



Part-financed by the European Union
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KredEx improves living environment

Credit and Export Guarantee Fund KredEx

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Loan funding for energy efficiency:

1. ERDF to equity of the fund

ERDF
EUR 17 Million

KredEx
(Fund)
EUR 49 Million

**2. Additional funding
up to 50% of total**

Development Bank
(CEB)
EUR 29 Million

**3. Favorable funding
to the commercial
banks**

Swedbank

SEB

State guarantee

Apartment Building
Apartment Building
Apartment Building

Apartment Building
Apartment Building
Apartment Building

**4. Loan to the
apartment
associations.
Commercial
Bank takes the
risk of the
lenders**

Status

- **Contracts:**
 - CEB and KredEx – signed
 - KredEx and State – signed
 - KredEx, State and banks – signed
 - State and CEB – waiting for conformation from Ministry of Justice
- **Banks are taking applications, contracts can be signed after last signature (~ 15.06.2009)**

Credit from Fund to the Bank

- Credit to 2 banks
- Maturity: 20 years
- Annuity loan
- Maximum limit of risk margin for Banks
- Terms for credit to multi-apartment buildings
- Fixed interest rate
- Bank is responsible for credit risk of multi-apartment buildings

Credit to apartment buildings 1

- **Main purpose - energy efficiency measures:**
 - to save at least 20% of energy in buildings up to 2000 m²
 - to save at least 30% of energy in buildings more than 2000 m²
- **First down-payment 15% (self-financing)**
- **Energy audit is obligatory**
- **Renovation according to energy audit (by priorities)**
- **Loan period: up to 20 years**
- **Interest rate: up to 4,8% (first tranche) fixed 10 years**

Credit to apartment buildings 2

- A complete design of reconstruction works if energy audit was drafted after 7.05.2009
- Building company: has to be entered into the register of economic activities and has paid state taxes
- No prepayment
- Multi-apartment buildings should have at least 3 apartments and apartment association or community of apartment owners
- Credit is given against cash flow – no collateral is needed

Selection of works

- Thermal insulation of the roof
- Thermal insulation of the walls/facade
- Thermal insulation of the cellar/roof ceiling
- New windows / staircase windows /outdoors
- New heating system/renovation of the heating system
- Renovation of the ventilation system / new ventilation system
- Installation renewable energy devices

Obligations of end beneficiaries

- **To report energy consumption (3 years before + loan period) (via internet)**
- **To present all building contracts and reconstruction budget**
- **Information about using ERDF funds**
- **KredEx can do the spot verification**
- **Other loan obligations**

Obligations of banks

- **Monthly reporting about loans given**
 - Information about building
 - Description of investments
 - Number of dwellings concerned
 - Date of energy audit, savings
 - Total investment cost
 - Loan amount
 - Supplementary Bank loan
 - Loan maturity
 - Loan interest rate / margin
- **KredEx can carry out audits in banks**
- **Loan is given in maximum 8 tranches, next tranche available after previous is used**

