the grant agreements and the approved business plans (see photographs). Overall conclusion: the review results indicate a satisfactory level of discipline among grant recipients, an effective control system on the part of the authorised banks, and transparent use of Programme funds in accordance with its objectives and tasks.






## 5. NDI Institutional Development as Part of the German Government and the German Development Bank KfW Project

### STRATEGIC PLANNING



In September 2025, a strategic session was held with KfW, the international consulting firm Deloitte and the NDI Supervisory Board representatives.

During the event, priorities were identified which will form the basis of the NDI Strategy for 2026–2030:

	Creating opportunities to monitor and evaluate the effectiveness of SME support programmes
	Developing competitive programmes for entrepreneurs under martial law and attracting new partners
	Attracting additional investment to improve programme conditions, organisational capacity, digitalisation and process efficiency
	Developing a pricing model that includes a management fee to cover operational costs and risks
	Developing financial instruments to ensure long-term sustainability, including the possibility of issuing green and investment bonds, securitisation, and raising funds from international donors

### LEGAL BASIS



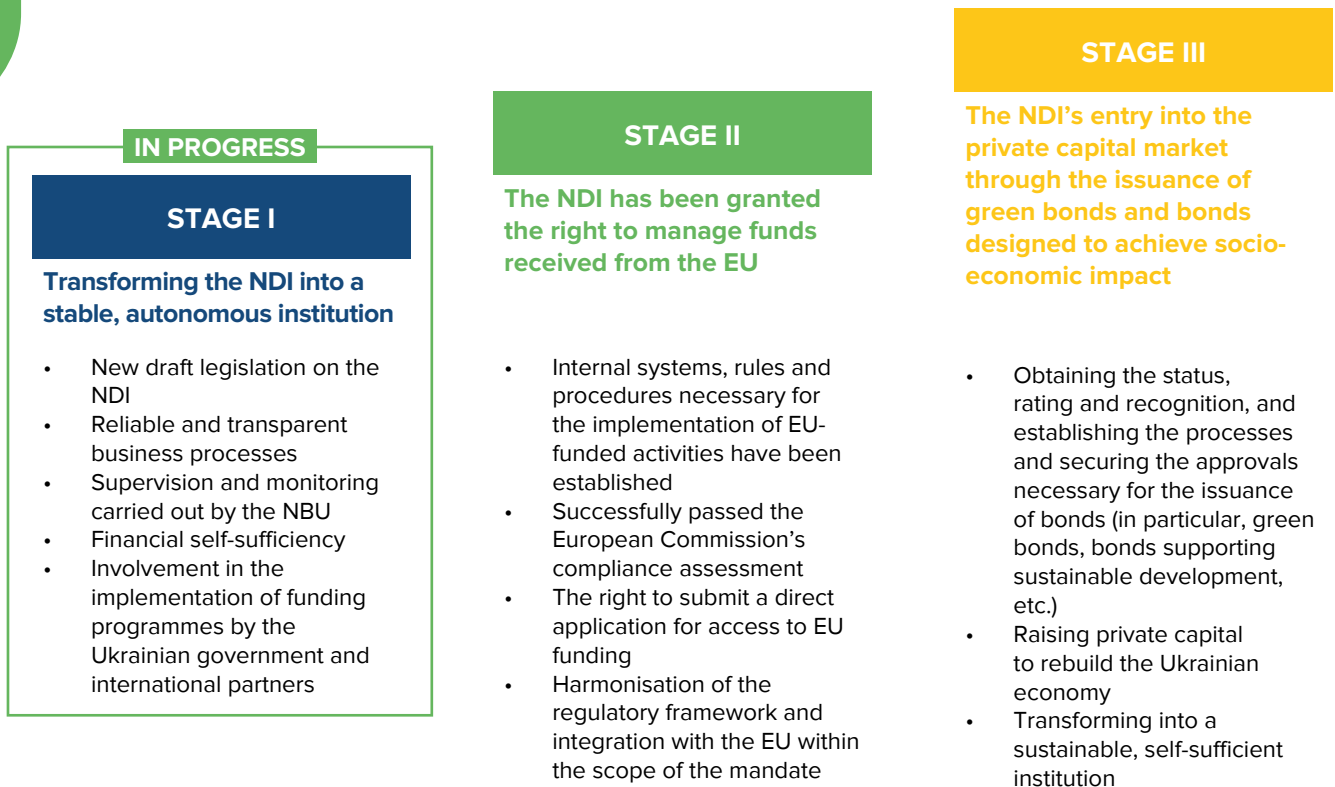
In October 2025, the Verkhovna Rada of Ukraine adopted Draft Law No. 11238 «On the National Development Institution».

The law is the result of joint efforts by a wide range of partners: it was drafted with the participation of the Ministry of Finance of Ukraine, the NDI, KfW and experts from Deloitte, and has been agreed with the World Bank and the European Union.

<b>MODEL</b>	The operational model of the National Development Institution has been designed in line with leading European practices and, in particular, reflects the approaches of KfW — combining institutional independence with close strategic cooperation with the government, thereby ensuring both flexibility in decision-making and alignment with national priorities.
<b>STATUS</b>	The NDI will operate as a financial institution with special status, structured on the principle of a "second-tier institution" — focused not on profit, but on creating long-term economic value and supporting development.
<b>TRANSFORMATION</b>	The adoption of the Law has brought about not only the institutional transformation of the Institution itself, but also an evolution in the architecture of the banking system — from a two-tier to a three-tier model. Within this framework, the National Bank of Ukraine continues to implement monetary policy, whilst the NDI performs a development function, expanding access to financing for the government's priority economic sectors through Ukraine's banking system.

Throughout 2025, implementation of the “Vision: NDI 2.0” initiative continued, marking a key stage in transforming the NDI into a fully-fledged state development agency that provides financing to MSMEs under a three-stage development model. The adoption of the Law of Ukraine “On the National Development Institution” serves as the foundation for implementing the first phase of this transformation. Going forward, the NDI will continue its work in its new role, focusing on further institutional development and strengthening its capacity to perform the functions of a development agency.

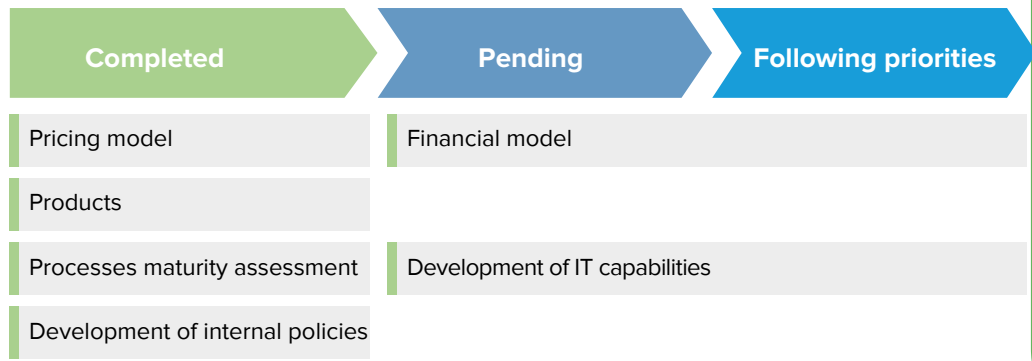
“Vision: NDI 2.0” path of development



In 2025, work continued on the institutional development project, and by the end of the year the project’s key objectives had been achieved

Institutional development

	Completed	Pending	Following priorities
<b>Concept and strategy</b>	"Vision: NDI 2.0"	Transformation strategy and roadmap	
	Concept of the mandate		
	Business model concept		
	Concept of corporate governance		
<b>Legal issues</b>	Legal framework		
	The Law "On the National Development Institution"		
<b>Management and people</b>	Supervisory Board Establishment		
	Organisational structure and staff		



<b>CORPORATE GOVERNANCE</b>	In March 2025, the Supervisory Board, established in accordance with the principles of good corporate governance and balanced representation, began its work. It consists of three independent members and two government representatives. As part of its activities, the Supervisory Board established three key committees — Audit, Risk Management, and Remuneration and Appointments — and appointed their chairs. The introduction of this corporate governance model helps to increase the transparency and accountability of operations, as well as to strengthen trust and institutional attractiveness in the eyes of international financial institutions (IFIs).
<b>ORGANISATIONAL STRUCTURE</b>	Since June 2025, the organisational structure has been strengthened, a clear chain of command has been established across departments, and the financial model and budgeting processes have been improved.
<b>INTERNAL CONTROL SYSTEM</b>	Throughout 2025, systematic work continued on the development and implementation of an internal control system. At the organisational level, a basic risk and control management model was introduced, structured in accordance with the three lines of defence principle, with a clear demarcation of roles, powers and responsibilities. The next stages will focus on refining and detailing procedures, formalising internal policies, and integrating control mechanisms into key operational and management processes.



