

 Early Warning System

DFC-2024-PROCREDITBANK

ProCredit Bank Ukraine



Quick Facts

Countries	Ukraine
Financial Institutions	US International Development Finance Corporation (DFC)
Status	Active
Bank Risk Rating	C
Borrower	JSC ProCredit Bank
Sectors	Finance, Industry and Trade
Investment Type(s)	Guarantee
Investment Amount (USD)	\$ 28.00 million
Project Cost (USD)	\$ 56.00 million



Project Description

According to the Bank's website, the project consists of a 10-year loan portfolio guaranty with variable rate coverage of either 50% or 80% to support lending to small and medium-sized enterprises ("SMEs") in Ukraine.

The Project is expected to have a positive development impact in Ukraine by helping to address the country's SME financing gap, which is estimated to be at least \$30 billion, equivalent to 33% of GDP. As a significant contributor to Ukrainian productivity and employment, SMEs have increasingly faced access to finance challenges since Russia's invasion in February 2022 and are oftentimes considered too high risk for local financial institutions. The need for financing has become particularly acute for the country's agricultural sector, which before the war produced 10% of country's GDP but as of February 2023, has sustained an estimated \$8.7 billion in total conflict-related damage. In response to this challenge, the Project will de-risk SME lending, in particular SMEs operating in the agricultural sector, thus increasing liquidity and demonstrating to local banks as well as potential international lenders the ability of the Ukrainian financial sector to deploy capital to this critical enterprise segment of the economy.



Early Warning System Project Analysis

DFC loan portfolio guarantees for financial institutions to expand their SME portfolio 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 those downstream investments have been pre-screened as low risk and further review and consent is not required for these investments.



Investment Description

- US International Development Finance Corporation (DFC)

A 10-year \$28 million loan portfolio guaranty.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [PROCREDIT BANK JSC](#) (Financial Intermediary)



Private Actors Description

JSC ProCredit Bank Ukraine ("PCBU", the "PFI") is a 100%-owned subsidiary of ProCredit Holding AG, and a leading SME lender in Ukraine. With EUR 1,034M in total assets as of YE24, PCBU was among top 15 out of 61 banks operating in Ukraine with ca. 1.2% market share.



Contact Information

No contacts available at the time of disclosure.

ACCESS TO INFORMATION

Unlike many other development finance institutions, DFC does not currently have an access to information policy.

Under the United States Freedom of Information Act (FOIA), DFC is obliged to respond to reasonably formulated requests for Agency records. However, DFC may apply exemptions from release to certain types of information and may charge fees in responding to requests. DFC has a designated FOIA officer who is trained in how to respond to requests and implement the law. You can learn more about filing a FOIA request at: <https://www.dfc.gov/foia>

ACCOUNTABILITY MECHANISM OF THE UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC)

The Office of Accountability is an independent office that addresses complaints about environmental or social issues related to DFC-supported projects. The office provides communities an opportunity to have concerns independently reviewed and addressed. If you submit a complaint to the Office of Accountability, it may assist you by either seeking to address your problems by facilitating a problem solving dialogue between you and those implementing the project and/or investigating whether the DFC complied with its policies to prevent environmental, social, human rights, and labor harms.

You can find more information about the Office of Accountability at: <https://www.dfc.gov/who-we-are/office-accountability>



Bank Documents

- [Project Disclosure](#) [\[Original Source\]](#)