SF loan vs usual loan

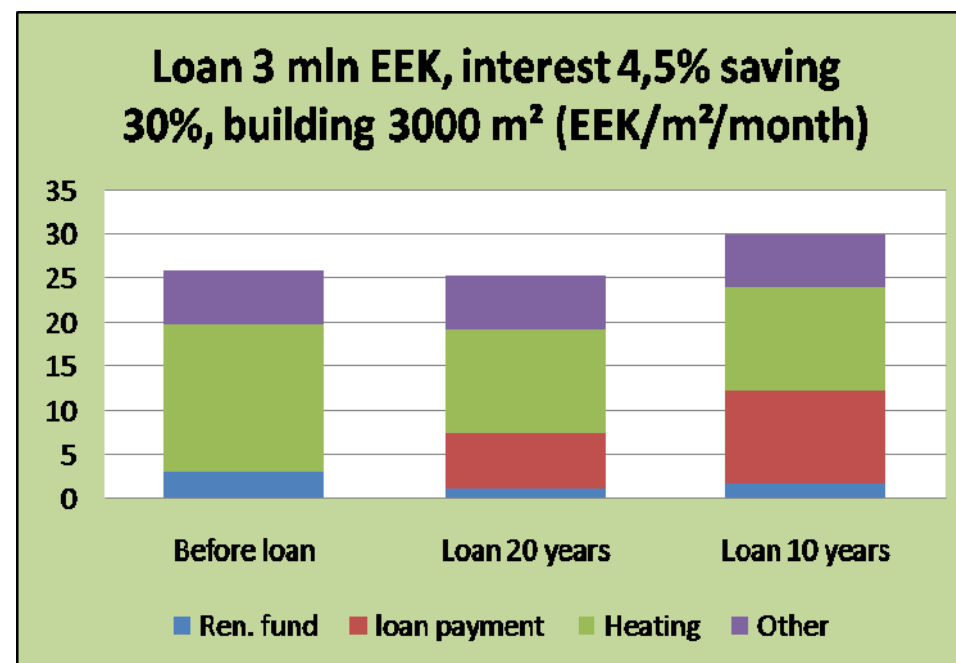
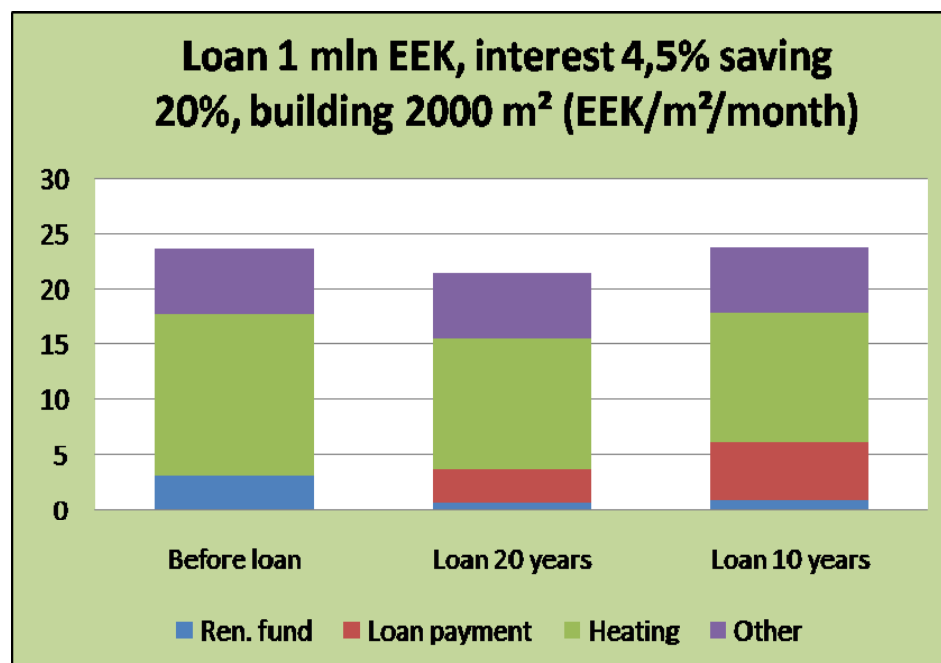
SF loan

- **Interest:**
 - Fixed for 10 years
 - Between 4,3 – 4,8%
 - Interest on 64 000 € loan
4,5% 10 years **15 573 €**
- **Contract fee:**
 - 0,5% - 0,75% from loan amount
- **Maturity:**
 - Up to 20years

Usual loan

- **Interest**
 - Fixed for 5 years or floating
 - Interest ~ 7-10%
 - Interest 64 000 € loan 7%
10 years **25 137 €**
- **Contract fee :**
 - Up to 1% from loan amount
- **Maturity:**
 - Average 2008: 11,8 years