## 6. Regional Programmes for MSME Financial Support

### 6.1. The NDI and the Lviv Regional State Administration Joint Programme as of 1 January 2026

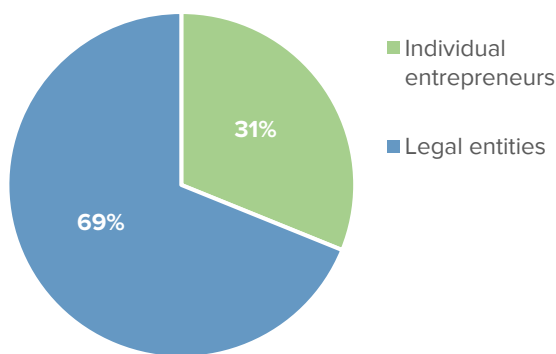
<b>8</b> Number of authorised banks	<b>408</b> Number of MSME participants in the Programme	<b>581</b> Number of loan agreements	<b>709.14M</b> UAH Amount of loan agreements concluded	<b>1.22M</b> UAH Average loan agreement amount	<b>9.74M</b> UAH Amount of compensation paid to MSMEs
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The NDI and the Lviv Regional State Administration Joint Programme, implemented in mid-2023, is an effective tool for stimulating business development and the region’s economic stability. The Programme aims to provide additional compensation of part of the loan interest by reducing it to 3% per annum, which significantly improves access to finance for micro, small and medium-sized enterprises. Compensation is given on loans provided by authorised banks under the “Affordable Loans at 5–7–9%” State Programme, following the Programme for Improving the Competitiveness of the Lviv Region for 2021–2025. The key objective of the Joint Programme is to restore, preserve, and create jobs during martial law, and to support enterprises participating in the “Affordable Loans at 5–7–9%” Programme that have attracted a loan to implement investment projects or working capital financing. The Joint Programme covers

four priority areas for additional reimbursement of part of the interest rate, enabling targeted support for the most vulnerable yet strategically important business sectors, namely:

- 1) compensation of the collateral-free loans interest rate provided by authorised banks to micro-businesses, to expand access to finance for small businesses;
- 2) compensation of the interest rate of loans provided for the implementation of an investment project to micro, small and medium enterprises that create, restore and maintain new jobs;
- 3) compensation of interest rates on loans to exporting enterprises engaged in foreign economic activity;
- 4) compensation of loans interest rates for MSMEs that have relocated (re-registered) within the Lviv region, to stimulate business relocation and preserve production capacity and jobs.

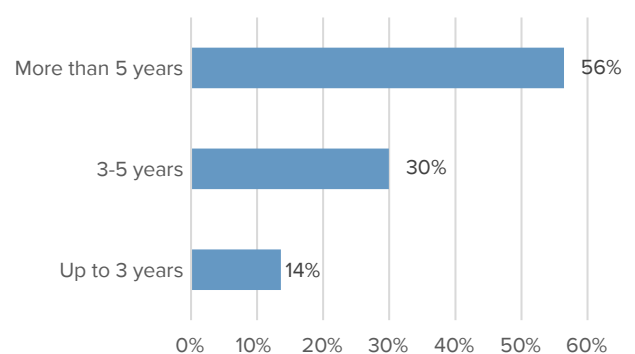
**Programme participants’ makeup by number engaged in a certain type of MSME, %**



The diagram shows the loan portfolio makeup by types of economic activity and shows that legal entities account for 69% of total funding. This share indicates that the vast majority of credit resources are directed towards enterprises with more complex organisational structures, operating in key sectors of the economy which are manufacturing, trade, and services. Legal entities typically have greater financial capacity, higher creditworthiness and access to long-term investment financing. Individual entrepreneurs (IEs) account for 31% of the loan portfolio. They are predominantly active in the service, trade, IT and small-scale manufacturing sectors.

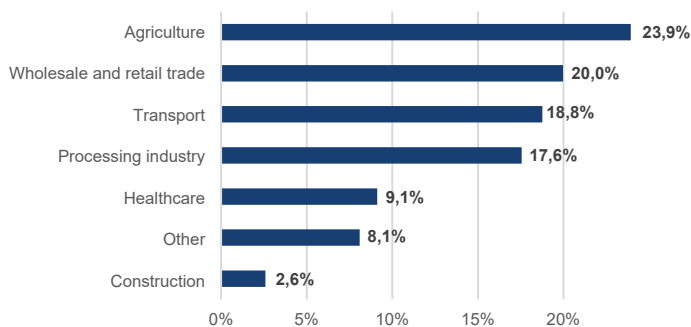
The significant share of IEs is due to the flexibility of this form of business, a simplified taxation system and minimal administrative burden. This distribution confirms the active development of micro-business and self-employment, which is an important factor in the region’s economic resilience.

**Loan portfolio makeup by maturity, %**

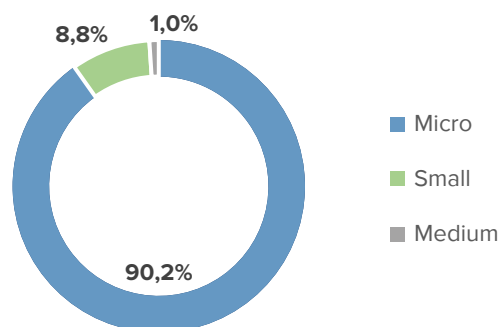


The diagram clearly illustrates the structure of the loan portfolio by the terms of the loan agreements. The majority (56%) consists of loans with terms exceeding 5 years, indicating a focus on large-scale, long-term investment projects. The remaining 30% of the portfolio consists of loans with terms of 3–5 years, indicating active financing of business development and expansion. At the same time, the share of short-term loans is relatively small, just 14%, which underscores the companies’ strategic focus on stable, long-term financing.

**Loan portfolio  
by type of business activity, %**



**Share of business segments  
in the total loan portfolio, %**



The diagram illustrates the structure of the loan portfolio by the types of economic activity and shows the priority funding areas. Agriculture leads in terms of the volume of loans raised (23.9%), highlighting the key role of the agricultural sector in the region's economy and the high level of financial support it receives. Wholesale and retail trade also accounts for a significant share (20.0%), indicating the active development of retail chains, logistics and services. The transport sector occupies a significant place in the loan portfolio (18.8%), linked to the financing of transport and logistics infrastructure. The processing industry (17.6%) receives substantial support, which contributes to the development of production capacity and the creation of added value. The share of healthcare (9.1%) reflects investment in both the development of medical facilities and the modernisation of material and technical resources. Other sectors (8.1%) encompass a variety of areas — IT, education, culture, tourism and other sectors of the economy. Construction accounts for the smallest share (2.6%), which may indicate restrained investment in this sector or its currently limited role in the overall volume of funding.

The diagram shows the structure of the loan portfolio by business segment and clearly illustrates the dominance of micro-enterprises. The vast majority of borrowers are micro-enterprises (90.2%) — predominantly IEs, small family-run businesses, and start-ups. Such a high proportion indicates a significant number of small players in the market, operating in the service, trade, agriculture and IT fields. At the same time, despite playing a key role in driving economic activity, micro-businesses often face limited access to finance, regulatory barriers and development challenges. The second-largest segment is small business (8.8%), comprising enterprises with several dozen employees operating in trade, manufacturing and the service sector. Small businesses have greater potential to scale up than micro-businesses, though their stable growth depends largely on state support and available financial resources. Medium-sized businesses account for the smallest share of the loan portfolio (1.0%), which may indicate the difficulty enterprises face in transitioning from the small-business segment to the medium-sized stage of development. Medium-sized companies are typically concentrated in manufacturing, construction, logistics, and exports, and often face a high tax burden, bureaucratic challenges, and a lack of investment.



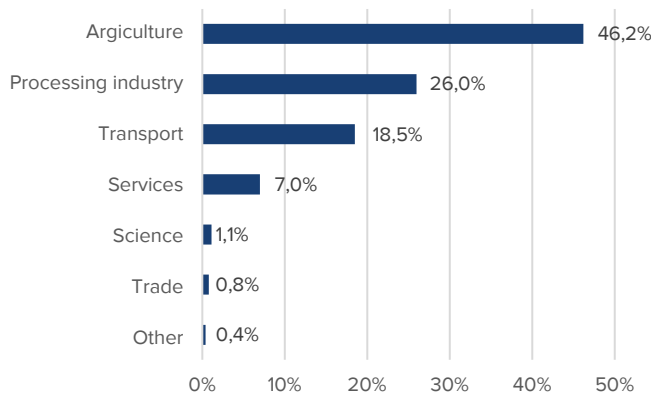
## 6.2. The NDI and the Kyiv Regional State Administration Joint Programme as of 1 January 2026

<b>12</b> Number of authorised banks	<b>144</b> Number of MSME participants in the Programme	<b>190</b> Number of loan agreements	<b>650.2M</b> UAH Amount of loan agreements concluded	<b>3.42M</b> UAH Average loan agreement amount	<b>21.38M</b> UAH Amount of compensation paid to MSMEs
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The NDI and the Kyiv Regional State Administration Joint Programme were implemented in mid-2023 to provide additional reimbursement (compensation) of part of the loan interest by reducing the compensatory interest rate to 0% per annum. Compensation is given on loans provided by authorised banks to micro, small, and medium enterprises under the “Affordable Loans at 5–7–9%” State Programme, following the “Competitive Kyiv Region” Comprehensive Program for 2022–2025. The main objective of the Joint Programme is to restore, preserve, and create jobs during martial law at enterprises participating in the “Affordable Loans at 5–7–9%” Programme that have received a loan from an authorised bank to implement an investment project. For each micro-, small- and medium-sized enterprise in

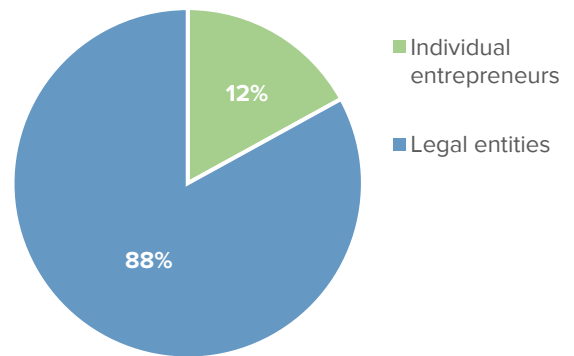
the Kyiv region, the NDI calculates the rating based on identified criteria: the number of jobs actually created or restored and the amount of the actually restored or increased payroll. The assessment is carried out as of the end of each reporting calendar quarter by comparing the relevant indicators to the pre-war period as of 1 February 2022. The ratings for each MSME are calculated based on the information on the amount of salary paid to employees provided to the Institution by the authorised bank in the form established by the NDI, or based on the MSME’s official financial and/or tax reporting, if it submits such reports during martial law. This information is current as of the last month of the calendar quarter preceding the reporting one.

