Public Information Summary

Host Country	Ukraine
Name of Guaranteed Party	JSC Kredobank
Project Description	Ten-year, 80% coverage Loan Portfolio Guaranty ("**LPG**") to support bank lending to small and medium-sized enterprises ("**SMEs**") across Ukraine. At least 25% of the loans under DFC coverage must be made to small businesses operating across the agricultural value chain in Ukraine (the "**Project**").
Proposed DFC Guaranty	10-year, $40,000,000 LPG
All-Source Funding Total	$50,000,000
Policy Review	
Developmental Objectives	Ukraine's SMEs, key drivers of the economy which already faced a $29.3 billion finance gap equivalent to nearly 20% of GDP prior to Russia's invasion, have been heavily impacted by the ongoing war. Commercial lending to this segment has largely ceased while 10% of SMEs remain suspended or on the verge of closure. Agricultural sector SMEs are particularly constrained due to limited credit history and challenges meeting collateral requirements in the context of Ukraine's regulatory environment. In response to this challenge, the Project is expected to have a positive development impact by de-risking SME lending for a systemically important Ukrainian bank, increasing access to finance for SMEs through a local commercial lender and thus also supporting the stabilization of the domestic economy. The Bank expects 25% of loans covered under DFC's guaranty to reach rural SMEs and has set a 25% target for lending to the agricultural sector, which was disproportionately impacted by the Russian invasion. Given the Project's characteristics, it is categorized as Highly Impactful per DFC's Impact Quotient.
Environment and Social Assessment	The Project has been reviewed against the DFC's 2020 Environmental and Social Policies and Procedures manual ("**ESPP**") and has been determined to be categorically eligible. DFC loan portfolio guaranties to financial institutions in support of small and medium enterprise lending are screened as a Financial Intermediary C (FI-C) for environmental and social assessment. These downstream investments are expected to result in minimal adverse environmental and social impacts. Therefore, all of those downstream investments have been pre-screened as low risk and further review and consent is not required for these investments.

	To ensure that the Guaranteed Party's investments are consistent with DFC's statutory and policy requirements, the DFC loan will be subject to conditions regarding the use of proceeds. The primary environmental and social issues identified in this transaction relate to the need for an Environmental and Social Policy ("**ESP**") that meets the 2012 IFC Performance Standards. Under the DFC's ESPP, the Guaranteed Party is required to comply with applicable local and national laws and regulations related to environmental and social performance and applicable provisions of the 2012 International Finance Corporation's Performance Standard ("**PS**") 1 and 2. A desk-review based due diligence assessment indicates that because the Project will use DFC support to expand lending in Ukraine, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples, and cultural heritage are not anticipated; therefore, PS 3, 5, 6, 7, and 8 are not triggered at this time. The Guaranteed Party does utilize private security and therefore, relevant aspects of PS 4, Community Health, Safety and Security are triggered. The Guaranteed Party has an Environmental and Social Risk Policy, grievance mechanisms, and human resources policies generally commensurate with its investment strategy, but that will require updating and strengthening meet the expectations listed in the DFC's 2020 Environmental Policy and Procedures and IFC PS 1.