Burden of payments



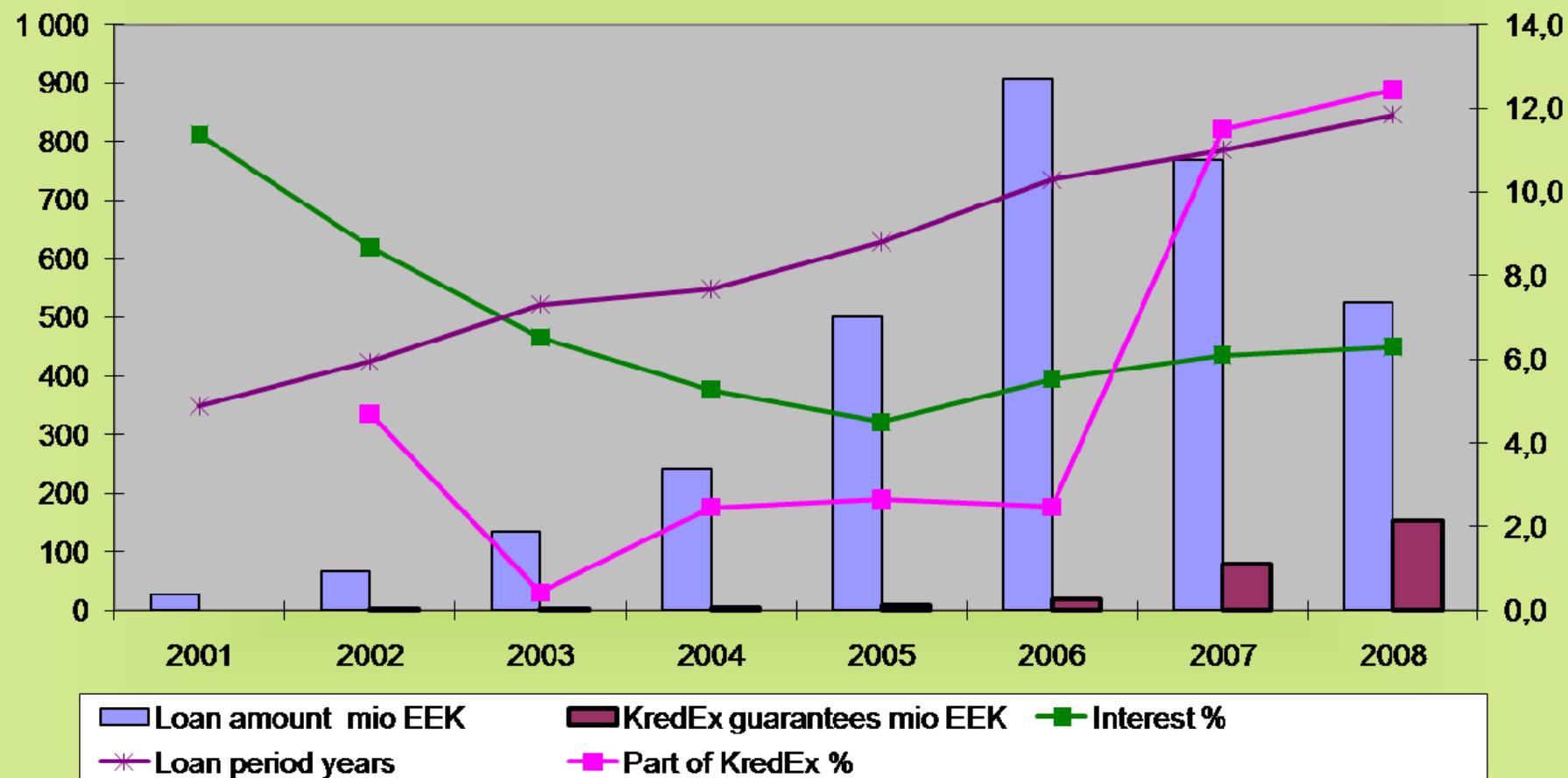
Information to market participants

- **Press-conference on 25.05.2009**
- **Coverage on biggest newspapers (Äripäev, Postimees, Radio)**
- **19 presentations to end beneficiaries, builders, energy auditors, project designers, local municipalities**
- **Advertisements in local and Estonian newspapers, magazines, internet, direct mailing**

Situation in Estonia

- **Bad economic situation, especially in building sector**
- **Prices in building sector are falling (~ 30%)**
- **New loan scheme will have positive impact on labour market and building sector**
- **Interest rate is very good comparing to the market interest**
- **At the moment (during 1 week) ca 55 applications, 7 mln €**

Credits to apartment buildings



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