Support structure by industry, %



The diagram shows that agriculture and the processing industry play a leading role in the financing structure — 46.2% and 26.0%, respectively. This demonstrates the investment attractiveness of the agricultural and manufacturing sectors, which is related to their importance to the Kyiv region economy. The transport sector also received significant funding of 18.5%. The support could be used to upgrade the vehicle fleet, improve logistics processes, and digitalisation. The services sector accounts for 7%, which indicates an interest in securing investment loans to develop and scale up businesses

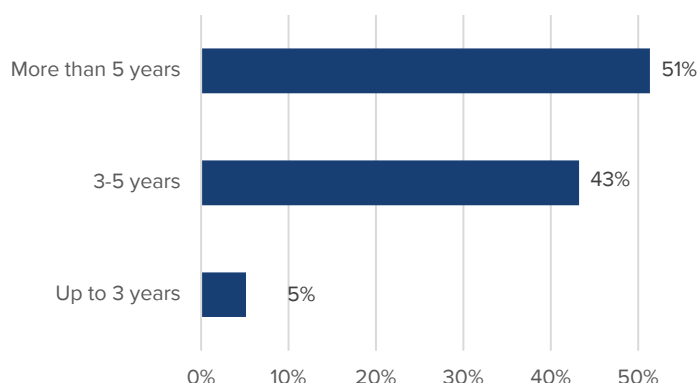
Programme participants’ makeup by type of MSME, %



The diagram shows that agriculture and the processing industry play a leading role in the financing structure — 46.2% and 26.0%, respectively. This demonstrates the investment attractiveness of the agricultural sector and manufacturing, which is related to their importance for the Kyiv region economy. The transport sector also received significant funding of 18.5%, which may indicate that funds are being allocated for upgrading the vehicle fleet, improving logistics processes, and digitalisation. The services sector accounts for 7%, which indicates a clear demand for investment loans to develop and scale up businesses.

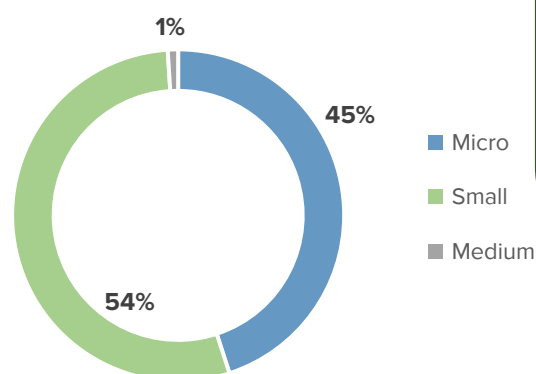


**Loan agreement structure by maturity, %**



Long-term loans with a maturity of over 5 years account for the largest share (51%), which may be linked to the nature of investment loans, which carry higher risks for both banks and borrowers, as well as to the long payback period for investment projects, which averages 7–10 years. Medium-term loans with a maturity of 3–5 years account for 43% of the total volume, indicating that both borrowers and lenders prefer such commitments. This term provides a balance between the size of monthly payments and the overall debt burden. Short-term loans with a maturity of up to 3 years account for only 5%, indicating the limited implementation and use of short-term investment projects.

**Share of business segments in the total loan portfolio, %**



Long-term loans with a maturity of over 5 years account for the largest share (51%). Such a situation is due to the nature of investment loans, providing risks for both banks and borrowers, and to the long payback period for investment projects, which averages 7–10 years. Medium-term loans with a maturity of 3–5 years account for 43% of the total volume, indicating that both borrowers and lenders prefer such commitments. This loan term provides a balance between the size of monthly payments and the overall debt burden. Short-term loans with a maturity of up to 3 years account for only 5%, indicating the limited implementation and use of short-term investment projects.



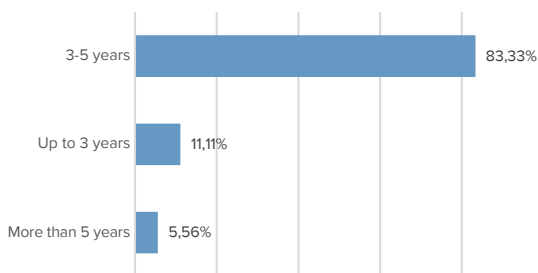
## 6.3. The NDI and the Chernivtsi Regional State Administration Joint Programme as of 1 January 2026



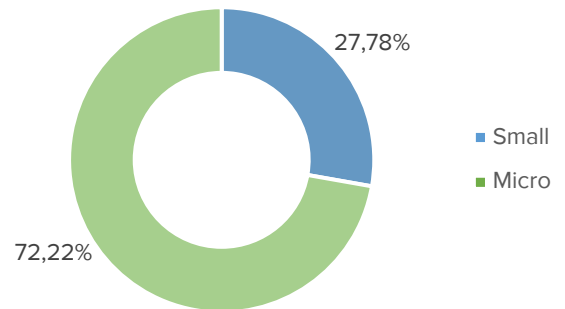
In September 2024, the NDI and the Chernivtsi Regional State Administration launched a Joint Programme in Chernivtsi region to provide tangible financial support to businesses. Its key tool is the compensation of part of the interest on loans attracted under the “Affordable Loans at 5-7-9%” State Programme. Businesses can receive reimbursement of up to 50% of the interest actually paid, and for publicly owned enterprises this amount can be up to 100%. The Programme is being implemented as part of the Comprehensive Programme for the Development of Small and Medium-sized Enterprises in the Chernivtsi Region for 2025–2027. The main objective of the initiative is to provide support to businesses during these challenging times. The Programme is designed to support small and medium-sized enterprises in the region, create a favourable business climate for the resumption of business activity, and strengthen the competitiveness

of businesses both during martial law and in the post-war recovery period. A key feature of the Programme is a transparent and motivating approach to evaluating results. For each micro, small and medium-sized enterprise, the NDI draws up a rating based on clear socio-economic criteria: the number of jobs actually created or restored, and the volume of the restored or increased wage fund. The assessment is carried out quarterly against pre-war levels as of 1 February 2022. The calculation of ratings is based on official data — information on wage payments to employees provided by authorised banks, or on the financial and/or tax reports of the enterprises themselves, if submitted during martial law. This approach not only provides financial support to businesses but also encourages them to preserve jobs and contribute to the region’s responsible economic recovery.

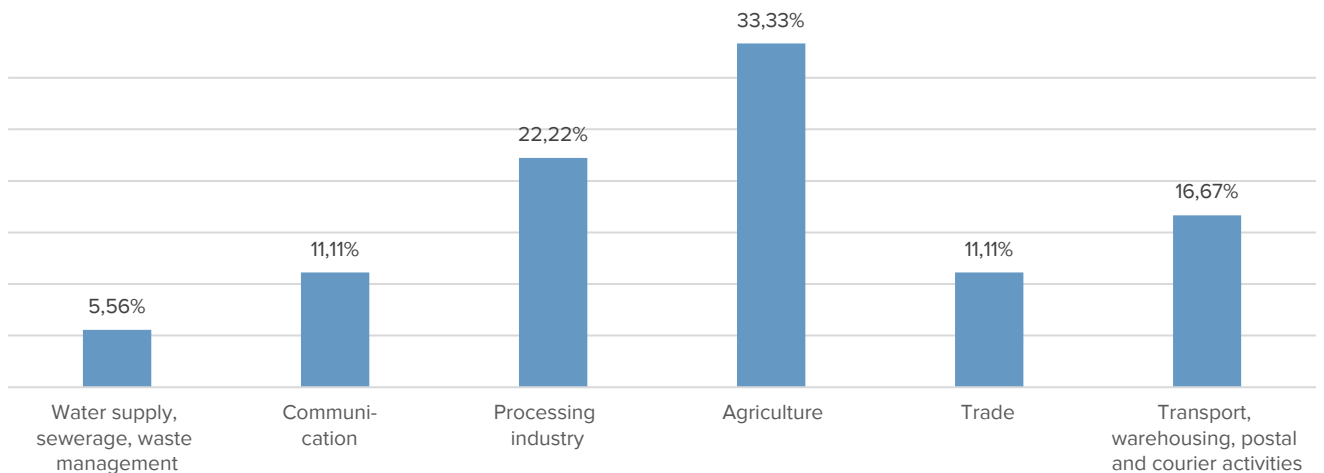
**Loan agreement structure by maturity, %**



**Programme participants’ makeup by number engaged in a certain type of MSME, %**



**Loan agreements by type of business activity, %**





## SUCCESS STORIES

### On the edge of war: how a farmer from the Kryvyi Rih district cultivates land where explosions were heard just yesterday

270 hectares of land, nearly 50 of which are too dangerous to farm. The daily risk of coming across unexploded ordnance. And work that doesn't stop, even during hostilities. Mykhailo Kudliuk, a farmer from the village of Velyka Dolyna on the border of the Dnipropetrovsk and Kherson regions, continues to cultivate the land, grow grain and support the community.

