

 Early Warning System

DFC-2024-SPARKASSEBANK

Sparkasse Bank



## Quick Facts

Countries	Bosnia and Herzegovina
Financial Institutions	US International Development Finance Corporation (DFC)
Status	Active
Bank Risk Rating	C
Borrower	Sparkasse Banka
Sectors	Finance, Industry and Trade
Investment Type(s)	Guarantee
Investment Amount (USD)	\$ 5.00 million
Project Cost (USD)	\$ 10.00 million



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## Project Description

According to the Bank's website, the project consists of a loan Portfolio Guaranty to promote access to finance for Diaspora linked and for green MSMEs in Bosnia and Herzegovina.

The MSME financing gap in Bosnia and Herzegovina (BiH) is estimated to be \$775 million, or 5% of GDP. The Bosnian diaspora, numbering 2 million people and making it one of the largest in the world, contributes significantly through remittances but faces challenges in securing formal bank financing in BiH due to a lack of local credit history and collateral.

The Project will address these challenges by enabling the Borrower to lend to MSMEs that are either owned or otherwise linked to the country's diaspora communities located outside of BiH.



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## Early Warning System Project Analysis

DFC loan portfolio guaranties to Financial Institutions for the expansion of their small and medium size enterprise loan portfolio (“SME”) 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.



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## Investment Description

- US International Development Finance Corporation (DFC)

\$5.0 million, 8-year 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.

- [Sparkasse Bank d.d.](#) (Financial Intermediary)



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### Private Actors Description

*Sparkasse Bank d.d.* is the 5th largest lender in Bosnia and Herzegovina by assets (5.2% market share) and by loan portfolio (5.6% market share) as of end-2020. The bank offers universal banking services to corporate, SMEs and individual clients through a network of 40 branches and outlets managed by the head office in Sarajevo and served by 530 employees. Sparkasse Bank d.d. is 100% owned by Steiermarkische Bank und Sparkassen AG, Austria.



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## 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>



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## Bank Documents

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