Early Warning System

EBRD-54477

RLF-RLG, EaP SMEC - ProCredit Bank Ukraine 2023

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Quick Facts

Countries	Ukraine
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Proposed
Bank Risk Rating	U
Voting Date	2023-07-28
Borrower	ProCredit Bank Ukraine JSC
Sectors	Agriculture and Forestry, Finance, Industry and Trade
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 8.13 million
Project Cost (USD)	$ 32.53 million

Project Description

According to the EBRD, the project consists in a Resilience and Livelihoods Guarantee in the form of an unfunded risk-sharing instrument covering up to 50 per cent of the credit risk in newly originated sub-loans with the total value of EUR 30 million equivalent to be originated by PCBU subject to total 50 per cent of portfolio cap.

The Project will include a sub-limit under the SME Competitiveness Programme in the European Union's Eastern Partnership ("EaP SMEC" sub-limit, assigned with a separate EBRD project number 54726) of up to EUR 4.5 million or 15% of the Covered Portfolio to finance long term capital investments of micro-, small-, and medium sized enterprises to upgrade their technologies and equipment to EU standards, including investments in sustainable and green technologies (70% of EaP SMEC sub-limit), thereby enhancing businesses' competitiveness. Eligible sub-borrowers will also receive technical assistance funded by the EU and grant support in the form of investment incentives upon the completion of their investment projects.

The facility will be used to support lending to Ukrainian private companies operating in the primary and secondary agriculture and other critical industries (inter alia food processing, retail, logistics), with the ultimate goal of preserving livelihoods in Ukraine.

Investment Description

- European Bank for Reconstruction and Development (EBRD)

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

As stated by the IFC, PCBU is a 100%-owned subsidiary of ProCredit Holding AG & Co. KGaA and one of the market leaders in financing of small and medium-sized businesses in Ukraine.

SMEs account for more than 99% of the loan book. With USD 1,032M in total assets as of 1Q2023, PCBU was among top 15 banks out of 65 operating in Ukraine with ca. 1.4% market share. The bank offers all types of conventional banking products (e-banking, cards, domestic and international payments; payroll services, documentary business and trade finance, as well as savings and personal banking services) to its 5,000 SMEs and more than 20,000 private clients through 8 outlets.

Most of services are offered through a unified e-banking platform that the Group developed internally.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	ProCredit Holding AG & Co. KGaA	Parent Company	Finance

Contact Information

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ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form: https://www.ebrd.com/eform/information-request

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: pcm@ebrd.com or you can submit a complaint online using an online form at: http://www.ebrd.com/eform/pcm/complaint_form?language=en

You can learn more about the PCM and how to file a complaint at: http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html