“There were times when we started sowing and saw explosions right in the neighbouring field. We left everything and ran. But we didn't stop.”



#### Land that cannot be abandoned

The village of Velyka Dolyna, where Mykhailo works, borders the Kherson region. It was here that the front line ran in 2022. Some of the fields leased by the farmer could not be cultivated — they were in the epicentre of the hostilities.

“We didn't cultivate 43 hectares at all. Even the military wouldn't let us in there — it was too dangerous,” recalls Mykhailo. “A lot of shelling hit the village: the school was destroyed, houses were damaged. I kept the warehouse in the village, but I'd only pop in for a few minutes, grab some spare parts or fuel, and leave straight away.”

Later, following the counter-offensive in autumn 2022, the machinery returned to the fields. But even a year on, the farm still finds remnants of ammunition: drone debris, shells, and «petal»-type antipersonnel mines that puncture tyres and can damage metal. Some of the fields are checked by the farmer himself using an old tractor.

Read the full story at the link:





## SUCCESS STORIES

### **ARISE: a family business thriving despite the war — the success story of the Flora farm**

The Flora farm has always been a family business. It was founded in 1991 by Andrii Arseniiovych. Just two decades later, his grandson Andrii took over the business.

The whole family works on the farm. So Andrii didn't have to think long about his career choice. He is convinced that farming is his true calling.

And his ability to grow the business, even during difficult times of war, proves it. Despite closed ports, a lack of funding and new markets, he managed to purchase new machinery. He then succeeded in obtaining a loan with the support of the ARISE project. This is how Flora acquired a new combine harvester, a tractor, sprayers and a greenhouse.



Andrii wishes the same success for other farmers, as he is certain that fear of competition is the result of stagnation. So it is worth supporting others too. And once Ukraine has won, there will be even more opportunities for development.

Find out what else the farm does and what the head of Flora dreams of in the video.

Watch video:



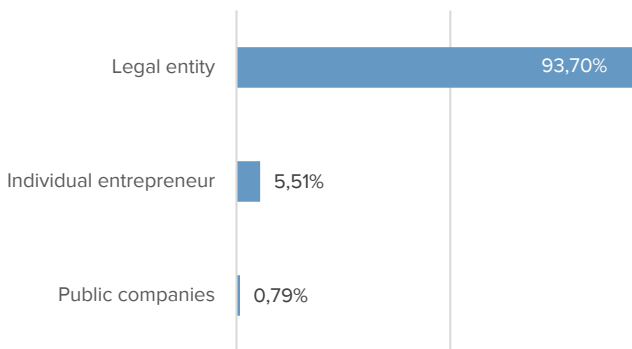
## 6.4. The NDI and the Vinnytsia Regional State Administration Joint Programme as of 1 January 2026



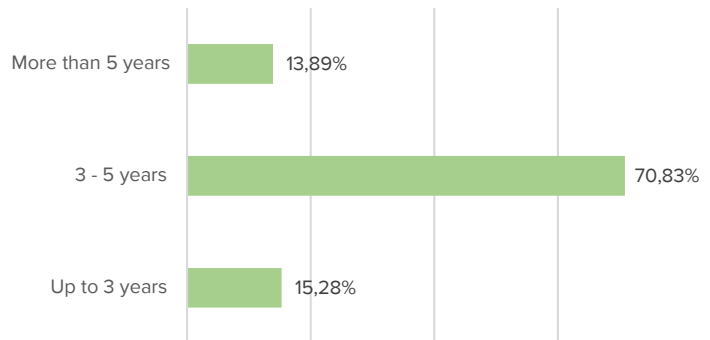
In May 2025, the NDI and the Vinnytsia Regional State Administration launched a Joint Programme in the Vinnytsia region to increase financial support for micro, small, and medium-sized enterprises. The Programme provides for additional compensation of interest rate on loans attracted under the “Affordable Loans at 5-7-9%” State Programme and Regional Programme for the Development of Small and Medium-sized Enterprises for 2021–2027. The key objective of the initiative is to support businesses that invest in development and contribute to the region’s economic resilience. The Programme is aimed at MSMEs implementing

investment projects, particularly in enhancing energy resilience, ensuring growth in the wage bill, increasing tax and duty revenues for local budgets, paying the single social contribution, and creating jobs for veterans and combatants. The Programme’s financial mechanism provides for compensation of 5% per annum on loan agreements, but not exceeding UAH 500,000 per year for a single MSME and exclusively within the limits of interest actually paid. This approach encourages responsible businesses that not only invest in their own development but also contribute to the region’s social and economic stability.

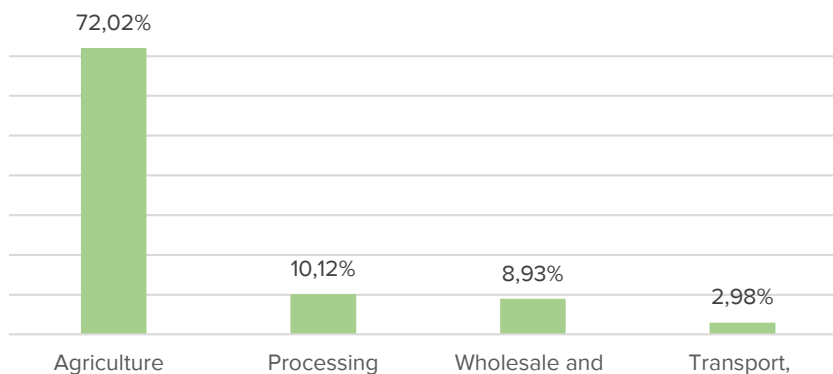
**Programme participants’ makeup by type of MSME, %**



**Loan agreement structure by maturity, %**



**Loan agreements by type of business activity, %**





uniting  
for  
growth

NDI



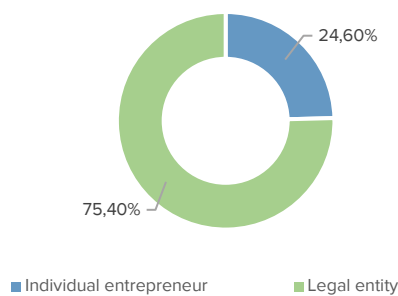
## 6.5. The NDI and the Zaporizhzhia Regional State Administration Joint Programme as of 1 January 2026

<b>12</b> Number of authorised banks	<b>126</b> Number of MSME participants in the Programme	<b>178</b> Number of loan agreements	<b>451.1M</b> UAH Amount of loan agreements concluded	<b>2.53M</b> UAH Average loan agreement amount	<b>4.02M</b> UAH Amount of compensation paid to MSMEs
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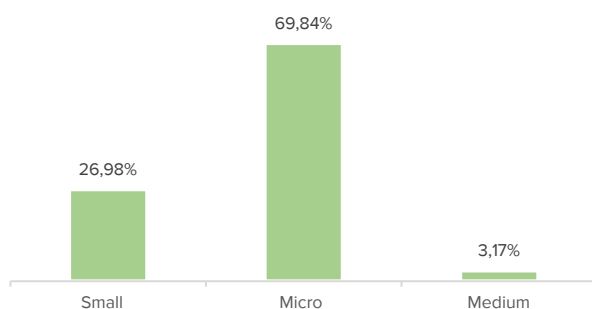
In September 2025, the NDI and the Zaporizhzhia Regional State Administration launched a Joint Programme in the Zaporizhzhia region to provide financial support to micro, small, and medium-sized enterprises amid economic challenges. The Programme provides for the compensation of part of the interest on loans, effectively reducing the interest rate to 0% per annum, but not exceeding 50% of the base interest rate set by authorised banks. Support is provided under the “Affordable Loans at 5-7-9%” Programme to finance investment projects and working capital for businesses — both legal entities and individual entrepreneurs. A mandatory condition for participation is maintaining or restoring the wage fund to the level of the same period of the previous year, underscoring the Programme’s social focus. The compensation is provided under the measure specified in paragraph 1 of Section V of

the Comprehensive Programme for the Development of Small and Medium-sized Enterprises in the Zaporizhzhia Region for 2025–2027. Entities eligible for compensation are those that have entered into a valid loan agreement with an authorised bank under the “Affordable Loans at 5-7-9%” Programme: with a loan amount of up to UAH 5M — to finance investment objectives and/or replenish working capital; and enterprises with loans exceeding UAH 5M that have already received interest rate compensation in 2024 under the Programme for 2021–2024. Such entities are eligible to continue receiving financial support in 2025 for up to 12 months, starting from the first month in 2024 for which compensation was paid. This approach ensures continuity of business support and creates the conditions for the stable operation of enterprises in the region.

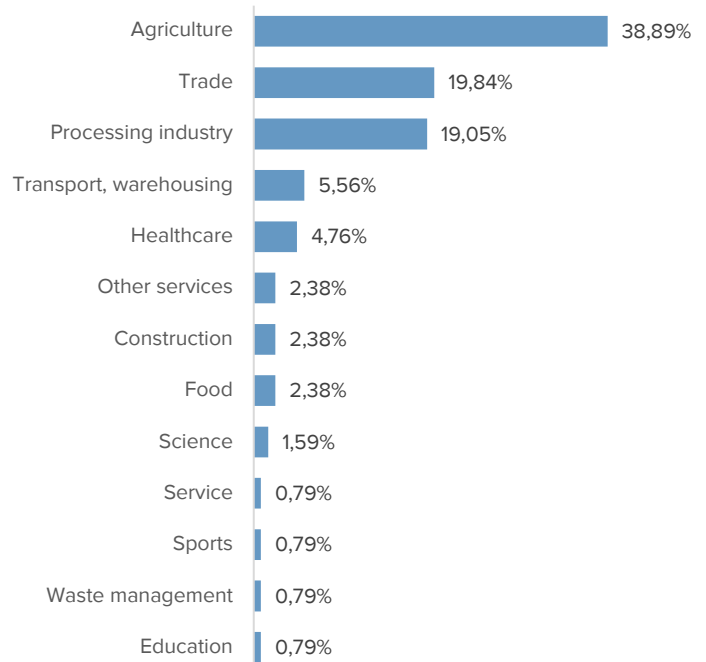
Programme participants’ makeup by type of MSME, %



Programme participants’ makeup by MSME segment, %



Loan agreements by type of business activity, %



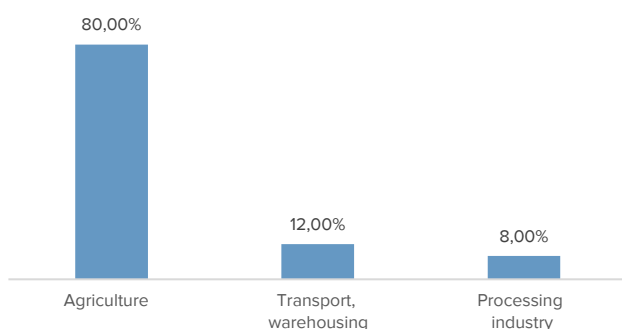
## 6.6. The NDI and the Cherkasy Regional State Administration Joint Programme as of 1 January 2026



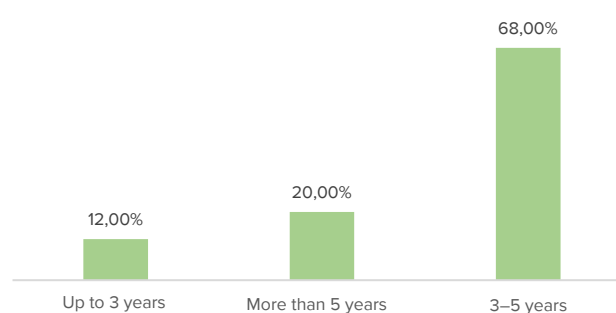
In April 2025, the NDI and the Cherkasy Regional State Administration launched a Joint Programme in the Cherkasy region to stimulate investment activity among micro, small, and medium-sized enterprises. The Programme provides for additional interest compensation of 5% per annum on loans attracted through authorised banks under the government’s “Affordable Loans at 5-7-9%”. The support is aimed at facilitating investment projects by legal entities and individual entrepreneurs who, under martial law, have created, restored or maintained jobs, including the wage fund. The mechanism for additional interest rate reimbursement is implemented as part of the Programme for the Development of Small and Medium-sized Enterprises in the Cherkasy Region for 2021–2026 and serves as a tool to encourage socially responsible business. A key element of the Programme

is the rating assessment of participants. For each MSME in the Cherkasy region participating in the “Affordable Loans at 5-7-9%” Programme that, during the period of martial law, has retained, restored or created jobs whilst maintaining or increasing the wage fund, a rating is determined based on clearly defined criteria. These include the actual number of jobs created or restored, and the volume of the restored or increased wage fund as at the end of each reporting quarter, compared to the pre-war level as at 1 February 2022. A separate, important aspect of the ranking is the social component: at least 1% of the enterprise’s staff must be combatants and/or persons with war-related disabilities. This approach combines financial support for businesses with efforts to address current social challenges, contributing to the sustainable recovery of the regional economy.

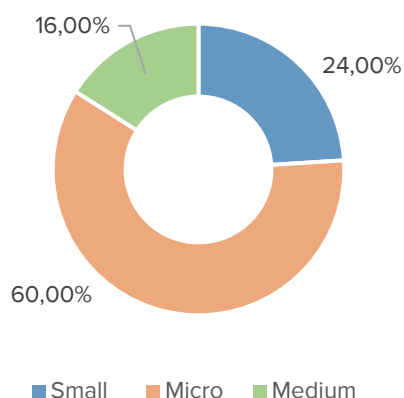
**Loan agreements by type of business activity, %**



**Loan agreements structure by maturity, %**






**Programme participants' makeup by MSME segment, %**



## 7. NDI risk management policy

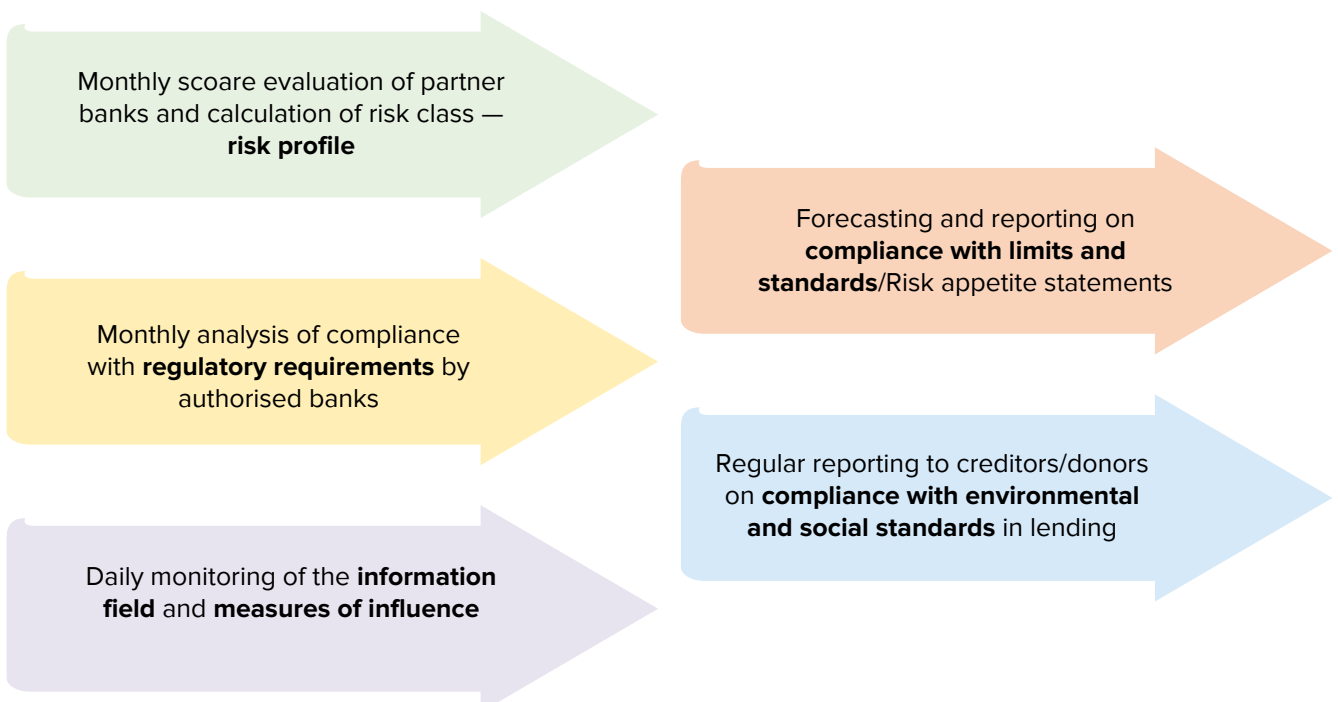
IMPLEMENTING THE PRINCIPLES. RISK ASSESSMENT TOOLS. THREE LINES OF DEFENCE.

### Implementing the principles of a risk-based approach

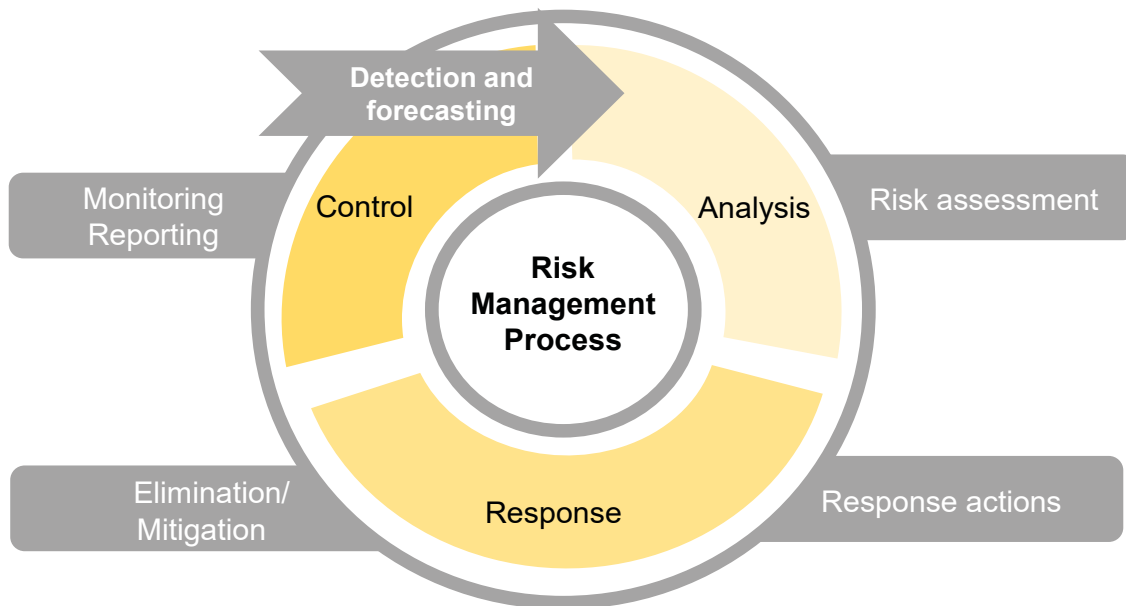
Main risks	Three lines of defence	Risk management
 <ul style="list-style-type: none"> <li>• Credit</li> <li>• Operating</li> <li>• Liquidity</li> <li>• Compliance</li> <li>• Reputational</li> <li>• Environmental and Social</li> </ul>	 <ul style="list-style-type: none"> <li>• Sorting out risk-taking and risk control</li> <li>• The compliance and risk manager is directly subordinate to the Board</li> </ul>	 <ul style="list-style-type: none"> <li>• Detection</li> <li>• Monitoring</li> <li>• Control</li> <li>• Risk mitigation</li> <li>• Measurement</li> <li>• Reporting</li> </ul>

SUPERVISORY BOARD/Risk Committee			Three lines of defence
<ul style="list-style-type: none"> <li>• Defining the Institution's development strategy</li> <li>• Approving new programmes, partners, agreements</li> </ul>			
First line of defence	Second line of defence	Third line of defence	
Senior executive management and department managers	Risk management and compliance	Internal audit	
<ul style="list-style-type: none"> <li>• Project implementation</li> <li>• Attracting resources</li> <li>• Managing liquidity</li> <li>• Support</li> <li>• Accounting records</li> <li>• Risk management and acceptance</li> </ul>	<ul style="list-style-type: none"> <li>• Identification</li> <li>• Control over compliance</li> <li>• Analysis and check</li> <li>• Forecasting and modelling</li> <li>• Solution proposals</li> <li>• Risk reporting</li> </ul>	Independent analysis of the internal control system and risk management effectiveness	

### Risk assessment tools



## RISK MANAGEMENT PROCESS



Credit	Operating	Liquidity	Interest rate	Currency	Eco-social	Compliance
<ul style="list-style-type: none"> <li>Assessment of the counterparty's financial capacity</li> <li>Monitoring of debt coverage by collateral</li> <li>Covenant control</li> <li>Exposure concentration assessment</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring business continuity of the NDI</li> <li>Preventive measures</li> <li>Monitoring of operational incidents</li> </ul>	<ul style="list-style-type: none"> <li>Forecasting of future cash flows</li> <li>Placing temporarily free funds in liquid instruments (withing the limits)</li> </ul>	<ul style="list-style-type: none"> <li>Modelling changes in market interest rates (UIRD, customer loans and EURIBOR)</li> <li>A reasonable limit on the gaps between interest-bearing assets and capital liabilities</li> </ul>	<ul style="list-style-type: none"> <li>Risk assessment and mitigation measures</li> <li>Measuring and forecasting the currency position and the hryvnia exchange rate</li> <li>Risk acceptance, hedging</li> </ul>	<ul style="list-style-type: none"> <li>Eco-social management system implementation monitoring</li> <li>Holding periodic forums with banks</li> <li>Handling complaints</li> </ul>	<ul style="list-style-type: none"> <li>KYC/AML customer identification and verification</li> <li>Preventing conflicts of interest</li> <li>Maintaining a strong business reputation among regulators and international partners</li> </ul>

## WORK WITH PARTNER BANKS

In 2025, due diligence was carried out in BANK CREDIT DNIPRO JSC. The NDI Board approved the bank for a partnership with the NDI in 2025 and the first loan agreement with the bank was signed in 2026.

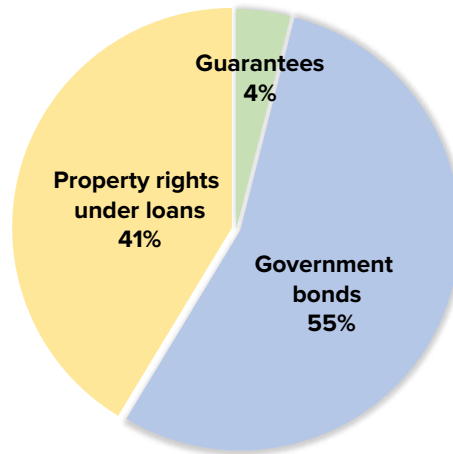
### State-owned



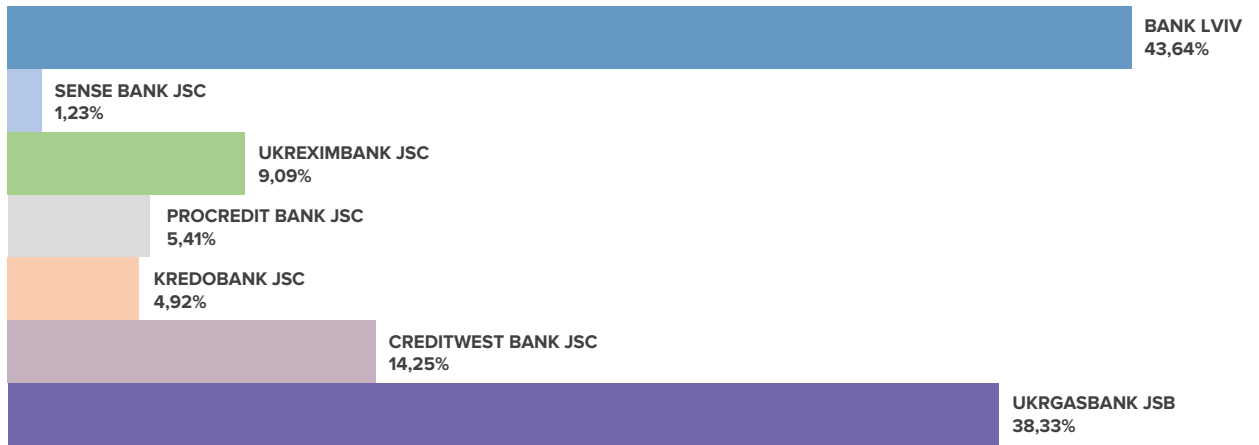
### Foreign



Structure of collateral for NDI loans to banks as of 01.01.2026



Portfolio concentration: the ratio of credit exposure to NDI capital as of 01 January 2026



ANALYSIS OF AUTHORISED BANKS PARTICIPATING IN AFFORDABLE FINANCING STATE PROGRAMMES BY RISK GROUPS\*

**Group 1**

- Steady state, high operating efficiency
- Loan portfolio with a small share of NPLs

**Group 2**

- Steady state, effective business model
- Satisfactory loan portfolio quality
- Minor risk in some areas of activity

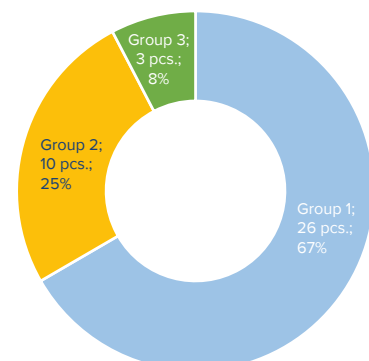
**Group 3**

- Steady financial state
- Viable business model
- Large proportion of NPLs

**Group 4**

- Banks have an inefficient business model
- Large proportion of NPLs
- High operational risk due to economic instability and/or applicable sanctions

The distribution of authorised banks by risk groups (number and share in total)



\* When analysing authorised banks participating in state programmes by risk groups, the internal Procedure for working with authorised entities to implement financial state support programmes is followed.

The National Development Institution introduces environmental and social assessments of borrowers by authorised banks to ensure their compliance with standards, and the development of corrective measures when providing financing to Ukrainian enterprises.



ANALYSIS OF SOME MACROECONOMIC INDICATORS

Diagram 1. Change in customer price index (as of the end of the period, % in annual terms) and inflation targets

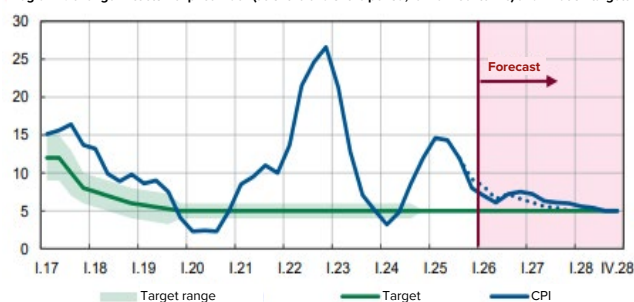
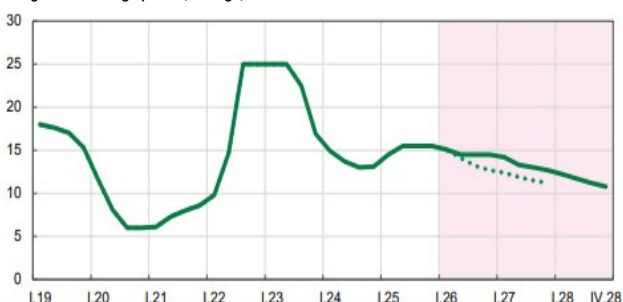


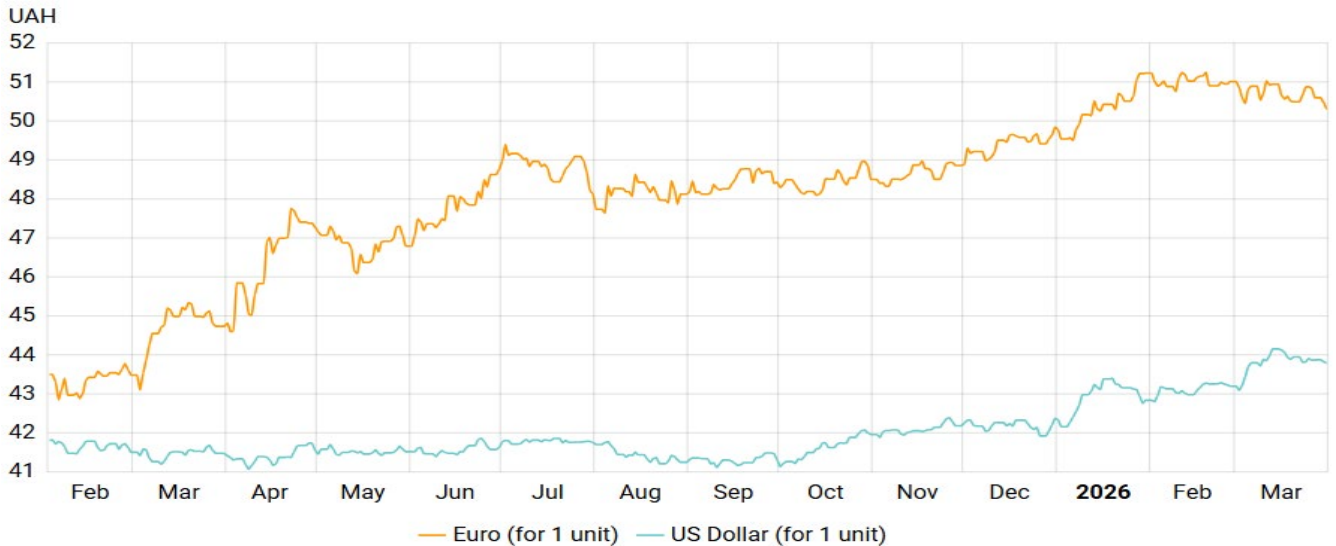
Diagram 2. NBU's graph rate, average, %



- In 2025, the NBU continued its inflation targeting regime, aimed at bringing inflation down to a single-digit level, forecast at around 8.7–9.2% by the end of the year.
- Changes in the discount rate correlate with changes in the pace of inflation. The discount rate is used by the NBU as a tool for controlling inflation. NBU's macroeconomic forecast suggests that the discount rate will be 14.6% in 2026 and 13.3% in 2027.

Outside the reporting period:

- In March 2026, inflation stood at 7.9% in annual terms, which was higher than the NBU's forecast. The main factors were rising fuel prices against the backdrop of the war in the Middle East and higher global oil prices, as well as an increase in the cost of transport services.
- The NBU Board decided to keep the policy rate at 15% from 20 March 2026. Provided that significant inflationary risks persist, the NBU will refrain from easing monetary policy. Should inflation rise, the NBU will be prepared to raise the policy rate and take additional measures to maintain price stability.



- A managed float regime for the hryvnia allows for exchange rate fluctuations in both directions, depending on changes in market conditions. Therefore, the NBU offsets the structural foreign exchange deficit in the private sector by channelling foreign currency from the public sector into the economy. One of the main sources of funding for the reserves is international financial assistance.
- According to the consensus expert forecasts, the **worst-case scenario suggests a 50-51 UAH to USD exchange rate by the end of the 2026**. Business devaluation expectations are 44.27 UAH/USD in February 2026.

**ANALYSIS OF SOME MACROECONOMIC INDICATORS: GDP GROWTH**

**Ukraine’s credit rating from international agencies:**

**Standard & Poor’s CCC+ with a stable outlook**

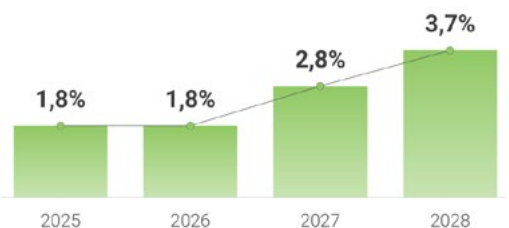
**Moody’s Ca with a stable outlook**

**Following the successful restructuring of a significant portion of Ukraine’s external commercial debt, Fitch Ratings has upgraded its Long-Term Foreign-Currency Issuer Default Rating (IDR) to «CCC» from «Restricted Default» (RD).**

This rating reflects substantial credit risk, with vulnerability to default depending on favourable economic conditions, the course of military events and continued financial support.

- Ukraine’s real GDP grew by 1.8% in 2025 compared with 2024, when growth stood at 3.2%. The economy is being supported by domestic demand and fiscal stimulus, despite occasional power cuts and labour shortages.
- **Positive influence factors: significant capital expenditure from the budget, business resilience, funding from international partners.**
- **Negative influence factors: energy shortages, infrastructure damage, labour shortages.**
- **The forecast for Ukraine’s real GDP growth in 2026, with ongoing hostilities and energy risks, is subdued and ranges between 1.2% and 2.5% according to estimates by leading institutions.**

- The EBRD has revised its economic growth forecast for Ukraine: real GDP growth is now expected to be 2.5% in 2026, assuming the war continues.
- The IMF forecasts that Ukraine’s real GDP will grow by 2% in 2026, indicating a gradual economic recovery; however, this figure has been revised downwards compared to previous estimates due to the prolonged conflict.
- Under the Government’s baseline scenario, real GDP is expected to grow by 4.5%. Should the complex security risks persist, the Government is considering a lower growth rate, estimated at 2.4% in some reports.



Source: NBU



## SUCCESS STORIES

### ARISE: sustainable solutions for business — implementing ESS in the agricultural sector

Even in the face of a full-scale invasion, Ukraine is choosing the path of sustainable development, where economic growth is inextricably linked to caring for people, the environment and future generations.

The agricultural sector plays a significant role in this, with the ARISE project helping to implement the World Bank's environmental and social standards, thereby enhancing companies' accountability, transparency and resilience.

Thanks to the «Affordable Loans 5-7-9%» programme, of which the ARISE project is a part, businesses are investing in modernisation, workplace safety and «green» technologies, adhering to the ESS and developing production responsibly.



ARISE is a partnership between business, government and communities for a strong economy and a sustainable future for Ukraine.

Watch the video to see how companies are becoming more efficient, communities are reaping social benefits, and Ukraine is taking steps towards a sustainable economy with the help of ARISE.

Watch video:







## 8. Implementation of the Environmental and Social Management System in the NDI and authorised banks

In 2025, the National Development Institution (NDI) continued the systematic implementation of the World Bank’s environmental and social standards as part

of the “Affordable Loans 5-7-9%” State Programme implemented under Resolution No. 28 of the Cabinet of Ministers of Ukraine.

### ESTABLISHMENT OF THE ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM (ESMS)

To ensure compliance with international requirements, the NDI has developed and implemented its own Environmental and Social Management System (ESMS), which integrates:

	The World Bank’s environmental and social standards;
	IFC approaches to environmental and social risk management;
	Risk assessment mechanisms when lending;
	Monitoring and reporting procedures.






NUI’s ESMS extends to authorised partner banks participating in the “Affordable Loans 5-7-9%” Programme. As part of the Programme, banks have gradually integrated their own environmental and social management systems into loan analysis and decision-making processes.

### KEY AREAS OF IMPLEMENTATION

While implementing the Programme, the NUI’s ESMS ensured:

	Development of environmental and social policies;
	Approval of environmental and social assessment procedures;
	Implementation of the World Bank Exclusion List;
	Training and advisory support for partner banks;
	Monitoring of environmental and social risks in the loan portfolio;
	Implementation of grievance mechanisms;
	Integration of requirements regarding occupational health and safety, non-discrimination, and engagement with stakeholders.

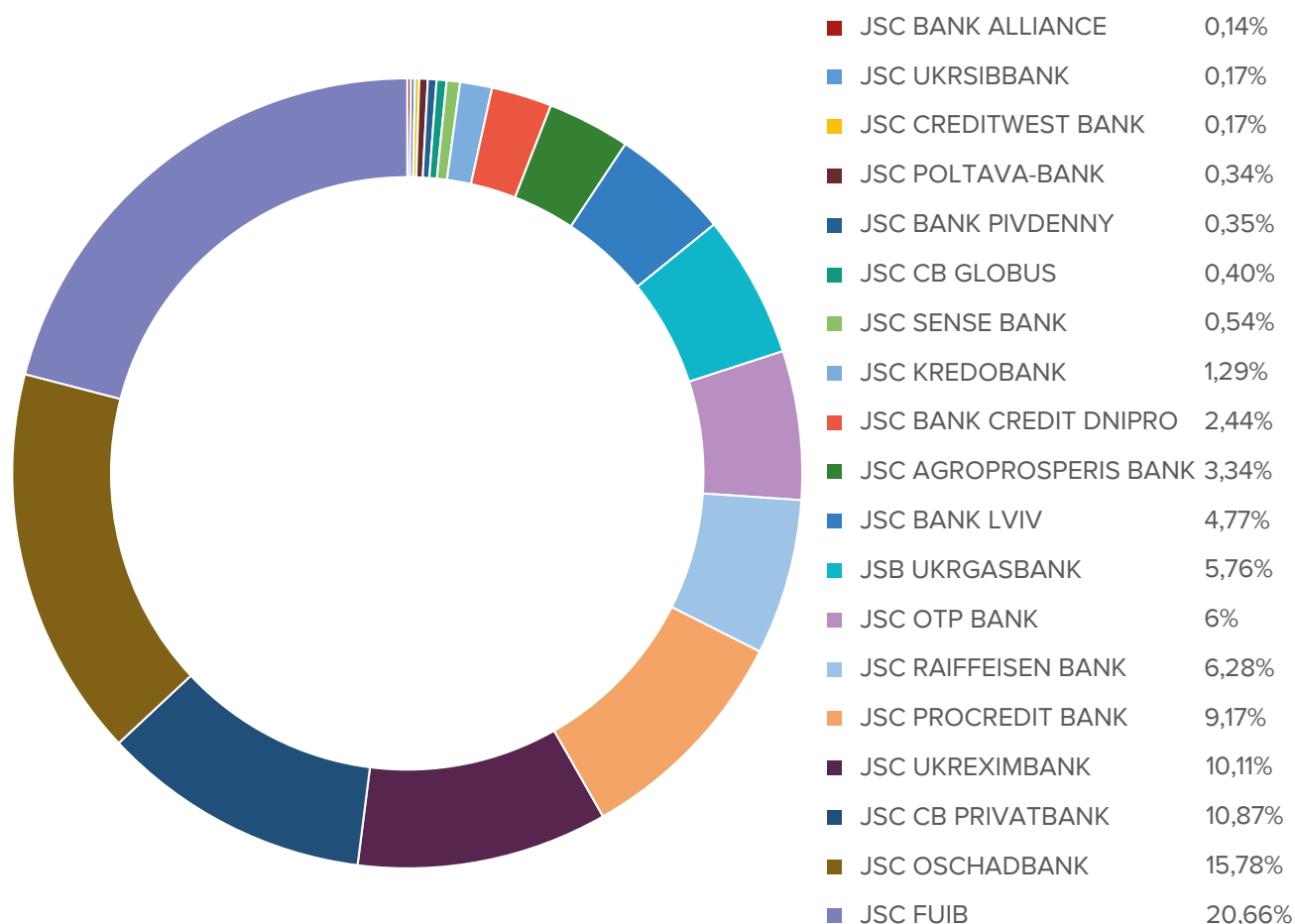
Particular attention was paid to assessing:

	Environmental impact;
	Working conditions and occupational health and safety;
	Risks to local communities;
	Compliance with requirements regarding prohibited activities;
	Wartime risks and business energy resilience.

NDI ensured continuous interaction with authorised banks through:

- Training sessions and webinars;
- Individual consultations on complicated cases;
- Banks’ quarterly reports review;
- Monitoring the ESMS implementation.

Percentage of partner banks that carried out environmental and social (E&S) assessments of MSME projects under the Affordable Loans 5–7–9% Programme:



Throughout 2025, environmental and social assessment was a mandatory element of funding under the “Affordable Loans 5-7-9%” Programme for agricultural projects meeting the requirements of international partners and donor programmes.

### ESG AND SUSTAINABLE DEVELOPMENT SUPPORT

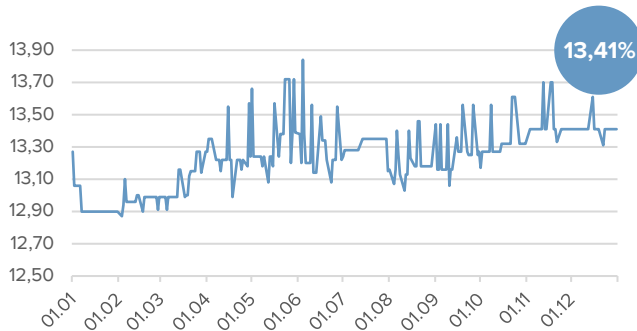
The integration of environmental and social standards contributed to:

- ➔ Risk management quality improvement;
- ➔ Responsible funding development;
- ➔ Aligning Ukraine’s banking sector with international ESG approaches;
- ➔ Supporting the sustainable development of small and medium-sized businesses;
- ➔ Increasing the investment attractiveness of Ukrainian business.

In the context of war and energy challenges, the NDI also paid great attention to funding business energy resilience projects, in particular the purchase of generators and power equipment, while ensuring proper environmental and social assessment of such projects.

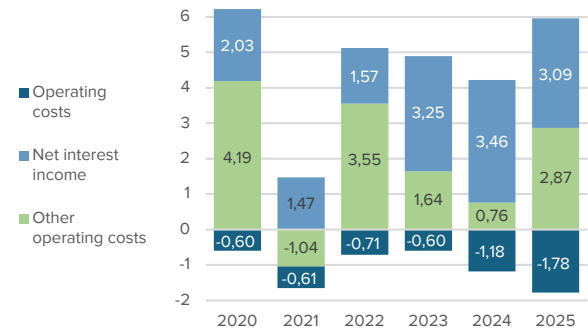
## 9. Financial statements of the National Development Institution for 2025

Trends in the UIRD Index (3-month) throughout 2025



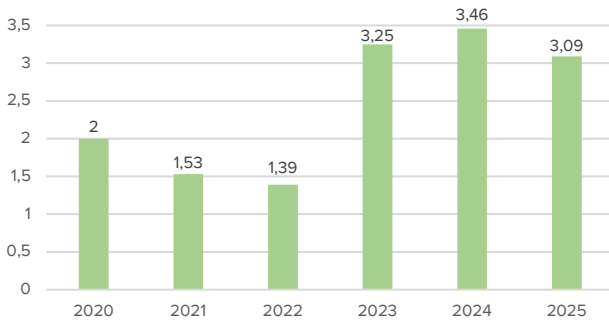
In 2025, the UIRD (3-month) index showed minor swings between 12.9% and 13.8%. Overall, the average index remained at 13.3% and was 13.41% by the end of the year.

Breakdown of net profit/loss from lending transactions, EUR million



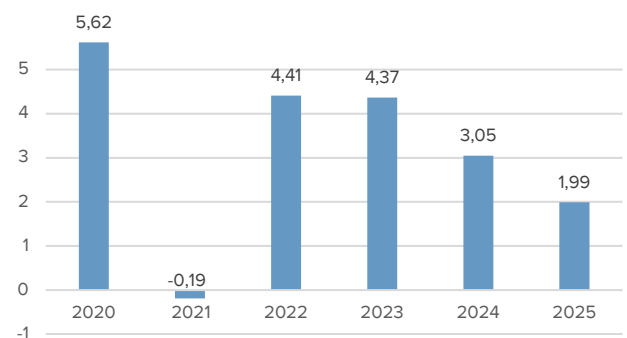
2025 was the first year since the start of the military aggression in which net profit from lending transactions showed a positive trend.

Net interest income, EUR million



The trend in net interest income correlates with changes in euro to hryvnias exchange rate. Specifically, as the exchange rate increased by 13%, net interest income decreased by 12%.

Net profit/loss from lending transactions, EUR million



Net profit from lending transactions was derived entirely from NDI's core business activities, specifically from net interest income.

No substantial changes occurred in the equity of the National Development Institution as of the end of 2025, and it amounted to EUR 67.09 million. Retained profit has remained the only driver of equity growth, and, despite the gradual increase in the exchange rate, it continues to increase from year to year due to success in NDI's key operating activities.







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